

Open Bioinformatics Foundation
Treasurers Report: August 2007 - Present
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Version 1.0 - August 2008
Version 2.0 - November 2008 (this document) - Updated to reflect financials as of 11/19/2008

General Summary

As of 11/19/2008 we have the following balances in our banking accounts:

\$15,333.25 - Standard Business Checking Account
\$16,213.47 - Business Investment Checking Account

With respect to our bank accounts, the OBF has not had any financial transactions at all since August 2007 except for receiving interest on our money market account . We generally take in interest and occasional donations and have not spent funds from the accounts since 2004.

Financial Oversight

Jason Stajich & Chris Dagdigian have shared access to our Bank of America accounts and statements. We have an ATM card and a Visa debit card that have (intentionally) never been activated for use. In the rare occasions when the OBF needs to spend money we issue paper checks.

2008 Income (to date)

\$124.11 : Interest earned on business checking account
\$1000.00 : BOSOC'2008 Sponsorship from Helicos Inc. (check deposited on 11/03/2008)
\$250.00 : BOSOC'2008 Donation from Scott Markell

Total: \$1374.11

August 2007 - Present Expenses

All OBF operating expenses have been donated by 3rd parties:

- Domain name renewal fees: Donated by C.Dagdigian
- Server hosting Donated by BioTeam Inc.
- Server bandwidth Donated by BioTeam Inc.
- Delaware Registered Agent Fees Donated by C.Dagdigian
- Legal consultation fees Donated by C.Dagdigian
- Server hardware/memory Donated by C.Dagdigian
- Zoneedit.com Outsourced DNS Donated by C.Dagdigian

Future 2008 Expenses

We expect to issue a few checks shortly to cover the following:

- Travel reimbursement for BOSOC'2008 organizers
- BOSOC'2008 Student Prize awards

Corporate Status

The Open Bioinformatics Foundation is a registered corporation in the state of Delaware. We are incorporated as a "not-for-profit fraternal organization" with near-term goals of becoming a recognized tax-exempt charity.

In 2007 due to a failure to pay annual state filing fees we were listed as "not in good standing" with the Delaware Secretary of State. Back filing fees have been paid via a registered agent acting on our behalf. Our registered agent will now automatically keep us in good standing and will invoice for the annual fees required.

We are still in the process of determining if we need to file additional financial reports or tax documents with the US Internal Revenue Service. The situation is complicated by state jurisdiction issues -- we are largely subject to the laws of the state we primarily operate in (Massachusetts) and our income and expenses seem to fall under the reporting limits set by the state of Massachusetts.

Consensus seems to be that our financial flows are small enough to not require additional IRS or Massachusetts filings. We expect to incur some additional legal and possible CPA fees to verify this.

The Path To 501C(3) Tax Exempt Charity Status

The OBF made a decision when it first incorporated to hold off on trying for a tax-exempt status. The primary reason for this is that tax-exempt and charitable organizations are subject to some stringent financial reporting, auditing and IRS filing requirements. Our fear in the early days of the OBF was that the cost of hiring professionals to audit our books and make the mandatory reporting disclosures would either exceed our annual income or it would consume far too much of our funds to be worthwhile. The reporting requirements would also consume a non-trivial amount of OBF staff/treasurer time.

The OBF Board has made a decision to seek tax-exempt status. This effort has proceeded slowly and fitfully, largely due to time constraints and inaction on behalf of the treasurer (me).

Steps needed to become tax-exempt:

1. Initial legal consultation: *complete*
2. Engage a registered agent who can file on our behalf in Delaware: *complete*
3. Pay back filing fees to state of Delaware: *complete*
4. File past due "Annual Reports" with the state of Delaware: **in-progress**
5. Hire a Massachusetts accountant to see if we owe MA filings or disclosures: **in-progress**
6. Hire a lawyer to handle the non-profit filing and approval process: **pending on previous steps**

We expect to complete the MA and DE state paperwork and filing requirements in July 2008 and to hire a lawyer to guide us through the final steps in early August 2008.

The lawyer has estimated it would cost approximately \$4,000 in fees to achieve non-profit status once the pre-condition steps outlined above are completed.

Personal Message

I'd like to thank the OBF Board for allowing me to continue to serve this organization since inception. Overall I feel that I've been a good steward of our financial assets - primarily by finding external donations to cover our day-to-day operating expenses and reacting quickly to crisis situations such as an incident in 2004 when fraudulent access to our checking account was attempted.

I've done a poor job, however, of moving forward on the big-picture OBF Board initiatives like shepherding our organization through the non-profit filing process. I'd like to offer my resignation as treasurer if the Board feels that it is time for someone else to assume these duties.

Regards,
Chris Dagdigian