

**Ohio Fair Managers Association Inc.**  
P.O. Box 2625 Stow, Ohio 44224 330.208.0372  
ohiofairs@att.net Minutes Meeting November 8, 2017  
Hyatt Hotel Taft A Room, Columbus, Ohio

President Robert Buxton called the meeting to order at 9:30 am. Booklets of information were presented to all attending.

In attendance were: President Bob Buxton, VP Rodney Arter, Treasurer Robert Dawson, Tom Higbie, Wade Flory, Chris Brust, Stanley Strode, Tom Stocksdale, Roger Smith, Paul Harris, Bev Fisher, Steve Cronebaugh Past Presidents, Darrel Cubbison, Jon Overmyer and Doug Guinsler.(note Richard King and Keith Sheridan, ill) Guests: Theresa Call, Amanda Sines, Mikayla Pollitt, David Drake, Tom Archer, and Mike Vartorella.

**Board Minutes:** Tom Stocksdale moved to accept the September 19, 2017 Board meeting minutes, 2<sup>nd</sup> Wade Flory, motion approved.one correction

**Financial report:** Treasurer Robert Dawson handout the financial report, revenue, expenditures and investments. Bob reviewed the report and then reviewed the OFMA 2016 990 filing and passed a copy around for viewing. Bob also commented on the increased scrutiny on conflict of interest policy that the IRS is looking closer at. The CPA who files for the OFMA has written up a paper on this and it is at the end of the minute's attachment #1. Also Corporations compensated for services should be issued a 1099 even though they are a registered EIN company with the IRS.

Tom Stocksdale moved to accept the financial report and the 990 Reports and filing documents, 2<sup>nd</sup> Bev Fisher, motion approved

**Convention Program:** Paul Harris reviewed the 2018 program, discussion was held on speaker's fees, with the changing business world for select speakers we should budget for professional topic speakers. A few slots still need filled, objective is to get newsletter out prior to Thanksgiving with the Program in it, and Ashlee Lundvall is the Key Note

**Queen Program:** Trickling in, Bev developed Queen Expense Policy and discussed the need to put some formal controls in place; the committee will come to the January meeting with a firm policy for the Board. Bob Dawson to forward expense sheets to Bev for their review from 2017 expenses.

**Hotels:** Rodney Arter reviewed lodging is selling fast, Drury sold out,

**Junior Fair:** Steve Cronebaugh indicated that Lisa and the Extension teams were all set and that the VFW would be doing the Honor Guard again. Lisa has been invited to present the Junior Fair Topic at the IAFE convention in Las Vegas, Rodney is providing housing for her. Steve Cronebaugh moved to provide the OFMA Convention Expense amount of \$600 for her airfare. Second Bev Fisher, motion Carried

**Communication and Hall of Fame Awards:** John Ackerman reported that the Hall of Fame committee was working on those and thanked Theresa for getting the communications judging underway. Communication awards will be given out by fair this year, not category.

**Meals and Banquets:** Menus were submitted for approval, ongoing discussion on pricing of convention meal costs. Will sell 30 tables for Friday night and 45 for Saturday night.

**Trade Show:** Tom Higbie reports that the show is selling. Poker Ship game will be back with the same 3 sponsors.

**Talent Showcase:** Bob Dawson, The tradeshow committee met and recommend the following, dropping the meal, no admission charge for the evening, sell 30 tables for a 50/50 drawing to the table holder and the PAC. Hold an early arrival drawing for \$500 in nice door prizes. Appetizers, snacks and deserts will be part of the evening. Staying with 6 acts.

**Spouse:** Dan Bullen 2 Wine seminars and 1 Wine and Paint plannedBev has the glasses ordered for the Wine tasting

**Auction-Gala:** Steve Cronebaugh, Jon Overmyer, no report

**Registration:** Tom Stocksdale, will need to open 1 hour earlier on Friday for the district meetings attendees.

**Promotions and sponsors:** Working on the sponsors.

**Legislative:** Government Advantage Group reported by Amanda Sines with handout materials. Discussion on the audit cost issues, The Ohio District Representative was asking about audit costs across the state. Tom Higbie moved to survey the fairs and work with Government Advantage group to seek information via a survey. Second Stanly Strode, Motion approved.

**Logistics:** Chris Brust Indicted ready to go

**Tour Planning:** Cubby reported out another great trip, thanked Theresa and Howard for their efforts

**Old Business**

None

**New Business:** Nominations for Officers: Dan Bullen, President, 1<sup>st</sup> VP Rod Arter, 2<sup>nd</sup> VP Paul Harris and Tom Higbie, and Treasurer Robert Dawson.

Discussion on Williams County audit findings

**Associate Reports:**

**ODA:** Mike reported that the balance of the funds \$350,000 were not distributed out and are gone, Mike talked briefly on the summer and it was a tough one. Glad the fairs are over, now the election issues are surfacing with about 10-15 real issue, Mike is proponent of getting the election boards involved, Montgomery does this now for a small fee. Four fairs did not participate, Green, Lucas, Fulton and Hocking. Games Rules accepted, only had 3 violations. Outstanding fair supports are in and they will be selected and notified by the December 1 time frame. ODA will have a new Website early in 2018, Butler County Asked about harness racing returning to the Fair. Concern over the borrowing 25% limit again,

**OHHA:** No report on account Renee summoned to last minute meeting and Susan was out of state

**4-H Extension:** Tom Archer, Extension continues to fill open positions, Fairfield, Holmes, Lorain, and second position at Hardin County ( counties now with 2 agents, Roger Rennekamp , Director of OSU Extension has a re-organization review looking at extension operations and the report is due out in 2018. Roger is looking at Farm Bureaus organization structure as an example of possible changes. Quality assurance will be 45 days ahead to the fair opening. Tom announced that Central Sates University, (Central State University received designation as a [land-grant university](#).) would be opening an extension programing in eight counties.

**GOSA:** David Drake representing Greater Ohio Showmen's thanked the board of directors and OFMA for their continued support, and they are finalizing the program.

Meeting adjourned by Wade Flory, and second Bev Fisher, Motion approved  
Minutes Authenticated by Executive Director Howard Call

**Howard L. Call, CFE**

Howard Call, Executive Director

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**Attachment #1 MEMO**

To: Bob Dawson, Treasurer  
Ohio Fair Managers Association

From: Lisa Mothersbaugh

RE: Change in presentation for Form 990 TY2017

The presentation of an item within the Form 990 and the addition of a supplemental schedule represent a change from 2016 for the 2017 tax reporting year.

This change relates to clarification of the rules regarding the issuance of a Form 1099-MISC and its reporting relationship to the base Form 990, Part VII, Compensation of Officers.

Part VII, Compensation of Officers requires reporting of W-2 and 1099 wages paid to current or former officers, directors, trustees, or key employees by the organization or a related organization.

The management services of the Executive Director are paid to a corporation over which the individual presides. The OFMA may not be required to issue a Form 1099-MISC to a corporation, but is required to disclose the indirect payment for management services to a current or former Officer, subject to the limits and thresholds indicated in the instructions.

The table below highlights the areas of change:

<b>Form 990</b>	<b>2016</b>	<b>2017</b>
Part IV, Line 28	No	Yes
Part VII, Compensation of Officers	32,800	4,800
Schedule L, Part IV	-	29,000

The change creates transparency in disclosure, and satisfies the reporting requirements of related party transactions.

It is recommended that a 1099-MISC be issued to Fairway Electric, Inc., or other entity similarly contracted, for management services provided to Ohio Fair Manager’s Association, based on the Form 1099 instructions related to reportable payments to corporations and the four conditions that are met with the current arrangement.

Should the Board determine that the recommended course of action related to 1099-MISC issuance is appropriate, the response to Part IV, Line 28 will remain affirmative, and disclosure of the indirect method of payment to the related party will continue to be required; the decision to maintain consistent reporting practices related to 1099-MISC issuance will provide continuity of reporting in terms of the Form 990 and its supplemental schedules, and could create an uncertain tax position in the event of a potential audit. The level of risk is undetermined.

The following pages present excerpts from the Form 990 base form, Schedule L, and Instructions for Form 1099 for reference related to the change in presentation, and for further consideration in your deliberations.

**From IRS Form 990**

**Part IV**

The checklist of required schedules addresses the following item:

28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):

- a A current or former officer, director, trustee, or key employee? If “Yes,” complete Schedule L, Part IV
- b A family member of a current or former officer, director, trustee, or key employee? If “Yes,” complete Schedule L, Part IV
- c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If “Yes,” complete Schedule L, Part IV

**Excerpts from Schedule L Instructions**

Part IV instructions provide individual and total reporting thresholds below which reporting isn’t required for an interested person.

For purposes of Parts II–IV, an interested person is one of the following:

For Form 990 filers, a person required to be listed in Form 990, Part VII, Section A as a current or former officer, director, trustee, or key employee..... For purposes of reporting management company transactions in Part IV, however, a former officer, director, trustee, or key employee of the organization within the last five tax years is treated as an interested person whether or not required to be so listed.

**Part IV. Business Transactions Involving Interested Persons**

Report in Part IV business transactions for which payments were made during the organization’s tax year between the organization and an interested person, if such payments exceeded the reporting thresholds described below, and regardless of when the transaction was entered into by the parties. The “ordinary course of business” exception to reporting business relationships on Form 990, Part VI, line 2, does not apply for purposes of Schedule L, but see the exception below for publicly-traded companies.

In general, an organization must report business transactions in Part IV with an interested person if: (1) all payments during the tax year between the organization and the interested person exceeded \$100,000; (2) all payments during the

tax year from a single transaction between such parties exceeded the greater of \$10,000 or 1% of the filing organization's total revenue for the tax year; (3) compensation payments during the tax year by the organization to a family member of a current or former officer, director, trustee, or key employee of the organization listed in Form 990, Part VII, Section A exceeded \$10,000; or (4) in the case of a joint venture with an interested person, the organization has invested \$10,000 or more in the joint venture, whether or not during the tax year, and the profits or capital interest of the organization and of the interested person each exceeds 10% at some time during the tax year.

Certain management company transactions with former officers, etc. A business transaction also includes a transaction between the organization and a management company of which a former officer, director, trustee, or key employee of the organization (within the last five tax years, even if not listed in Form 990, Part VII, Section A, because the individual did not receive any compensation from the organization) is a direct or indirect 35% owner (as measured by stock ownership (voting power or value, whichever is greater) of a corporation, profits or capital interest (whichever is greater) in a partnership or limited liability company, or beneficial interest in a trust), or an officer, director, or trustee.

## Excerpts from Form 1099 Instructions

File Form 1099-MISC, Miscellaneous Income, for each person to whom you have paid during the year: ... At least \$600 in: ... 2. **services performed by someone who is not your employee** (including parts and materials), box 7; ... 4. other income payments (box 3); ... .

Trade or business reporting only. Report on Form 1099-MISC only when payments are made in the course of your trade or business. ... nonprofit organizations are considered to be engaged in a trade or business and are subject to these reporting requirements.

Exceptions. Some payments do not have to be reported on Form 1099-MISC, although they may be taxable to the recipient. Payments for which a Form 1099-MISC is not required include all of the following. Generally, payments to a corporation (including a limited liability company (LLC) that is treated as a C or S Corporation). But see Reportable payments to corporations, later.

**Reportable payments to corporations.** The following payments made to corporations generally must be reported on Form 1099-MISC. Medical and health care payments reported in box 6. Fish purchases for cash reported in box 7. Attorneys' fees reported in box 7. Gross proceeds paid to an attorney reported in box 14. Substitute payments in lieu of dividends or tax-exempt interest reported in box 8. Payments by a federal executive agency for services (vendors) reported in box 7.

Independent contractor or employee. Generally, you must report payments to independent contractors on Form 1099-MISC in box 7. See the instructions for box 7.

Directors' fees. You must report directors' fees and other remuneration, including payments made after retirement, on Form 1099-MISC in the year paid. Report them in box 7. Box 7.

Nonemployee Compensation. Enter nonemployee compensation of \$600 or more. Include fees, commissions, prizes and awards for services performed as a nonemployee, other forms of compensation for services performed for your trade or business by an individual who is not your employee, and fish purchases for cash. ...

**If the following four conditions are met, you must generally report a payment as nonemployee compensation.** You made the payment to someone who is not your employee. You made the payment for services in the course of your trade or business (including government agencies and nonprofit organizations). You made the payment to an individual, partnership, estate, or, in some cases, a corporation. You made payments to the payee of at least \$600