

University of Hawai'i at Mānoa  
Library — ArchivesMEMORANDUM

Date: December 9, 1992

To: Junpo-Shi

From: [REDACTED]

Subject: Financial matters to discuss with attorney

- 1) Unrelated Income - as of 10/31/92 we had \$27,000 of income from logging done by independent contractor. I believe this income is clearly "unrelated" to our purpose set forth in our 501C-3 designation. What are the consequences of not reporting this income? Is our tax exempt status in jeopardy? Could officers and/or directors be held liable?
- 2) Stipends & Gratuities - need more info as to rules around stipends. Do we need to issue 1099's? When does a stipend become wages? Are payments to Yoga Instructor, Tenzo, Abbot and Vice Abbot really stipends or gratuities or should they be considered wages?
- 3) Room & Board - should the value of room and board be considered as income?
- 4) Employees - should monies paid to Dennis Havel be considered wages? What about value of room or board?
- 5) Worker's Comp - do we have to carry work comp to cover people who are on work study or resident basis but not termed employees? What is our liability if they are injured while chopping wood, plowing the road, cutting vegies, etc?
- 6) Non-resident aliens - can we pay stipends to any alien or only those with green cards? Could we have INS problems, in addition to IRS problems, if we issue 1099's on non-resident aliens?

In all of these areas, need to know clearly the ramifications and consequences to DBZ, Zen Studies Society, Officers and Directors of non-conformance or violation of any regulations.

Copy to: Junpo-Shi  
[REDACTED]