

Approved Minutes Arizona Senior Academy Board of Directors Meeting February 7, 2024

Members Present: Brad Anderson, Diane Ashton, Stan Davis, Alain-Philippe Durand, Christopher Eustis, Gary Fenstermacher (interim president), David Hook, Kathleen Insel, Bill McCourt, Kristen Murray, Tim Schiffer (Vice Chair), Bruce Wright (Board Chair),

Members Absent: John Carruth, Susan Simmons

1. Meeting was called to order at 9:30 by the ASA Chair, Bruce Wright. He welcomed new board members, Diane Ashton, Alain-Philippe Durand, Kathleen Insel, Kristin Murray, and Tim Schiffer.
2. **Approval of minutes of previous meeting:** Moved (Anderson) and seconded (Fenstermacher) to approve minutes of meeting held October 25, 2023 with the correction to add the name of Chris Eustis as present at that meeting. Motion passed.
3. **Officer Reports:**
 - a. Chair Bruce Wright: no report
 - b. Vice Chair Tim Schiffer: no report
 - c. Interim President Gary Fenstermacher:
 - i. Fenstermacher explained the origin of the four working groups presenting recommendations to the board.
 - ii. He reported that payments from ASA to the Tomlinson Financial Group have been reduced to \$21,600 from \$36,000.
 - iii. He expressed his thanks to the current volunteers that keep the ASA running. By his calculations, a small number of volunteers do the work of approximately 4 full time 'employees', thus saving the ASA more than \$200,000.
4. **Overview of ASA programs for 2023**

The three volunteer program coordinators provided the board with brief annual reports on their respective areas. The following reports are included in attachment 1: ASA Activity Reports.

 - a. Lectures and classes (Charmaine Wellington)
 - b. Concerts (Leslie Nitzberg)
 - c. Audio-visual support (Jim Johnson, reported at the meeting by Gary Fenstermacher)
5. **Action Items**
 - a. An account was set up with the Southern Arizona Community Foundation a number of years ago when ASA was contemplating building a larger auditorium. Since a larger auditorium is no longer a financially feasible option for the Academy, Gary Fenstermacher asked the board for permission to move the funds (approximately \$64,325) from the Community Foundation to ASA's investment account at Vanguard Securities.

Moved (McCourt) and seconded (Anderson) to move the funds from the Southern Arizona Community Foundation-to ASA's Vanguard account. Motion passed unanimously.

- b. Revised Budget: At the October, 2023 annual meeting of the board, members rejected the proposed 2024 budget. By unanimous consent, obtained electronically in December, 2023, the Board approved adoption of the approved 2023 budget until such time as a revised, 2024 budget could be adopted. Gary Fenstermacher presented a revised 2024 budget, prepared with the assistance of the outgoing ASA treasurer, Jennifer Broden. This budget is based solely on monies from member dues; it does not include any donated funds.
 - i. The budget has a \$19,000 addition to the 'reserve' fund.
 - ii. The budget treats ongoing Academy initiatives under the heading of "Projects." Included in this category are such undertakings as the Art Wall, the Movie Programs, Fundraising endeavors, and Outreach.
 - iii. The budget reflects an increase in legal expenses, likely to result from seeking advice on various proposals put forward by the four ASA member Working Groups.
 - iv. It does not reflect \$244,899 in the Vanguard interest account.
 - v. While the new budget does not include donations, Tim Schiffer reported that there had been \$7000 received as a result of recent fundraising activities.
- c. Motion made (Ashton) and seconded (Davis) to approve the budget as presented. Motion passed.

6. Presentations from volunteer working groups

- a. Vicki Mitchell introduced the working groups by saying 30 plus people volunteered to help with 4 working groups: Finance, Membership, Marketing and Fundraising, and Governance.
- b. These groups were created to address a perception of a lack of transparency of ASA operations over the years, as well as the perception that the firm hired for ASA money management was too expensive relative to the scale of ASA's annual revenue.
- c. Mitchell indicated the groups had no intention to change the 501(c)(3) designation of ASA and had the best interests of the Academy in mind when making the following recommendations.
- d. Specific recommendations of the working groups are included as Attachment 2: Working Group Recommendations.
- e. Wright thanked the facilitators of the working groups and indicated the Board would hold a working meeting February 27 to begin to tackle some of these recommendations.

7. Call to Audience

- a. Three members of the audience spoke to a variety of issues.

Meeting adjourned at 11 am, and reconvened in executive session to discuss resignations from and appointments to the Boards of Directors of the Arizona Senior Academy and the Academy Services Corporation.

Following the executive session, president Fenstermacher returned to the public meeting room at 11:30 AM to announce the following:

- a. Resignations from the ASA Board: Jennifer Broden, as Treasurer, and Thomas Travis, Board member.
- b. Appointment to the ASA Board: Thomas Conley, Academy Village resident, to fill the unexpired term of Thomas Travis (until the next annual meeting, about October, 2024)
- c. Appointments to the Academy Services Corporation Board: Gerald Stump, Academy Village resident, and Lisa Israel, external member.

Submitted by Ann Ratcliff, Recording Secretary

Attachment 1

Arizona Senior Academy Activity Reports for 2023

2023 Annual Report: Programs (non-musical)

Charmaine Wellington, Ph.D.

Program Coordinator (Volunteer)

Lectures

Ninety lectures were scheduled over the course of 2023, mostly taking place on Monday and Wednesday afternoons. The lecturers were scheduled by Charmaine Wellington, Program Coordinator, based on her research about scholarly, civic and artistic activities going on in the Tucson area. She was also significantly assisted by suggestions from and scheduling by Arizona Senior Academy members. Topics ranged widely, from Deep Space Astrophotography to contemporary classical music.

One innovation in 2023 was the development of the “Deep Dive,” a series of lectures on closely related topics. The first “Deep Dive” series focused on “The Art of Photography,” and included two lectures by Rebecca Senf, curator of the U of Arizona Center for Creative Photography; a local photographer who specializes in nude portraits of senior women; a presentation of work by the Academy Village Photography Club; and a docent-led tour of the Center for Creative Photography. Another five-part “Deep Dive” was assembled by Diane Ashton, a retired psychologist; she brought together professional contacts from her career to talk about issues related to death, a subject needing to be explored more openly. Since the series, Dr. Ashton has held several monthly “Death Cafes,” moderated discussions in which participants explore their feelings about death and dying. The Sustainability Committee, under the leadership of Norm Scott with significant contributions by Denise Smith, has put together speaker series about sustainability issues, such as water harvesting and heat pumps, among other topics. The purpose of the “Deep Dive” concept is to encourage more integrative thinking as ASA members pursue lifelong learning. All lecturers were offered an honorarium of \$200, although some honoraria were declined. (See treasurer’s report for total.)

Here is data about live attendance for 2023

- Total Lectures: 90
- Total Attendance: 3,138
- Total In-Person Attendance: 2,381 (26 average in-person attendees per session)
- Total In-Person Guests Attendance (data from 26 sessions): 92 in-person guests (3.5 average in-person guests per session)
- Total Live Zoom Attendance: 665 (7-8 average)

Publicity and technical support efforts were essential to the delivery of these programs. The lectures were supported by the Audio-Video Tech Support team, led by Jim Johnson. Through their efforts, lectures were available via Zoom, both as live events and as recordings. Publicity for the lectures was in the form of concise, illustrated previews overseen by Previews Editor Rosemary Brown and her team of writers. They were posted on the ASA website, sent to ASA and guests via email, and they also were, in abbreviated form, published in the monthly Vail Voice, thanks to Deon Holt.

Classes

Several types of classes were mounted by the Program Coordinator Team, which included not only Charmaine Wellington, but also Susan Simmons, Margaret Benson and Diane Holtz. Face-to-face, instructor-led courses included a course in Beginning Spanish, as well as arts classes in colored pencil, Gestalt painting, paper quilling, and ukulele.

In the fall, Benson and Holtz initiated a “Second Saturday Arts Class,” which is organized and let by one or them or an instructor they have recruited and vetted; arts classes offered in 2023 included fused glass, ceramic tile painting, and Zentangle. The activities were chosen based on an interest survey of ASA members.

A second type of class is a live, instructor-led class accessed via Zoom from the Humanities Seminar program. Enrollees paid a portion of the discounted fee offered by the Humanities Seminar Program to attend five sessions of a course taught by Judge Greg Sakall on Supreme Court and Precedent. Enrollees could access the. online materials offered through HSP’s Learning Portal. Ten enrollees attended this prototype offering. The experiment in collaboration with HSP continues in the Spring of 2024.

Materials

ASA’s Programs budget has supported the purchase of arts tools for a variety of classes that are the property of ASA and housed in the HOA Activity Room. These tools comprise a library, so to speak, of equipment available to ASA members as they become acquainted with and develop the variety of skills being taught in the ASA and “Second Saturday Arts” classes. A partial list of these tool includes: 12 easels; a document camera; various glass cutting tools, desk lamps, clay extruder, lino cutter, rubber bryer, block printing press, hand mold papermaker. Materials to keep these tools organized, such as inexpensive plastic containers, were also purchased. Margaret Benson and Diane Holtz have been creative and inexhaustible in acquiring these tools, with significant assistance from Tremia Vague, of course.

ASA 2023 Annual Report – Music

Weekly concerts, Occasional additional concerts in given weeks

Leslie Nitzberg, Music Liaison

Total # concerts: 56 -of which 3 were made possible by donor sponsors. -Performers include UA faculty and exceptional music students (taking advantage of our affiliated relationship with the univ, established by H Koffler when creating the ASA), also local Tucson musicians, and visiting artists (thanks to referrals from and connections with local artists). Also, established relationship with SAACA and ASA sponsorship of Tucson Folk Festival, creating broader visibility of the ASA in the greater Tucson area.

Musical Genres: 8

Classical: 19

Jan 11 TSO Wind Quintet (Annual Donor Appreciation Concert) – sponsored Prewitts

Feb 10 Takuma Trio – Tchaikovsky Piano Trio

**Feb 17 (bonus) Piatigorsky Foundation on Tour – cello and piano

*Mar 3 UA faculty artist Ted Buchholz & visiting artists – Piano Trios

Mar 8 Andres Pantoja Solo Classical Guitar

*Mar 24 UA Visiting guest cellist Lawrence Stomberg Cello & Piano

May 12 Tentser/Gendler/Marshall Trio – Beethoven Archduke Piano Trio

May 19 Zach Warren Chamber Quartet – sponsored Amelia Lam

May 30 UA faculty artist Classical Guitar Puerta-Vazquez Duo

Jul 14 UA faculty artists Jackie Glazier Clarinet & Daniel Linder Piano

Aug 11 Leslie Carter Double Bass & Woan Ching Lim Piano

Aug 13 Tagawa Ensemble – Brahms Piano Quintet – sponsored Shepard

Sept 1 Ji-Young Kim & Kathryn Lieppman Piano 4 Hands

Oct 5 (bonus) Welsh Baritone Jeremy Huw Williams & pianist Daniel Linder – English Song

Oct 6 UA Graduate student Facundo Martinez Classical Guitar

Oct 13 Sheryll McManus Solo Piano

Nov 3 UA Graduate String Trio

Nov 29 Fred Fox Graduate Brass Quintet

Dec 19 Nota Bene Trio – soprano, flute, piano – Holiday program

Jazz: 7

Jan 6 Tucson Latin Jazz Nonet

Feb 3 Matt Mitchell Trio

Jun 16 Organzola Trio

Jul 28 Hot Club of Tucson Trio – Gypsy Jazz

Sept 15 Duane Reilley Trio

Oct 20 Sly Slipetsky Solo Jazz Piano

Nov 17 Heather Hardy's Taste of Jazz

Classical/Jazz mix: 1

Jul 7 Christine Vivona Harp & Rob Boone Trombone/Piano

Acoustic Folk/Ethnic/World Music: 10

Feb 19 Q'iru Duet + Guest Percussion – South American traditional folk trio

Feb 24 (bonus) Canoe Dealers Folk Duo – Lena Schiffer & Ryan Ackerman

Mar 17 McCallion Irish Trio

*Mar 31 (bonus) Justin Farren – Tucson Folk Festival headliner

Apr 4 Gabriel Ayala Jazzmenco Guitar

May 5 Don Armstrong with Liz Cerepanya & Pete Ronstadt

Jun 9 Duo Chinoiserie – Chinese Guzheng & Classical Guitar

Jun 23 Steel del Sol – Caribbean steel drum trio

Aug 16 Borderlands Ensemble – contemporary American/Mexican composers

Sept 10 Grupo Riken – Caribbean/Latin American traditional folk

American Songbook: 2

Apr 28 Diane Van Deurzen & Lisa Otey

Sept 29 Bacharach Tribute Show

Rock/Blues/Americana: 12

Jan 20 Nancy & Neil McCallion Duo

Jan 27 Grams & Krieger Blues Duo

Mar 29 Heather Hardy & Alvin Blaine Duo

Apr 14 Cochise County All-Stars Quintet

May 26 Minute2Minute Band – funky folk/ethnic/rock

Jun 1 (bonus) Kiko Jacome Trio

Jun 30 Tirebiters Quartet

Aug 4 Morpholinos Quartet

Sept 22- Nick McBlaine & Log Train Quartet

Oct 27- Grams & Krieger Blues Duo with Ralph Gilmore drums

Dec 8- Bad News Blues Band -quintet

Dec 21 (bonus) Ryanhood (21st century Simon & Garfunkel)

Choral: 4

Jan 7 Vail Chorale (rescheduled from Dec 2022 Covid cancellation)

Apr 22 Vail Chorale Spring 2023 concert

Nov 4 Vail Chorale Fall 2023 concert

Dec 12 Arizona Women's Chorus Holiday Concert

Multi-media: 1

Aug 25 UA faculty composer electronic music & multi-media Kay He "StellarScapes"

Additional ASA Music Activity:

December – Sponsorship of 2024 Tucson Folk Festival (3rd year of continued collaboration with TFF)

Report on Audio-Video Activities for 2023

Jim Johnson

February 1, 2024

We successfully completed a project to replace 8 wireless handheld/bodypack microphones spanning three generations with 16 current generation microphones (8 handheld, 8 bodypack), retaining as many receivers and headsets as possible to reduce cost. As a result, all of the issues with supporting plays and meetings requiring multiple microphones have been eliminated.

In addition to upgrading wireless microphones, we added two wired mics to increase support for concerts, one for recording and another for vocals. Both have significantly improved AV support for concerts.

Since most of the lectures use powerpoint, the Great Room needs to be fairly dark for people to see the slides which makes it difficult to see the presenter. We now have two spotlights, one on each side of the room to illuminate the speaker without blinding them.

When the lease for our Konica copier expired it this year, we obtained competitive pricing for a replacement, settling on a Kyocera that reduced our annual lease costs by approximately \$1200 and cut our cost per copy in half with no loss of capability.

In March 2023, using no cost in-house resources, ASA added the capability to track hits for lectures recorded and uploaded to the ASA website. By July, the first 28 lecture recordings set up for tracking showed a total of 257 hits. Those same lectures showed an increase of 530 hits on 1 Feb of this year, showing the value of providing these recordings both to villagers and the public. The total hit count for the 60 lectures currently being tracked is 1113.

There are two projects contracted for last year that are pending equipment delivery and installer availability: Replacing the speakers in the North Seminar room and simplifying the control panel interface used by volunteers to run the Audio Visual equipment for lectures, meetings, and concerts.

Attachment 2

Arizona Senior Academy Working Groups Recommendations

~ Acknowledgements ~

Those involved with this project would like to thank the current and former Directors of the Arizona Senior Academy. The ASA has grown and thrived for over two decades under their leadership.

We'd like to thank the ASA members and AV residents who stepped up to lead and join the working groups – this has been a team effort. The expertise of those who have participated in similar work before and the fresh ideas brought by new members will lead the ASA into the future.

The recommendations here are will enhance and support the basic structure of the ASA in continuing to fulfill its mission in the coming decades.

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I. Introduction

Planning For the Future

Arizona Senior Academy [ASA] members became aware of plans to bring the ASA into the future. Several members got together and looked at issues felt to be important including:

- ▶ Current financial management
- ▶ Current corporate structure and management
- ▶ Need to improve revenue
- ▶ The ASA's place and mission in the community
- ▶ Understanding the relationships between ASA, ASC and AV.

II. Working Groups

As a result, working groups were formed to review the areas which were determined would most benefit both members and the organization.

All ASA members were invited to participate. Over thirty members volunteered for the working groups and other members attended the meetings.

The four Working Groups are:

- ASA Finance
- ASA Governance
- ASA Fundraising and Marketing
- ASA Membership

III. ASA Finance Working Group

Facilitated by Patricia Grossman

The ASA Board of Directors approved the ASA Finance Working Group's request to obtain financial documents from its accounting firm, Tomlinson Finance Group. We received documents from Tomlinson which included two spread sheets covering October 2022-October 2023, which formed the basis for our analysis.

The Tomlinson contract from 2022 until February 2024 cost \$3,000 monthly, with additional expenses for a third party billing service and resulting in unnecessary bank charges.

- \$36,000 annually, (\$3,000 monthly x 12) Tomlinson contract fees
- \$4,000 annually, third party billing service
- \$1,400 annually, unnecessary bank charges

The conclusion from our first analysis was that the ASA would save from \$30,000-\$35,000 annually by terminating these services and bringing back in-house bookkeeping services.

However, subsequent to this analysis, the interim ASA President, Gary Fenstermacher, recently negotiated significantly lower fees with Tomlinson Finance Group and eliminated the third party payment service, effective February 2024.

- \$21,600 annually, (\$1,800 monthly x 12), new Tomlinson fees

The President's success in reducing accounting expenses is very much appreciated. However, an in-house bookkeeping plan could save approximately \$17,000-\$18,000 annually.

- \$21,600 annually (\$1,800 monthly) current Tomlinson fees
- \$4,200 annually (\$300-\$350 monthly) anticipated bookkeeping expense based on interview with local bookkeeper working with nonprofit organizations. The initial costs could be \$500 for the first couple of months during a transition period.
- \$21,600 - \$4,200 = \$17,400 estimated savings

The ASA Working Group recommends a return to in-house bookkeeping with implementation of the following plan:

- Use non-profit Quickbooks software to track income, expenditures, payroll, monthly reports, etc. (Our current monthly subscription is \$143, so this will not be a new expense)
- Hire a part-time bookkeeper with non-profit Quickbooks expertise to do payroll, produce monthly financial reports, and provide data-entry training to the Office Manager, as needed. (Bookkeeping expense is anticipated to be approximately \$500 the first month or two during a transition, and then \$300-\$350 monthly).
- Data-entry will be done by the ASA Office Manager, with coaching and support provided by the bookkeeper, if needed, at a \$50 hourly rate above the flat rate above

- Use Quickbooks software to produce invoices and make payments to companies and vendors
- Set up an additional free checking account, maintaining the required balance of \$2,000 to avoid bank charges. This has recently been accomplished. This account will be used by the lecture and music coordinators, enabling them to write timely checks on the day of performances. Delays in payments to performers were caused by a third party payment system, and this will not occur with this new process.
- Set up a separate investment account to hold the Infrastructure/Reserve Funds, and make a regular monthly budgeted deposit to this account
- Establish a volunteer finance committee with a Board liaison to review monthly reports

The ASA Finance Working Group recommends that the ASA Board of Directors begin the transition process back to in-house bookkeeping in February 2024 and finalize the termination with the Tomlinson Finance Group as soon as possible, preferably no later than April 2024. With each passing month, thousands of dollars can be saved with the implementation of this plan. With these changes additional funds will be available that can be applied to programming and infrastructure.

A bookkeeper has been interviewed and is ready for hire. The candidate's resume has been provided to the interim ASA President and members of the Board.

Thank you,

Patricia Grossman
Vicki Mitchell
Nancy Magee, retired CFP
Greg Zamule, retired CPA

IV. ASA Governance Working Group

Facilitated by Karin Norton

Recommended Changes to ASA Governance

1. Make the ASA Board more responsive to the membership.
2. Establish standing committees for emergency management, nominations and fiscal responsibility.
3. Simplify the corporate structure

Making the ASA Board More Responsive to the Membership

1. Restructure the Board of Directors to consist of 11 Directors, 7 of which must reside in Academy Village. Each Director to be elected for a 2-year term of office. [Bylaws Article III, Sections 2—3]
2. Provide voting rights to members to directly elect the Resident Directors. Allow up to 4 outside Directors to be elected by a majority vote of the extant Board to aid in fulfilling the ASA mission. [Articles of Incorporation XI; Bylaws Article III, Section 3; Article X, Section 2]
3. Require that the Board of Directors hold at least four open meetings per year at the ASA. [Bylaws Article III, Section 4]
4. Require that the Board of Directors timely hold a Special Meeting to address any issue raised by petition of 1/3 of the membership. [Bylaws Article III, Section 5]
5. Require any increase in the dues, fees or charges paid by membership in excess of 7% to be approved by a majority vote of the membership. [Articles of Incorporation XI; Bylaws Article III, Section 8]
6. Require correct and complete books and records and minutes of the Board and Committee meetings to be maintained and be made available upon request as permitted by law. [Bylaws Article VI]
7. Require establishment of a standing finance committee for oversight of financial matters and regular audits. [Bylaws Article V, Section 4]

Establishing Standing Committees

1. Require a standing Executive Committee to act where circumstances prevent timely action by the full Board.
2. Require a standing Nominating Committee to recruit qualified persons for nomination as Directors.
3. Require a standing Finance Committee, chaired by the Treasurer, to oversee financial matters and reporting as well as to ensure regular auditing of the corporation.

Simplifying the Corporate Structure

If permitted by law, we recommend assigning the duties and responsibilities of the Board Chair to the ASA President.

Revised ASA Bylaws and Articles of Incorporation

– References –

Working Draft of ASA Bylaws - 1/30/2024

Working Draft of ASA Articles of Incorporation - 1/23/2024

V. ASA Fundraising and Marketing Working Group

Facilitated by David Rasmussen and Tim Schiffer

Accomplishments and actions taken:

Revived the annual fundraising drive to members and non-members, with donor reception scheduled for February 7

Plans in place to have a welcome table at concerts and lectures starting on February 9, with app in place for credit card donations onsite

Goals for 2024:

- Become a permanent Fundraising and Marketing Advisory Committee of the Board
- Create a fundraising/marketing strategy for the coming year
- Develop a clear marketing/fundraising identity for the ASA
- Coordinate social media and web presence to boost visibility

VI. ASA Membership Working Group

Facilitated by Patti Woodbury

Membership Working Group Summary and Recommendations

Academy Village residents form the membership and are the lifeblood of the Arizona Senior Academy [ASA].

Membership is not currently defined in the Articles of Incorporation or the Bylaws.

Academy membership is currently defined in the REA agreement Article 7.1 as

“The Lot Owners and each of the individuals not holding an ownership interest in a Lot but who reside on or occupy a Lot, shall each automatically become “Members” of the Academy at sixty (60) years of age.” and restated in Article 7.3.

In Article 7.2, “entities” are generally exempted unless there is actual residency or occupation.

Recommended changes include:

1. Defining general membership as all residents over the age of 55.
 - Current residents under the age of 60 at the time this change takes effect will not be required to become members until reaching the age of 60.
2. Remove the exemption for non-occupant entities, as described in Article 7.2, and require them to maintain a minimum of one (1) membership whether or not there is actual residency or occupation.
3. Require the owner of record to be responsible for payment of dues and other fees.
 - Individual exemptions or waivers to be considered by the ASA BOD or its designated committee.
4. Establish a Membership Committee to
 - Implement these proposed changes
 - Coordinate with/assist administration in maintaining membership rolls
 - Explore outside or tiered memberships vs sponsorship recognition
 - Work with related groups on unresolved issues

Unresolved Issues

1. “Mandatory membership” has been questioned.

How binding is the REA agreement to owners? The Article 7.2 indicates that purchase of a lot and acceptance of a deed indicates an “express agreement”. My [Patti Woodbury] closing papers have no mention of the ASA and specify that no additional requirements may be imposed unless they are included in writing.

2. Does changing the age of membership affect 501(c)(3) status?

The IRS apparently has more than one definition of “elderly” depending on the situation. There does not appear to be a need for “members” of a non-profit which provides

benefit to the “elderly” to be elderly themselves. Nor do the activities of the group need to be limited to providing service to the “elderly”.

3. Are some or all of the dues paid for ASA membership tax deductible?

There is currently no established benefit amount which most non-profits use to advise members of the tax deductible portion of their dues. They generally don't distinguish whether or not you actually use such “benefits”. Members have received contradictory advice from their tax advisors.

References:

Current *ASA Dues Policies* at <https://asa-tucson.org/about-asa/arizona-senior-academy-dues-policy/>.

ASA legal documents (Articles of Incorporation, Bylaws, REA, etc.) at <https://asa-tucson.org/asa-legal-documents-2/>

VII. Legal Considerations

Changes to ASA legal documents need to be verified for adherence to current Arizona, Federal, and IRS laws and rules.

Governance Group Questions

If any of the proposed changes may compromise the 501(c)(3) status under the IRS laws or the charitable non-profit status under the AZ statutes, please suggest alternative approaches to achieve the desired effect.

1. We want to provide members with voting rights on the following matters. In order to execute this, we propose to:
 - a. Delete the sections in the Articles of Incorporation and the Bylaws stating that members have no voting rights.
 - b. Provide in the Bylaws that the ASA President will hold an election for the General Members to directly elect the resident Directors of the Board, and
 - c. Provide in the Bylaws that the ASA President shall send to the Membership for a majority vote any proposed increase in membership dues exceeding 7% per annum.

Q: Will changing to direct election of resident Directors by the Membership and requiring Membership approval of significant membership dues increases compromise the 501(c)(3) status of the ASA?

2. We want to change the composition of the Board to consist of 11 Directors, 7 of which shall be Academy Village Resident Directors and 4 of which shall be Outside Directors from the ASA's geographic service community. The Resident Directors shall be directly elected by the Membership of ASA and the Outside Directors shall be chosen by the Board to aid in fulfilling the ASA's charitable mission.

Q: Will the proposed change to the composition of the Board compromise the 501(c)(3) status of the ASA?

3. We would like to simplify the structure by assigning the duties and responsibilities of the Chair to the ASA President.

Q: Under the applicable laws, is a Board Chair required?

Membership Group Questions

Unresolved Issues Which Need Further Clarification:

1. “Mandatory membership” has been questioned.
How binding is the REA agreement to owners? The Article 7.2 indicates that purchase of a lot and acceptance of a deed indicates an “express agreement”. Closing papers on homes of a number of the members of the working group have no mention of the ASA and specify that no additional requirements may be imposed unless they are included in writing. Might the agreement only apply to buyers of Altura homes?
2. Does changing the age of ASA membership affect 501(c)(3) status?
The IRS apparently has more than one definition of the word “elderly” depending on the situation. There does not appear to be a need for ‘members’ of a non-profit that provides benefit to the ‘elderly’ to be ‘elderly’ themselves. Nor do the activities of the group need to be limited to providing service to the ‘elderly’.
3. Are some or all of the dues paid to the ASA tax deductible? There is currently no established benefit amount which most non-profits use to advise members of the tax—deductible portion of their dues. They generally don’t distinguish whether or not you actually use those ‘benefits’. Members have received contradictory advice from their tax advisors.