

Virginia Alpaca Owners and Breeders Association

Monthly Board Meeting Minutes

April 13, 2009

Attendees:

Sue Ives – Past President
Keli Harold – Current President
Ken Crews – President Elect
Joanna Maas – Secretary
Fred Obenchain – Treasurer
Judy Howe – Director at Large
Les Fuller – Director at Large

Meeting was called to order at 7:37pm.

The minutes for March's meeting will be circulated via email for approval.

Treasurer's Report:

Beginning Balance : \$42,505.59
Available balance: \$42,184.88

Fred has purchased a copy of Quick Books Pro2009 and has requested reimbursement of \$83.00 for this software, which should allow us to be au

Sue moves that we authorize the reimbursement; Judy seconded; motion passed unanimously (Fred abstained.)

Sue moved to accept the treasurer's report; Joanna seconded; motion passed unanimously.

Youth Committee – as submitted.

Ernie Kellogg has offered his facility for the VAOBA youth show, but Fred wasn't sure that was a good idea if the weather is bad (parking facilities.) Fred suggested that there was a 4H facility in Front Royal that might be available to them as a 4H group. Sue thought the Prince William fairgrounds might be an option; others were also suggested. Keli will pass these suggestions on to Ray.

Education Committee: nothing to report

Fiber – have received no written report for this meeting.

Industry Relations Committee: There was an issue about the cottage industry. One of the members has raised concerns about agriculture use and not being able to sell from their farm stores due to the zoning. The legislature has recently passed a “dead meat tax” and there was a question as to how this applied to sales and use in the alpaca industry. Linda Polak has passed along the following answer to the question. This will be summarized and sent to Ray for publishing in the newsletter.

Regarding the taxation question raised in conjunction with the "dead meat tax," as you requested, I have read the summary of the legislation and discussed the issue with Donna Pugh Johnson at Virginia Agribusiness. We felt the dead meat tax is really not applicable to our farmers at all, as it was specifically enacted for food items only, grown by party A, processed for payment by party B, for personal consumption by party A, specifically not for resale. (Normally this activity would generate a sales tax, but the legislature decided to exempt this activity for the time being; that was the reason for the broadcast notice). Beyond that question, though, there may be some confusion regarding the sales & use taxes, we discussed the following regarding how the law could be complied with regarding our processed goods.

The sales/use taxation question otherwise, as it is applicable to our farmers, is three-fold:

- 1. Are Virginia mills, and other Virginia processors, responsible for collecting sales tax from farmers who bring their fleece for processing?*
- 2. Are farmers responsible to pay sales tax on processing performed by the mill for items to be (1) used by them or (2) sold by them in their farm stores?*
- 3. Under what other conditions are farmers required to charge or pay tax related to their goods?*

Regarding the above three questions, the law is designed for tax to be paid on a good once; therefore, in situations 1 and 2 above, the end use of the good processed is the determiner of collection and payment of sales tax, as follows:

- 1. If the farmer is having fleece processed into goods to be sold in their farm store, the farmer would pay no tax to the processor, but would collect it from the end user upon retail sale, and pay it to the state. (Farmer must register with the state, and a periodic form is filed with tax payment for the period).*
- 2. If the farmer is selling product wholesale to a third party who will sell it in their store, neither the processor nor the farmer collects tax, but the third party selling retail collects it from the end user and pays the state. (No tax implication for the farmer).*
- 3. If the farmer, however, is having the processing performed and they plan to use the goods personally (in other words, they are the end user) then sales tax must either be collected by the processor and paid to the state, or alternatively a use tax must be paid by the farmer to the state. One way or another, a tax is due when that good reaches its end user. (There is a separate form for use tax).*

Since it would be very difficult for a mill/processor to track who is the end user of products they process, presumably the mill/processor would make the assumption that it is processing all resale products, not collect tax, and leave the issue of tax completely to the farmer: (a) as a use tax for their personal items; (b) as a sales tax for items they sell.

If there is anything further in regard to this issue you would like researched, please let me know. If it is helpful at all, the registration process instructions and reporting forms could be available for review.

Marketing – Keli has been speaking to a woman who has expressed interest in the position of committee chairman. She will forward information on this to the board.

Membership – there have been no changes.

We still do not have a nominating committee for the election; John Hanna has been asked informally and has expressed interest in running for office. Ray Tubbs has expressed interest in the President Elect position.

Fred recommended possible members for the Nomination Committee.

Newsletter – articles need to be submitted by May 1st.

2009 Expo – Members will need to renew their memberships by 7/31/09 in order to receive the \$50 VAOBA member discount off their 2009 Expo entry.

Fred moved that we accept Judy's Sponsorship Opportunities document as presented. Sue seconded; motion passed unanimously.

Keli suggested we start using Constant Contact for communicating information to VAOBA members and show attendees. Price is \$15/month for 1-500 contacts and allows for eye-catching emails. Sue moves that we purchase Constant Contact for email blasts; Judy seconded; motion passed unanimously.

Silent Auction goods will be placed upstairs by the VAOBA store.

All of our judges are under contract. Our show is on the Alpacashows website. Kathy Clay will be the fleece judge.

Judy has submitted a budget for the show. She has estimated high on the expense side and has not included any income from the silent auction. No one except Sue currently has a debit card for the organization and she is going off the board. Judy will need to get a debit card for smaller items and will submit a monthly report (spreadsheet) for these expenses. Limiting purchasing on the card will serve to protect the organization. Sue suggested setting up a secondary account underneath the VAOBA account to pay for show expenses. Fred will talk to Wachovia and see what they can suggest. Sue will receive all the incoming fees from show registration and will deposit them into our account.

Fred moved to approve the show budget as presented; Sue seconded; motion approved unanimously.

Outside pens will be allowed to have a 4-foot extension and will need to be monitored by the barn manager. There was discussion of whether it was a good idea to allow outside pens. Les expressed concern for animal safety with the outside pens. We will require anyone using panels to sign a disclaimer/release and comply with our 4 foot extension requirement as measured by the farm manager.

Virginia's Finest – Sue doesn't know exactly what was provided to VDACS from the Fiber Committee – we know they submitted fiber samples, etc.

We have asked the task force to start with the standard as written, consult other Virginia breeders and research the issue and come up with a revision. We have yet to get a yes/no willingness of Linda and Geoff as to whether or not they will take this task. Keli will contact them and get an answer to this question.

New Business:

Annual meeting – we have been at the Albermarle County Office Building the last few years,

which is nice and centrally located. Keli suggested July 18th as the date for the meeting. We are interested in having a speaker on the EPD programs – Keli will contact potential speakers. Les suggested only having one speaker as we may have a lot of business to conduct at this meeting.

We had a member request access to the VAOBA mailing list. We do have email addresses available on the website, but do not want to set a precedent of making this available as there are other venues by which a member can contact other VAOBA members.

Joanna moved to adjourn; Judy seconded. The meeting was adjourned at 9:15 pm.

Respectfully submitted,

Joanna Maas