



March 15, 2012

To All Members, Friends and Supporters:

This letter is to inform you of a situation that has occurred regarding Pug Rescue of San Diego County's non-profit status with the Internal Revenue Service. Because of personal health issues, our volunteer treasurer did not file Pug Rescue's informational returns with the IRS and our non-profit tax status has been revoked. We are in the process of working diligently with the IRS to restore our status as quickly as possible. We value our relationship with our volunteers, donors, foster families, event attendees and others who support our organization; therefore, we are sharing with you what is occurring and how we are resolving the situation so we can continue to fulfill our organization's mission.

The volunteer Board of Directors learned of the revocation of the non-profit status on March 8, 2012. On March 9, we conducted an emergency board meeting to address the issue and took steps to correct the issue presented before us. As you can imagine, this last week has been a whirlwind of activity to understand the magnitude of the issue and what it is going to take to make corrections and move forward from this situation.

What We Know:

- While non-profits are not required to pay taxes, they must file informational documents with the IRS each year. We discovered the informational returns for 2008 and 2009 were not filed, and the informational return for 2010 was filed late. IRS rules and regulations indicate that if a non-profit does not file their returns for three consecutive years, they will lose their non-profit status.
- The date of revocation was May 15, 2011, with the date of publication being Feb. 22, 2012. Anyone who made a donation to Pug Rescue of San Diego County through Feb. 21, 2012 may legitimately claim the donation as tax-deductible. Any donations made after this date will not be considered as tax deductible by the IRS. Those who made donations on or after Feb. 22, 2012 may request a return of their donations if they so desire.
- Any donations made on or after Feb. 22, 2012 until the date our non-profit status is reinstated will not be considered a tax-deductible donation per the IRS guidelines. When our status is restored, we will publish the date of restoration on this website, our newsletter, and other means of communication.
- Once the returns have been filed, and the IRS has received other mandatory forms and fees, work upon our reinstatement will begin. Unfortunately, the IRS cannot give us a timeframe for completion of that process. Based on the time required for our original application for non-profit status to be processed, this might take 30 to 60 days. However this is only an estimate, and the actual time required might be more or less than anticipated.

Moving Forward:

Pug Rescue of San Diego County has always had as our mission the rescue, medical treatment and placement of homeless, abandoned or unwanted Pugs into new, loving, forever homes. This continues to be our primary goal. In so doing, we also strive to conduct business with integrity, competence and transparency. This, too, remains a priority.

- In concurrence with this goal, our volunteer Treasurer has voluntarily stepped down from that position, effective March 14, 2012. He is working with us to file the documents and provide the needed history to reinstate our non-profit status.

- Regina Mahurin will serve as our interim Treasurer until a search for a new Treasurer can be undertaken and a suitable candidate found. We will also hire an accountant to assist us with our monthly bookkeeping responsibilities, to annually file our tax documents, and provide expert counsel to our all-volunteer organization.
- We plan to continue to host our annual Pug Party in Del Mar on May 5, 2012 and plan to continue to host our events as scheduled. We will also continue our work to rescue and place Pugs into forever homes as well as support the Pugs currently in our foster care.

Pug Rescue of San Diego County apologizes for any inconvenience this turn of events has caused any of our valued members, supporters and friends. Our goal is to receive our reinstatement in a timely manner, and in the meantime we will go on with our work of helping those who cannot help themselves.

Please direct any questions regarding this issue to Barbara McNair, our board president, at webepugs@cox.net.

Thank you in advance for your consideration and ongoing support of our organization through this reinstatement period.

Sincerely,
Board of Directors
Pug Rescue of San Diego County