STATE HEADQUARTERS
DEPARTMENT OF CALIFORNIA
VETERANS OF FOREIGN WARS OF THE UNITED STATES

General Orders No. 2 - 2009-10 Series

1. An annual income tax return (990-N, 990-EZ or 990) is required of each Post exempt from tax under Section 501(c) of the Code. Post with annual gross receipts of $25,000 or less are required to electronically submit Form 990-N, also know as the e-Postcard. Organizations with over $25,000 and less than $100,000 of gross receipts and total assets of less than $250,000 at the end of the year may use 990-EZ. Posts having gross receipts or assets over these amounts will use Form 990. For those who use Form 990, be to complete Box A thru Box M. Send the completed return to the service center in your area. Gross receipts include income from all sources, including membership dues, liquor or restaurants receipts, etc. Some of this may be "unrelated business income" in which case the filing of Form 990-T may be required. The returns must be filed on or before the 15th day of the fifth month after the end of the accounting period. That means that if the accounting period ends on June 30, the return must be filed on or before the 15th of November of that year. Requests for extension of time to file may be made by submitting Form 2758, Application for Extension of Time to File. If a Post fails to file the return on or before the due date, or the extended due date, a penalty of $20 for each day the return is late (not to exceed $5,000) is imposed unless it can be shown that the failure to file was due to reasonable cause. All units are alerted to report activities of IRS District Offices in conducting unannounced investigations and/or surveillance of Posts to determine if non-members are being served or using VFW facilities.

2. Many Posts have received correspondence from a company named "Corporate Compliance Center" the information they are providing for a fee is easily obtained free of charge from various State agencies, the VFW, Department of California has asked this company to discontinue mailing information to our Posts. Post Quartermasters you are advised to disregard correspondence from this company.

3. National By-Laws provides for only one type of membership; that is active membership. There are no provisions in the National By-Laws, nor is there any authority or justification for issuance of Club Membership cards, Associate Member cards, Honorary Membership cards, Courtesy Membership cards or any other special type of cards. Any Post issuing such unauthorized cards, or conducting club operations open to the general public, endangers its standing with the Internal Revenue Service as a non-profit organization. Officers signing outlaw cards admitting non-members to VFW premises are subject to disciplinary action. National and Department officers cannot defend practices that conflict with VFW By-Laws or procedure.

4. VFW Posts should take the necessary steps to incorporate under the laws of the state in which the Post is located. Financial responsibility laws, as interpreted by the Courts, may cause members of unincorporated Posts to be at risk. Incorporating under the provisions of Section 708 of the National By-Laws and Manual of Procedure and the laws of the state will provide protection for Post members. Posts are urged to contact their Department Adjutant to obtain the proper forms for incorporating. The Articles of Incorporation must be reviewed by the Commander-in-Chief prior to forwarding them to the proper state authorities.

5. The attention of Post Commanders and District Commanders and Inspecting Officers is directed to Section 215 of the National By-Laws – Eligibility to Office. All members shall be eligible to hold any office in the Post provided that proof of eligibility has been submitted and verified by the Post Commander and Adjutant prior to the installation.

6. The attention of Post Commanders and District Commanders and Inspecting Officers is directed to Section 216 of the National By-Laws – Elected and Appointed Officers; Chairman and Committees. Post officers, elected and appointed shall submit proof of eligibility to the Post Adjutant. Post Officers shall not be installed or assume the duties of their office until proof of eligibility has been submitted and properly reviewed. Such proof of eligibility shall be open to and reviewed by the Commander, Adjutant, and Quartermaster prior to installation to office. In the event an elected or appointed officer fails to submit proof of eligibility within sixty (60) days of election or appointment, any right of the officer to hold the office shall be forfeited, the office declared vacant and the eligibility qualifications of such officer shall be questioned in accordance with the provisions of Section 108 of the National By-Laws.

7. The attention of Post Commanders and District Commanders and Inspecting Officers is directed to Section 218(a)(6)(d)(5) – Duties of Adjutant. The Post Adjutant shall maintain the following; a file containing a copy of the proof of eligibility submitted by officers pursuant to Section 216 of the National By-Laws

8. The attention of Post Commanders, and District Commanders and Inspecting Officers is directed to Section 703, Manual of Procedure - Bonds. Each accountable officer of this organization shall be bonded with an indemnity company as

surety in a sum at least equal to the amount of the liquid assets for which he may be accountable. Liquid assets are defined as cash on hand or in the bank and other negotiable instruments readily convertible into cash.

9. The attention of the Post Commander is directed to Section 708 of the National By-Laws and Manual of Procedure which prescribes the procedure for the Incorporation of Units. It shall be the responsibility of the Post Commander to ensure full compliance with Section 708, and to ensure that all state requirements for annual filing, fees, etc. are met in a timely manner.

10. All officers should obtain current copies of the National By-Laws, Manual of Procedure and Ritual. Copies of the 2009 revised edition of the Congressional Charter, By-Laws, Manual of Procedure and Ritual are available through the VFW Emblem and Supply Department, National Headquarters. The 2009 revised edition reflects the amendments adopted by the 109th National Convention, which will become effective on/about September 30, 2008.

11. All Commanders are reminded that Section 709, Manual of Procedure - Control of Units, requires that any activity, unit or club sponsored, conducted or operated by, for or in behalf of a Post, District or Department shall be at all times under the direct control of such Post, District or Department and that all money, property or assets of any kind must be placed in the care and custody of the respective Quartermaster. All Commanders should ensure that all provisions of Section 709 are enforced.

12. The attention of Post Commanders and Quartermasters is directed to Section 218(a)(5)(f), Manual of Procedure, duties of Quartermaster, which provides for the Dues Reserve Fund. The Post Quartermaster is required to maintain a dues reserve fund to which shall be credited not less than one-half the Post's part of the current year's dues paid by each member prior to July 1. Included therein, shall be not less than one-half of the per capita tax refunded annually to Posts for Life Members, as set forth in Section 111, Manual of Procedure.

13. The attention of all units is called to Section 1101 of the By-Laws and Manual of Procedure which provides for the formation and jurisdiction of the Ladies Auxiliary. This Section provides that each unit of the Auxiliary shall be under the jurisdiction of the corresponding unit of the Veterans of Foreign Wars, but shall be permitted to function in accordance with the National Ritual, By-Laws and Rules and Regulations of the Ladies Auxiliary.

14. In addition to provisions of Auxiliary By-Laws, solicitation of funds or donations by Auxiliary units, including contracts with fund-raising organizations for greeting cards, calendars and/or label programs shall be subject to approval and ratification by the governing body of the corresponding unit of the Veterans of Foreign Wars.

15. Section 704 of the Manual of Procedure outlines the various things for which the Post Relief Fund can be used. A few years ago, the phrase, "To foster true patriotism through historical and educational programs," was added to this section. This allows the Post to use the relief funds for the Voice of Democracy program or other Americanism programs that are educational. This does not include Post building projects, hall remodeling, color guard uniforms or any other expenditure that does not follow the guidelines as outlined in Section 704.

16. The attention of all District Commanders is directed to Section 420 of the National By-Laws which provides that the Commander of the District in arrears for poppy money, supply money or other financial obligations, or failing to have the Quartermaster bonded or failing to submit required District Trustees Report of Audit or District Election Report shall be deprived of all representation at Department Conventions. In addition, Districts in arrears shall be deprived of all representation at Department Council of Administration meetings. Such representation shall be restored promptly upon proper adjustment of such deficiencies.

BY COMMAND OF
JACK TURNER
STATE COMMANDER

OFFICIAL:

James R. Rowoldt

James R. Rowoldt
State Adjutant/Quartermaster