

VIVE LA DIFFERENCE!

The Basenji Club of America (BCOA)

THE BASENJI HEALTH ENDOWMENT (BHE)

By Karla Schreiber

Did you ever wonder why your BCOA membership dues aren't tax deductible?

Did you ever wonder if the BHE was a BCOA "committee" or a separate organization?

BCOA and BHE are separate corporate entities that operate

under different rules, have different stated purposes and goals, and are treated differently under federal tax laws. The following is a handy reference tool to help everyone understand how the BCOA and BHE are different. If you ever have questions about these differences, or what they mean in practice, please do not hesitate to contact the author, or any BCOA or BHE Board Member or Officer.

Basenji Club of America, Inc.	BASENJI HEALTH ENDOWMENT, INC.
<ul style="list-style-type: none"> • BCOA is a not-for-profit corporation organized under the laws of the State of Texas. 	<ul style="list-style-type: none"> • BHE is a not-for-profit corporation organized under the laws of the State of Illinois.
<ul style="list-style-type: none"> • BCOA was incorporated in 1978.* 	<ul style="list-style-type: none"> • BHE was incorporated in 1991.
<ul style="list-style-type: none"> • BCOA is not a public charity under federal tax law, and donations or dues paid to BCOA are not tax-deductible. BCOA is a not-for-profit social club for federal tax purposes. 	<ul style="list-style-type: none"> • BHE is a public charity under federal tax law, and donations to the BHE are tax deductible to the extent permitted by applicable federal tax law.
<ul style="list-style-type: none"> • BCOA is an AKC-affiliated parent breed club. 	<ul style="list-style-type: none"> • BHE is not an AKC-affiliated club.
<ul style="list-style-type: none"> • The BCOA mission, as stated in its By-Laws, is relatively broad, and includes preserving, protecting and promoting the Basenji breed. 	<ul style="list-style-type: none"> • The BHE mission, as stated in its By-Laws, is relatively narrow, and includes providing grants for Basenji-related health research and educating people about Basenji-related health issues.
<ul style="list-style-type: none"> • BCOA By-Laws must be approved by AKC and must comply with the laws of the State of Texas. 	<ul style="list-style-type: none"> • BHE By-Laws must be approved by the Internal Revenue Service and must comply with the laws of the State of Illinois.
<ul style="list-style-type: none"> • BCOA By-Laws provide that BCOA's Board is elected annually by BCOA members in good standing. 	<ul style="list-style-type: none"> • BHE By-Laws provide that BHE's Board is elected annually by the then-sitting BCOA Board.
<ul style="list-style-type: none"> • The BCOA Board may be, but does not have to be, the same as BHE's Board. 	<ul style="list-style-type: none"> • The BHE Board may be, but does not have to be, the same as BCOA's Board.
<ul style="list-style-type: none"> • BCOA can accept donations for Club endeavors, in any amount, from any person or corporation. 	<ul style="list-style-type: none"> • Pursuant to federal tax law, BHE should not receive more than 33% of its annual donations directly from BCOA. ----- FOR EXAMPLE: If the BHE receives \$10,000 in annual public donations, the BCOA is allowed to contribute up to \$3,333.00 to the Fund. ----- If the BCOA exceeds this limitation, BHE risks losing its tax exempt charitable status and being classified as a private foundation. BHE can receive unlimited donations annually from BCOA members or the general public.

<ul style="list-style-type: none"> • BCOA can donate or spend money in any way that is legal and that promotes the not-for-profit purposes of BCOA as stated in its AKC-approved By-Laws. 	<ul style="list-style-type: none"> • BHE can donate money only to other charitable organizations, and can spend money only to promote the not-for-profit charitable purposes of BHE as stated in its IRS-approved By-Laws.
<ul style="list-style-type: none"> • BCOA must abide by the corporate laws of the State of Texas regarding not-for-profit organizations, and can lose its not-for-profit status if it fails to do so. 	<ul style="list-style-type: none"> • BHE must abide by the corporate laws of the State of Illinois regarding not-for-profit organizations, and must also abide by special IRS rules applicable to public charitable organizations (that are permitted to accept tax deductible donations). BHE can lose its status as a public charity if it fails to comply with these special IRS rules.
<ul style="list-style-type: none"> • BCOA is not required by law to provide receipts for donations. 	<ul style="list-style-type: none"> • BHE is required by federal tax law to provide receipts for donations of \$250 or more, as well as certain donations for which the donor receives goods or services of value from BHE.

BCOA existed as a corporation prior to 1978, but the current corporate entity was established in Texas in 1978.

BHE Past and Present - or

“How Did We Get Here, and Where Are We Now?”

In 1990, I was approached by the BCOA Board and asked to establish a federally tax exempt, public charity subsidiary of BCOA to fund ongoing basenji health research. At that time, very few AKC parent breed clubs had successfully incorporated tax exempt, charitable health research subsidiaries – most hadn’t even considered the idea. In this regard, BCOA was truly forward thinking. The efforts of many people contributed to our ultimate success in creating the BHE (formerly known as The Founder’s Memorial Endowment for Basenji Health Research) – not the least of whom was Peg Gundman. Peg, the elected BCOA Treasurer, suddenly discovered she was the treasurer of two not-for-profit entities instead of one! Her meticulous record keeping enabled the BHE to sail through its probationary period audit by the IRS (new public charities are on probationary status with the IRS for the first four years of operation, then undergo an intensive audit to determine if they are operating as true public charities or as private foundations). We couldn’t have done it without Peg!

Back in 1990, there was no way to predict how quickly our ability to “read” the canine genome would progress. In its early years, the BHE grew through donations – most notably, \$2,400 in seed money provided by a dissolved Utah not-for-profit entity devoted to basenji health issues (the Basenji Research Corporation), two fundraising projects sponsored by Susan Coe, then-owner of “*The Basenji*,” and a PRA fundraiser featuring handsome bronze, silver and gold pins depicting a spectacle-wearing basenji (created, and with the design generously donated to the BHE by Damara Bolte). With these, and other donations, the BHE helped to fund early research efforts relating to Fanconi and PRA, as well as one more “first” for the basenji fancy – the creation of the first breed-specific DNA database in 1993. Unfortunately, however, the

time was not right for success with respect to the BHE’s research endeavors.

Finally, in 2004, there was a breakthrough. The canine genome was fully mapped. Until that point, working to find markers for canine genetic diseases was a lot like trying to read a Shakespeare play, and make sense of it, with every other sentence blacked out. With the genome fully mapped, the potential for finding the cause of genetic diseases took a huge step forward. BHE-sponsored Fanconi research (co-sponsored in part with the Canine Health Foundation) took a huge step forward almost immediately thereafter, in the early spring of 2006, when Dr. Gary Johnson at the University of Missouri isolated a chromosome clearly linked to Fanconi affliction - using a pyrosequencing device purchased, in part, with a BHE grant. Work on our Fanconi test continues, and we will have a test. It is a question of when, rather than if.

It is now 2007, and we are standing at the edge of a “field of dreams.” The fully mapped canine genome and ever-improving genetic research techniques have created the very real potential to find the causes of, and tests for, other basenji health conditions of genetic origin. **The BHE is the tool for us to use to make those dreams become reality.** In 2007, the BHE will be revving up its engines to meet the challenges of fulfilling its two-fold missions: funding basenji-related health research and educating fanciers and the public about basenji-related health issues. Be on the lookout for some exciting BHE initiatives in the coming months - including a BHE website and a BHE e-newsletter - to help basenji fanciers and the public keep abreast of BHE-funded projects, fundraising efforts, and important basenji health information.

It is, without a doubt, an exciting time to be a basenji fancier!

Online Resources for donating to the Basenji Health Endowment

MissionFish PROJECT through eBay.com - (See article on page 22 for more information)
 Network For Good - www.networkforgood.org - search “Basenji” find the BHE, then follow the links to the “donate now!” button