

Fellow TPSA Members,

For those of you who were unable to attend the 2015 Annual Membership meeting held on September 18, 2015, the board presented to the members an overview of obstacles that have been holding the Association back from adequately providing for its members. The essence of our obstacles, unfortunately, is financial, and as the TPSA Treasurer (by appointment in July 2015), it is my duty to make the members aware of our current status.

In preparation for the 2015 Annual Convention, I was asked for a copy of our Tax Exempt Certificate to provide to the hotel. After asking other board members for the document and discovering that no one actually had a copy, I began research to see how I could obtain a copy of the certificate myself. In doing so, I discovered that the IRS had revoked our tax exempt status in 2013 due to our Association not having filed the required tax reports for multiple consecutive years. This discovery tied the board hands with regards to spending. Our ultimate goal immediately became "Let's fix this problem!", and we redirected all efforts towards educating ourselves so that we could fix the issue and bring the TPSA back up to speeds as a fully operation 501(c)(6), Business/Trade Organization.

Reobtaining our Federal Tax Exempt Status is no small feat. As you are well aware, our board of directors is comprised of a group of volunteers. We quickly realized that we, collectively, did not have knowledge or expertise to rectify the issue alone. With guidance from Keith Oakley, we were introduced to experts to help us with this issue. We have contracted Reitman Consulting Group to help us get the books together and prepare tax returns for the years that were overlooked. We also contracted the services of Maxine Aaronson, Attorney at Law who specializes in Federal Tax Planning and is an expert in working with Non-Profits.

As of September 22, 2015, all of the past due and overlooked tax reports were filed with the IRS. With each year overlooked, we submitted a total amount owed to the IRS. As of 10/7/2015, we have paid a total of \$18,230.00 to the IRS so far. We have also paid considerable sums to Reitman Consulting Group and Tax Attorney, Maxine Aaronson for their services and assistance in resolving this matter. As you can imagine, our TPSA Operations account has significantly reduced as a result of these payments.

In preparation for rebuilding the funds in our operating account, the members in attendance at the 2015 Annual Membership Meeting voted to raise the annual membership dues. There was much discussion on the topic, but ultimately, the vote was to raise the dues to \$125 per year. There are many of you out there who may be displeased with this vote and the severity of the increase in membership dues all at once. However, another vote was taken to implement an automatic renewal of all membership dues on March 1, 2016. I believe that we can implement the increased dues by prorating everyone's payments on the 1<sup>st</sup> of March, 2016. What this means is, if you are due to renew March 1, 2016, you would pay your full dues of \$125. If you are due to renew after March 2016, you will only pay the prorated amount of the first year's dues... so if you're due to renew on September 1, 2016, you would pay a prorated amount your dues from September 1, 2016 – March 1, 2017, so that your next membership renewal date will fall on March 1, 2017. So, you'd pay for 7 months instead of 12 months; and the prorated amount would be approximately \$72.92 for your renewal instead of the full \$125. We believe that implementing the prorated amount at first will help those who are struggling to pay their membership dues another year before the full amount hits them. By March 1, 2017, everyone should be due to renew paying the full dues of \$125.00, with exception of those who are brand new members.

We have also been concerned about the rate of \$125 being affordable for new process servers who want to become members of the TPSA. In the past, we have always offered some sort of discount for brand new process servers who join us. We will continue to offer a discounted initial membership to the TPSA for brand new process servers and will work hard to make sure that we continue to receive new members despite the rising cost of the membership dues.

Currently, Reitman Consulting Group is working with me to get the books and records for 2014 ready for filing the last year of un-filed tax reports with the IRS. We have a goal to have those mailed off to the IRS no later than 11/1/2015 along with whatever amounts we owe for that year. Once we have completed filing of all the past-due tax reports, we can then reapply for our non-profit status with the IRS as a 501(c)(6) Business/Trade Organization. With the help and advice of our Tax Attorney, I am confident that will be able to reinstate the non-profit status and move the TPSA forward and recover from this setback.

Current checking balance as of 10/7/2015 is \$18,469.74

Current savings balance as of 10/7/2015 is \$7,685.16

Current CD balance as of 10/7/2015 is \$10,449.66.

During the rest of my term as Treasurer, it is my intention to try to streamline the bookkeeping, utilizing automated integration with our bank and merchant services provider, in hopes of improving tracking of transactions and making it simpler to provide proper numbers for future tax reports. As a volunteer for the TPSA, I can tell you that the work that needs to be done is enough to hire a full-time employee just to data enter our invoices and expenses. We cannot expect that volunteers who may or may not have knowledge of bookkeeping can devote their services full time to maintain the Association's books. It is my hope that we will be able to afford a continuous contract with a professional bookkeeper who will manage and maintain the integrity of the books and remind the board of important and essential deadlines, so that the huge weight of this job does not solely fall on the shoulders of someone who is generous enough to volunteer to be the overseer of this Association's finances.

I'm proud to let you all know that the support of your fellow TPSA Members during this time of adversity has been amazing. We've got over 25 volunteers to help us start up some brand new committees to help bring more meetings, more education, and more business to our members! This is a great step toward a productive future for the TPSA. I am honored to be part of an organization whose members stand strong in troubled times, and I look forward to working with each and every one of the volunteers who have offered their time to help make this Association better for all of us.

Sincerely,

Jessica D. Jester Saucedo

2015-2016 TPSA Treasurer