

NAR Board of Trustees conference call, November 3, 2021

The meeting was called to order at 8:02 PM Eastern Time.

Present: John Hochheimer, President; Carol Marple, Vice President; Mark Wise, Secretary; Kevin Johnson, Treasurer; Becky Green; Steve Kristal; Steve Lubliner; Lynn Thomas; Jim Wilkerson.

Absent: None.

Others present: Don Carson, Ray Hermann Angossio Liwa, John Thompson.

Todd Schweim managed the technical aspects of the Zoom meeting and provided his input as appropriate.

President's Report

Additional help needed:

John proposed that NAR hire an additional person to assist Marie with HQ tasks. With 8300 members (and growing), the increasing number of high-power certifications to process, and other tasks, Marie is becoming overwhelmed. John noted that Marie's work in resolving rejected credit card transactions has been productive for NAR, but it takes a lot of her time. Adding another staff member would also give NAR another layer of backup when Marie decides to retire. John has someone in mind who has worked successfully with him and Anne Heacock in the past.

John recommended bringing the new HQ staffer on board as a 1099 contractor rather than a W-2 employee. He proposed allocating \$30,000 per year for the position.

Steve Lubliner moved that the NAR hire a part-time Headquarters assistant as a 1099 employee, for a sum not to exceed \$30,000 per year. Lynn seconded. Motion carried unanimously.

John will introduce Mayra Marquez, our new Headquarters assistant, to Marie tomorrow.

Sections using NAR EIN:

A number of Sections use the NAR Employee Identification Number (EIN) as an ID with the Federal government to set up checking accounts and transact other business with the government. Since Sections are considered to be subsets of the national organization, John says that these sorts of activities need to be accounted for in our annual Form 990 filing with the IRS.

John sees two options: We could tell Sections that they cannot use the NAR's EIN anymore, which would carry consequences. We could suggest that Sections obtain their own EINs, which carries a certain amount of reporting requirements, including an annual Form 990 filing, if they set up as non-profits. Or, we could continue allowing Sections to use the NAR's EIN, but require them to report the necessary information to NAR so that we can incorporate it into our annual Form 990.

John suggests announcing in 2022 that all Sections intending to use the NAR EIN must abide by NAR accounting and reporting policies and practices. We would have to create a reporting form for use by Sections, but Anne says this is feasible.

Kevin said that he has heard from a few Sections who have asked for the EIN so that they can set up Section PayPal accounts. He thinks John's proposal is a good solution.

Steve Lubliner suggested making EIN info part of the Section renewal process, asking whether a renewing Section intends to use the NAR's EIN, whether they have their own EIN, or whether the Section is they too small to need one either way.

Steve Kristal asked how many Sections are using the EIN. Kevin said that he has received two queries in the past month, but probably gets four or five of them a year.

Carol and John pointed out that our tax status is on the website, and that our EIN is a matter of public record anyway. Changes to tax and banking rules have made this a greater concern than it was in the past.

Jim moved that starting in 2022, Sections that use the NAR's Employer Identification Number (EIN) must report, by April 1, the Section's previous calendar year's financial information to the NAR Treasurer according to the NAR's accounting policies. This information will include, but is not limited to the Section's officers, number of members (NAR and non-NAR), income, and expenses. Steve Kristal seconded. Motion carried unanimously.

Jim asked if the reporting requirement could be automated on the NAR website; that is to say, added to the section renewal form. Jim also wondered whether we could implement this in time for the 2022 renewal cycle. Todd said it should be feasible.

Steve Lubliner asked about collecting information from Sections so that we can determine how many of them are currently using the NAR's EIN. John liked the idea and said that he will work on the wording of the question and pass it along to the Sections via Chuck Neff.

Carol asked what the risk is to the NAR. John said we could be in non-compliance with IRS regulations. John and Anne agree that a reporting process would put us in a secure regulatory position.

Scholarship fund:

Professor Jay Apt of Carnegie Mellon University, a former NAR Trustee and NASA astronaut, is donating \$25,000 for a high school seniors and college freshmen majoring in STEM fields and plans to add another \$25,000 to the fund next year. The first scholarship will be awarded for the 2022-23 academic year. Dr. Apt is leaving the administration of the scholarship to the NAR. John suggested awarding one \$2500 scholarship annually until the fund is depleted. Additional donations to the Jay Apt endowed scholarship fund will be accepted.

Lynn moved to treat the gift as a restricted fund in the NAR Treasury. Mark seconded. Motion carried unanimously.

Form 990:

John passed the annual Form 990 to the board for review in advance of the meeting. Board members had no comments or corrections. John will forward the form to Anne Heacock for processing. John directed Todd to post the return to the website.

Museum of Flight:

Pat Fitzpatrick, our liaison to the Museum of Flight, is pushing hard for funding to continue the curation of the Stine collection going and anticipating curation of the Piester and Estes collections. John said he had no problem posting fundraising promotions on the NAR website, as well as soliciting external

donations, but he believed that the big internal funding campaigns are probably tapped out. Pat would like us to budget an annual allocation for curation, but John would prefer to continue on our present course.

Steve Lubliner asked if Pat had an annual budget in mind. John said he was looking for \$50,000 or more.

John suggested postponing a decision until we develop the 2022 budget. We can see what the NAR can afford at that time.

As a part of this discussion, Steve Lubliner suggested asking NAR member Ralph Lemon to write an article on estate planning with regard to the NAR. We do not have any information regarding legacy planning on our donations page. Todd said that we'll need to come up with a policy for legacy giving. For example, if someone leaves us stock, do we sell it, keep it for the dividend, or do something else with it? John asked Steve to talk to Ralph Lemon.

Treasurer's Report

Kevin is still working on reducing the balance in the AmeriChoice accounts. PayPal income gets swept into the general account a couple of times a week. Total cash on hand as of November 3 is \$203,969.01.

Pending expenses include *Sport Rocketry* author checks. There are no large payments coming due soon.

We received a payment from NASA for the 2020 Student Launch Program. We had originally under-invoiced NASA. Since the contract was Firm Fixed Price (FFP), NAR was entitled to the full amount.

NAR is in a good cash position. John and Kevin agree that liquidity is vital – we do not want to tie much money up in investments at this time.

Committee Reports

Safety

Steve Lubliner drafted an article requesting Level 3 certified volunteers to support the Spaceport America Cup. He would like to see it published (or at least mentioned) in *The Electronic Rocketeer* and published in full on the website. (Steve Kristal and Lynn complimented Steve Lubliner on the article and the effort.)

Education Committee chair Vince Huegele e-mailed Steve Lubliner to tell him that he had heard from a teacher looking to establish a rocketry program. The teacher was looking for a safety study relating to high-power rocketry. John said that Trip Barber's blue-ribbon group did some analysis on the topic. Steve said that he would look for it. Carol added that Ted Cochran may also have done some relevant work.

Steve L. brought up two technical issues. The first was a question regarding aft thrust rings: Is gluing a thrust ring to a motor considered an improper modification? Steve wonders how it could be a problem, since we already make thrust rings from tape. While that is not a permanent modification to the motor and is thus permitted under the safety codes, it is less secure than gluing a thrust ring into place. Steve asked John whether he should take the question to NAR Standards and Testing. John told him to talk to Trip Barber and John Lyngdal to get their input, but he said that it may be a question for the applicable committees of the National Fire Protection Association (NFPA).

The second issue related to a Level 3 candidate's altimeter that deployed an ejection charge when it was powered up at the pad. Steve asked whether we need a reporting system similar to the Malfunctioning

Engine Statistical Survey (MESS) for tracking electronics failures. John said he would talk to Steve Shannon to see that could be integrated into the current system.

Education

Lynn has looked over the materials on the website and concluded that they all need a refresh. She said that they were not bad, just in need of updating. Todd asked her to send him the Word documents of the updates, and he will post them to the web page.

Sections

The NAR currently has 224 Sections, including two new ones – one in Kansas, one in Wisconsin.

Chuck Neff asks that Board members keep sending in the free membership certificates.

The fee to groups.io, which we use for communication with Sections, is due next week. The subscription costs \$1100 per year. John will contact Chuck with credit card information.

High Power

Jim said that the launch season is winding down, and that the written exam policy that the Board approved last month will take effect in April.

Miscellaneous

Todd said that the 2022 Member Guidebook is approaching 300 pages in length, with a few final articles straggling in. He will meet with Ed LaCroix tomorrow to begin planning Virtual NARCON 2022.

Steve Kristal said that he is working on the World Spacemodeling Championships (WSMC) team. All of the Juniors on the 2021 team will “age out” of the Junior category before the 2023 WSMC. How do we recruit a new group of Juniors for the team? Steve said that Trip Barber has been helpful in mining the NAR database. How do we incentivize kids at an earlier age? We may need to add some more kid-friendly FAI content to the website.

Carol asked Steve Kristal if his daughter Emma, who competed as a Senior at WSMC 2021 after years on the Junior team, would be interested in doing some social media for the NAR. Steve pointed out that there are a lot of places where we should have a presence, but don't. He discussed this with Tony Reynolds during WSMC and added that we need to discuss this as a Board. He added that none of us older rocketeers have a clue about what to do or how to do it.

The next scheduled conference call will be on December 1, 2021, at 8:00 PM Eastern Time.

Meeting adjourned at 9:51 PM.