<table>
<tr><td>Date
Payroll Date
Nov 30 – Dec 3
Dec 4 – 6
7 – 10
11 – 13
14 – 17
18 – 20
21 – 24
25 – 27
28 – 31</td><td>Deposit Date
Dec 6
11
13
18
20
26
30
Jan 2
6</td><td>Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and fourth quarter.</td><td>Completed
</td></tr>
<tr><td>12</td><td colspan="2">Michigan sales and use tax deposit for month of November to claim early payment discount.</td><td></td></tr>
<tr><td>16</td><td colspan="2">Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during November. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and fourth quarter.</td><td></td></tr>
<tr><td>16</td><td colspan="2">Corporations with fiscal year ending December 31, March 31, June 30, or August 31:
✳ Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.</td><td></td></tr>
<tr><td>16</td><td colspan="2">Corporations with fiscal year ending September 30:
✳ Federal Income Tax Return - Form 1120 or 1120-S.
✳ Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return.
✳ Pay accrued compensation, charitable contributions, retirement plan contributions, etc.</td><td></td></tr>
<tr><td>16</td><td colspan="2">Corporations with fiscal year ending February 28, May 31, August 31, or November 30:
✳ Pay CIT estimate to State of Michigan.</td><td></td></tr>
<tr><td>20</td><td colspan="2">Michigan combined Sales, Use, Withholding and CIT Estimate Return for the month ended November 30.</td><td></td></tr>
<tr><td>21</td><td colspan="2">Winter Begins at 12:11 PM, EST.</td><td></td></tr>
<tr><td>24</td><td colspan="2">Christmas Eve.</td><td></td></tr>
<tr><td>25</td><td colspan="2">Christmas Day.</td><td></td></tr>
<tr><td>31</td><td colspan="2">Corporations with fiscal year ending August 31:
✳ File CIT return and pay balance due to State of Michigan.</td><td></td></tr>
<tr><td>31</td><td colspan="2">New Year's Eve.</td><td></td></tr>
</table>

So that our staff may enjoy the holidays with their families, De Boer, Baumann & Company, PLC will close at noon on Tuesday, December 24, 2013 and will reopen at 8:00 a.m. on Thursday, December 26. We will also close at 3:00 p.m. on Tuesday, December 31, 2013 and will reopen at 8:00 a.m. on Thursday, January 2, 2014.

Best Wishes for a Safe and Happy Holiday Season

From All of Us at De Boer, Baumann & Company, PLC

NOVEMBER

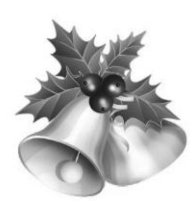
SU	M	T	W	TH	F	SA
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER

SU	**M**	**T**	**W**	**TH**	**F**	**SA**
1	**2**	**3**	**4**	**5**	**6**	**7**
8	**9**	**10**	**11**	**12**	**13**	**14**
15	**16**	**17**	**18**	**19**	**20**	**21**
22	**23**	**24**	**25**	**26**	**27**	**28**
29	**30**	**31**				

JANUARY

SU	M	T	W	TH	F	SA
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



December 2013

TAX-EXEMPT ENTITIES' FUNDRAISING ACTIVITIES CAN CAUSE BIG PROBLEMS

If you serve on the board of or are otherwise actively involved with a booster club that supports your children's or grandchildren's activities, a recent Tax Court case may be of interest to you.

The case involved a parent-run booster club that was associated with a gymnastics program. Like a lot of similar entities such as a PTA or a band or sports organization booster club, the Capital Gymnastics Booster Club (Capital Gym) was organized as a charitable, tax-exempt organization and conducted various fundraising activities.

In 2005, the IRS audited the entity's activities and when the audit was completed, it issued a notice to Capital Gym that it was revoking its tax-exempt status because the organization's net profits inappropriately benefited private individuals (i.e., approximately half the organization's 240 member families). After exhausting its appeal rights within the IRS, the organization eventually took its case to court. The Tax Court recently issued its opinion and unfortunately agreed with the IRS that the organization's tax-exemption should be revoked.

What was the organization's sin that was so severe that it lost its tax-exempt status—retroactive to its 2003 fiscal year? The answer is the IRS objected to the method by which it allocated the benefits of its fundraising activities.

In many organizations, some members participate in fundraising and others don't. In fact, a lot parents who are pressed for time would prefer to just write a check for "their share" of whatever the organization is trying to raise and be done with it. In the Capital Gym case, those that participated in the fundraising received substantially all of the benefit of the funds that were raised, allocated based on how much they individually raised. The benefits were delivered in the form of points that were then used to lower the amount of assessments to cover their child's entry fees for meets and share of the coaches' travel expenses they would have otherwise been required to pay.

The Tax Court upheld the IRS' determination that this approach to allocating fundraising profits was inconsistent with an organization eligible for Section 501(c)(3) (charitable) tax-exempt status. What was really going on here was parents who chose to do a little work were able to turn the "wages" they received (in the form of points) into something of benefit without paying tax on the "income". The organization effectively had paid volunteers who used the payments to satisfy a personal liability even though no money changed hands.

How could things have been handled differently to preserve Capital Gym's exempt status? The answer isn't always going to be black and white. However, if all of the fundraising profits had benefited the entire organization, that would have presumably passed muster. It should also have been okay if all members had been required to do at least a minimum level of fundraising and if any who did substantially more than the minimum either received no direct benefit or only a relatively insignificant benefit. Yet another option would be to allocate the fundraising profits to all of the organization's families (whether they helped with the fundraising or not) based on a written financial needs based standard – such as in the form of scholarships. Finally, encouraging (but not requiring) parents to either donate or supply volunteer labor to help raise funds equal to everyone's "fair share" should be acceptable.

The take-away value of this case is that the IRS may now challenge other organizations with similar fundraising models. Such organizations may need to review their current fundraising procedures in light of this case.