



POST DEVELOPMENT

Procedures and Resources

New Post Development:

- Determine where a post should belong in a community.
- Contact key people in the community and get their approval for a new post, along with suggestions for possible leaders and members. Ask the mayor, police officers, fire department officials, the school superintendent, teachers, bank managers, real-estate agents, insurance agents, barbers and business owners.
- Communicate with the Legion's Department headquarters 800-234-5544
- Recruit 15 paying members to join your post. These members should either be members that have not renewed at another post or brand new members.
- Request a New Post packet. (New Packet will consist of Temporary Post Charter, current year blank membership cards, membership applications, Officers guide, and Why You Should Belong Pamphlets, Post Data Form)

Temporary Post Charter:

- Determine what to name the post. No Post shall be named after any living person. If it will be named by a deceased person you must have a letter from family saying that they give the post permission.
- Determine how much you will charge per member before your first organizational meeting. Remember that you will send \$29.00 per member to Department Headquarters.
- Contact Department Headquarters to assign a number to the post.
- Determine who will act as Post Commander and Post Adjutant during the organizational period.
- Determine a place and time to hold organizational meeting.
- Publicize the post's formation and organizational meeting through local press, social media, notices on chopping center bulletin boards, and other outlets. **(Sample letter is attached)**
- Fill out temporary charter in triplicate.
- Fill out the membership cards completely and give members their portion and keep the other two parts together for transmitting to Department Headquarters.
- After you have 15 paying members send a packet to Department Headquarters. This packet should contain Temporary Charter, membership cards, and \$29.00 per member. Packet should be mailed to American Legion, P O Box 1069, Montgomery, Alabama 36101.
- National will send a new charter kit to you after your charter is approved.

- The American Legion is tax exempt under Section 501 c19 of the Internal Revenue code of 1954 as amended. Every post needs to obtain an EIN from the government. The instructions should be closely followed in completing and submitting the SS-4 form. **(Instructions and information are attached you will receive the form in your new post kit. All newly chartered posts will receive SS4 in their kit.)** When you receive the post EIN, send a copy of the number and the inclusion letter (**attached**) to National Headquarters Immediately so the post may be listed as a tax exempt charter of The American Legion. **(If you do not have form you may find it on page 17 in the Post Operations Manual)**
- You may want to apply for a 501 c 3 by filing a 1023. **(Checklist and Frequently asked questions and answers are included in this packet)** Instructions and form can be received at Department Headquarters or by our website.

Permanent Charter

- After 90 days you may apply for your permanent charter. Please notify Department Headquarters and they will send you the application. 800-234-5544 or 334-262-9694.
- Normally a Post incorporates after receiving its permanent charter. It is recommended that Posts incorporate, such action helps to protect their individual members from liability. **(More information on incorporation is located in the Post Operations manual on page 16)**
- Your post should have Constitution and Bylaws that govern your post. A suggested copy of both can be located in the Officer's Guide pages 106-111. If you need help or any suggestions you may contact Department Headquarters 800-234-5544, Department Judge Advocate, or the Department Commander.
- Hold monthly meetings
- At first pick a few Legion Programs to work. As your post grows you can work more programs.
- Hold post elections annually
- Keep a log of your volunteering hours **(a form is attached for your use)** This will help when reporting to Department and National at the end of the year.
- All Posts are required to file a Form 990 annually with the Federal Government failure to do this may cause the post to lose their tax exempt status. **(You must have an EIN number and furnished the number to National before you can be included in the blanket tax exempt status see page 14 in Post Operations Manual)**
- Great manuals to have at your post at all times are National Headquarters Constitution and Bylaws, Department Constitution and Bylaws, Officer's Guide, Post Adjutant's Manual, and Post Operations Manual. All manuals that a post should need will be included in the New Post kit that National Headquarters provides to every new post. If you prefer and electronic version of all manuals you can download them at www.legion.org/publications.

Contact: _____

SAMPLE LETTER

(Date)

Dear Veteran:

Do you feel it is important to have a strong national defense? Do you feel current members of the military should be adequately compensated for their service and sacrifice? And do you feel our children should grow up with a sense of patriotism and respect for our nation and what you fought for?

If you answer “yes” to any or all of these questions, then The American Legion would like to have you in our corner by becoming a member of The American Legion.

The American Legion is chartering a new post in _____ to expand its services to veterans, their families and the community. Our commitment since 1919 has been to provide service to our veterans and to this end provide you the information you need to join in this commitment. Did you know that . . .?

- As an American Legion member you and your spouse and children (up to age 18) **can save up to 40%** off on eyewear (frames and lenses)?
- As an American Legion member you could receive **up to \$1,500** in the event your home is damaged by a natural disaster (payable within one week to you after applying)?
- As a veteran, you have **free** access to the state’s American Legion Service Officer who can represent veterans with the VA and assist with filing claims?

If you were not aware of these programs, then we hope you consider becoming a member of the newly formed _____ American Legion Post. Through your membership we can keep you informed of everything that you have earned for you and your family in serving your country.

Officers will be in town _____ through _____, to kick off this community and veteran service campaign. According to American Legion by-laws, at least 15 veterans are required to form a post.

We invite all wartime veterans in this area to attend the new post’s formative meetings at _____ . Membership and veteran information staff will be available at that location on _____ from _____ to _____.

Additionally, the first _____ American Legion Post meeting is scheduled for _____, at _____ at the _____.

We would be honored if you would share with us in building up the _____ American Legion Post and helping make it a post that all area veterans would be proud to claim as an asset to their community – **an asset that makes a difference!**

If I can assist you in any way with a Legion or VA matter, please do not hesitate to contact me or _____ at _____.

For God & Country,

Post Commander
The American Legion Department of _____



INCLUSION LETTER

(Date)

The American Legion
PO Box 1055
Indianapolis, IN 46204-1055

ATTN: National Judge Advocate

Dear Sir:

The undersigned, a duly authorized officer of _____

(Legal Name of Post)

Post No. _____ Department of _____, does

hereby authorize the National Organization of The American Legion to include it in its application to the Internal Revenue Service for a group exemption letter so that this Post may be exempt from the payment of Federal Income Tax under the provisions of Section 501 (c) (19) of the Internal Revenue Code of 1954, as amended.

POST EMPLOYER IDENTIFICATION NUMBER

Sincerely,

Post Commander

Post Name

(Name of the Post) Post (Post Number)

American Legion

City, Alabama

Monthly Report of Hours & Services

Veterans Affairs & Rehabilitation

- 1. number of cases handled by the Service Officer _____
- 2. number of volunteer hours recorded at VA Hospitals _____
- 3. cost of emergency aid given to Veterans from Post funds \$ _____
- 4. number of Voluntary Service Volunteers _____

Public Relations

- 1. number of times mentioned in the following media
 - a. radio _____
 - b. cable access TV _____
 - c. newspaper (letters to the editor) _____
 - d. TV _____
 - e. newspaper (stories) _____

Ceremonial Funeral Honors for Veterans – Post Sponsored

- 1. number of funeral honors provided for Veterans _____
- 2. expenses \$ _____

Americanism

- 1. Boy's State – number of boys sponsored _____
 - cost to Post \$ _____
- 2. American Legion Legacy Scholarship donations \$ _____
- 3. athletic teams sponsored _____
 - cost to Post \$ _____
- 4. Scouting – sponsors scout unit _____
 - number of scouts _____
 - monies donated to scouting activities \$ _____
- 5. Oratorical Contest – sponsored local interest _____
 - number of local contestants _____
 - cost to Post \$ _____
 - number of awards presented _____
- 6. number of schools assisted _____

Monthly Report of Hours & Services (cont.)

7. Flag Education: number of presentations to local groups _____
 • cost to Post \$ _____
8. Scholarships awarded _____
 • cost to Post \$ _____

9. Post Participation

- hours of community service to Post for community service _____ • cost \$ _____
- number of community events sponsored by Riders group _____ •
- number of Legion Family members in Riders group _____

Children & Youth

1. number of C&Y activities held _____
2. cash aid given to benefit children \$ _____
3. value of goods given to children (reasonable estimate) \$ _____
4. number of children given aid (cash or goods) _____

5. Post Participation

- Health & Child Safety _____ • Halloween Safety _____
- _____ • April is C&Y Month _____
- Family Support Network _____ • Special Olympics _____
- Operation Military Kids _____
- cost of parties, dinners, prizes & gifts \$ _____
- administrative costs (paper, equipment, etc.) \$ _____
- all other expenses \$ _____
- contributions to child service charities \$ _____

 Submitted by Signature

 Date submitted

Employer Identification Number

Note: Form SS-4 begins on the next page of this document.

Change to Domestic Employer Identification Number (EIN) Assignment by Toll-Free Phones

Beginning January 6, 2014, the IRS will refer all domestic EIN requests received by toll-free phones to the EIN Online Assistant. You can access the Assistant by going to www.irs.gov, entering "EIN" in the "Search" feature and following instructions for applying for an EIN online.

Attention Limit of one (1) Employer Identification Number (EIN) Issuance per Business Day

Effective May 21, 2012, to ensure fair and equitable treatment for all taxpayers, the Internal Revenue Service (IRS) will limit Employer Identification Number (EIN) issuance to one per responsible party per day. For trusts, the limitation is applied to the grantor, owner, or trustor. For estates, the limitation is applied to the decedent (decedent estate) or the debtor (bankruptcy estate). This limitation is applicable to all requests for EINs whether online or by phone, fax or mail. We apologize for any inconvenience this may cause.

Change to Where to File Address and Fax-TIN Number

There is a change to the Instructions for Form SS-4 (Rev. January 2011). On page 2, under the "Where to File or Fax" table, the address and Fax EIN number have changed. If you are applying for an Employer Identification Number (EIN), and you have no legal residence, principal place of business, or principal office or agency in any state or the District of Columbia, file or fax your application to: Internal Revenue Service Center Attn: EIN International Operation Cincinnati, OH 45999 Fax-TIN: 859-669-5987
This change will be included in the next revision of the Instructions for Form SS-4.

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.¹ See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a–8a, 8b–c (if applicable), 9a, 9b (if applicable), and 10–14 and 16–18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a–6, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10–18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) ²	Complete lines 1–18 (as applicable).
Purchased a going business ³	Does not already have an EIN	Complete lines 1–18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust ⁴	Complete lines 1–18 (as applicable).
Created a pension plan as a plan administrator ⁵	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a–5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	Complete lines 1–5b, 7a–b (SSN or ITIN optional), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1–6, 9a, 10–12, 13–17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	Complete lines 1, 2, 4a–5b, 9a, 10, and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes ⁸	Complete lines 1–18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation ⁹	Complete lines 1–18 (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

² However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

³ Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

⁸ See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

Form 1023 Checklist

(Revised December 2013)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- Assemble the application and materials in this order:
- Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
- Employer Identification Number (EIN)
- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
- You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.
- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.

Schedule A ___ YES ___ NO
Schedule C ___ YES ___ NO
Schedule E ___ YES ___ NO
Schedule G ___ YES ___ NO

Schedule B ___ YES ___ NO
Schedule D ___ YES ___ NO
Schedule F ___ YES ___ NO
Schedule H ___ YES ___ NO

- An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
 - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number)

 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law _____
- Signature of an officer, director, trustee, or other official who is authorized to sign the application.
 - Signature at Part XI of Form 1023.
- Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter
Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

1. Who would qualify for 501c3 status? Nonprofit corporations that are formed for charitable, educational, religious or scientific purposes.
2. I am trying to set up a fund for my relative who is suffering from cancer. Would I qualify for a 501c3 status? No. 501c3 organizations don't benefit one specific individual.
3. I have an LLC and plan on opening a nonprofit organization. Can I be a business owner and a Board member of a nonprofit? Yes, you can, as long as there is no conflict of interest.
4. I sit on the Board of an A-Charity. Could I also be a Board member of a B-Charity? Yes, you may.
5. I plan on operating my charity in a foreign country. Can I do it? Yes. However, you must follow IRS guidelines in setting up and operating your organization.
6. May I receive tax deductible contributions while in the process of applying for 501c3 status?

If your organization is applying for 501c3 within 27 months of the incorporation date, then the effective date of your status will be retroactive to your incorporation date. Therefore, all donations collected since the incorporation date will be tax deductible upon IRS approval.

If the organization is applying past 27 months of the incorporation date, then it may request for an extension of time to apply for exemption and get recognized as exempt from the date you got incorporated. In this case, the organization must furnish explanation why it did not file the application within the 27-month period.

7. May a 501c3 organization show a cash balance at the end of the year? Yes, it may.

8. What form should a 501c3 organization file on an annual basis to keep its tax exempt status? Public charities generally file either Form 990 (Return of Organization Exempt from Income Tax) if its gross receipts for the preceding year were over \$200,000 or total assets were worth more than \$500,000; Form 990-EZ (Short Form Return of Organization Exempt from Income Tax) if its gross receipts for the preceding year were over \$50,000 and less than \$200,000 and total assets were worth less than \$500,000; or Form 990-N (Electronic Notice (e-Postcard) for Tax-Exempt Organizations not required to File Form 990 or 990-EZ) if its gross receipts were under \$50,000. Subject to change annually

9. When is the IRS annual information return due? Forms 990, 990-EZ, and 990-N must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The due date for the Forms 990-EZ and 990 may be extended for three months, without showing cause. An organization cannot request for extension for filing Form 990-N.

10. What is the benefit of applying for 501c3 status? 501c3 approved organizations are exempt from Federal Income tax. They can also accept tax deductible donations and apply for government and private grants.

11. What is the difference between a Public Charity and Private Foundation? The primary distinction is an organization's source of financial support. Public charities receive their funding from general public, corporations and government or private grants. Private foundations receive their funding from a limited number of donors.

12. I have a small ministry with a minimum amount of funds coming in and out. How important is it to keep the books? No matter what size your organization is, it must keep accurate books. The charity must be able to document the sources of receipts and expenditures on Form 990. If an organization does not keep required records, it may not be able to show that it qualifies for tax-exempt status or should be classified as a public charity. Thus, the organization may lose its tax exempt status. When good recordkeeping systems are in place, a public charity can evaluate the success of its programs, monitor its budget, and prepare its financial statements and returns.

13. Are there any penalties for not filing 990 or 990-EZ on time? Yes. If a form 990 or 990-EZ is not filed, the IRS may assess penalties on the organization. This penalty also applies when the filer fails to include required information or to show correct information.

14. What charitable organizations fall under educational organizations? Schools such as primary or secondary school, a college, or a professional or trade school, which have a regularly scheduled curriculum, faculty and enrolled body of students; Organizations that conduct public discussion groups, forums, panels, lectures, or other similar programs; Organizations that present a course of instruction by means of correspondence or through the use of television or radio; Museums, zoos, planetariums, symphony orchestras, or similar organizations; Nonprofit day-care centers; Youth sports organizations.