



2026 Mid-Winter Conference Inspector General Seminar



KEEPING OUR PROMISE TO
AMERICA'S VETERANS

Mission Statement

We are dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity. We accomplish this by making sure veterans and their families can access the full range of benefits available to them; fighting for the interests of America's injured heroes on Capitol Hill; and educating the public about the great sacrifices and needs of veterans transitioning back to civilian life.

- Providing free, professional assistance to veterans and their families in obtaining benefits and services earned through military service and provided by the Department of Veterans Affairs (VA) and other agencies of government;
 - Providing outreach concerning its program services to the American people generally, and to disabled veterans and their families specifically;
 - Representing the interests of disabled veterans, their families, their widowed spouses and their orphans before Congress, the White House and the Judicial Branch, as well as state and local government;
 - Extending DAV's mission of hope into the communities where these veterans and their families live through a network of state-level Departments and local Chapters; and
 - Providing a structure through which disabled veterans can express their compassion for their fellow veterans through a variety of volunteer programs.
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Fundraiser Approval

- If by chapter, prior approval of the DEC and possibly NEC. (Contracts, outside entities, etc.)
 - If by Department, prior approval must be obtained by the NEC.
 - All fundraising requests must specify the particular service program which will benefit from the proceeds.
 - All funds generated must be used to support the designated program in a timely manner.
 - All fundraising requests requiring NEC approval can be sent to via email to the Inspector General.
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Expenditure of funds

- Ensure donations support our federally-chartered purpose.
 - Every effort should be made to support DAV based programs for which we are known for.
 - For example our DAV service programs, Voluntary Service initiatives, direct support to veterans in the community, DAV Transportation Network, DAV Caregiver Program, Patriot Boot Camp, National Disabled Veterans Golf Clinic, etc.
 - At no point in time should we be providing a monetary donation to another organization.
 - If the donor wanted their money to go to another organization they would've donated it to them.
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Expenditure of funds

- Instead of providing a monetary donation, purchase the items needed.
 - For example, providing toiletries to a veterans home, or meals for a stand down instead of providing a monetary donation to purchase.
 - You can also consider funding the Columbia Trust, which helps Departments and Chapters in need with their local programs such as the Transportation Network, Hospital Service Coordinators, and DSOs/CSOs.
 - **Be Creative!**
 - There is nothing wrong with creating a new way to get perspective members involved with DAV, such as assisting with paying membership dues, or bringing first timers to a National Convention.
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Financial Accountability

- It is imperative that members are aware of how money is being spent within their respective Chapters.
 - When the Treasurer presents their report, make sure that you understand what is being reported and ask questions.
 - Do not simply agree to agree!
 - You are a member of the Chapter, and you have a vote to say how money should be spent within the veteran community.
 - Every member of the Chapter has a duty to ensure the Chapter remains financially accountable.
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Reimbursements

- When providing reimbursement to a member, please ensure that there are receipts and vouchers for ALL expenses.
 - Without a receipt and voucher, there should be no reimbursement issued.

 - There is no such thing as giving a member a stipend. If any member is paid an amount over \$600 during the calendar year, they must receive an IRS Form 1099.

 - If a Chapter or Department has an employee, IRS Form W-2 MUST be completed.
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Donations

- All solicitations for funds from the public MUST be done face-to-face.
 - The only approved method of receiving an in-person electronic payment is Square.
 - Absolutely no solicitations may be conducted online, or via a fundraising platform.
 - We must ensure that Chapters are operating within their chartered territory.
 - For all donations, a name is required when completing the Annual Financial Report.
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Annual Financial Reports (AFRs)

- The fiscal year runs from July 1 to June 30 annually.
 - All AFRs are due June 30th each year.
 - The Bylaws provide for a built-in 90 day extension of September 30 annually.
 - Income in excess of \$500,000 requires a CPA review to be submitted with the AFR.
 - The Department is required to review and approve in the system, any Chapter AFRs that had less than \$25,000 of income.
 - Any Chapter or Department that has not submitted an AFR online via mydav.org by October 1 will be suspended (**no exception**).
 - Last year, a one-time exception was made which provide an October 30th deadline.
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Annual Financial Reports (AFRs)

- If the AFR is submitted timely, then no suspension will be levied.
 - As a reminder once October 1st comes and your AFR has not been submitted your Department/Chapter will be suspended.
 - A saved AFR does not constitute a submitted AFR.
 - If the AFR is submitted after October 1st, the suspension will be lifted until it is reviewed.
 - Once reviewed, if the AFR is rejected, the entity will be given 5-30 days to correct the deficiencies or face a subsequent suspension.
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Accumulation of Funds

- Article 18 of the National Bylaws, “*Subordinate units may not accumulate funds, whether for service purposes or otherwise, in excess of three times the expenses of their last fiscal year.*”

 - If an entity is operating over the 3X rule, they will be put on a two-year spend-down plan.
 - All funds over the 3X rule must be spent on local DAV service programs.
 - Spend-down plans must be approved by the National Adjutant.
 - Proposals should contain as much details as possible.
 - During a spend-down no fundraising can occur.
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Spend Down Plan Examples

- \$1,000 to support National Disabled Veterans Winter Sports Clinic
 - \$1,000 to support DAV Winter Sports Clinic Caregiver Banquet (any remaining funds will be donated directly to the National Disabled Veterans Winter Sports Clinic)
 - \$1,000 to support recreational therapy at the Cincinnati VAMC
 - Proposal must be approved by the National Adjutant in accordance with Article 18, Section 18.3 of the National Bylaws.
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IRS Compliance

- In order to maintain your tax exempt status an IRS Form 990 MUST be submitted annually by November 15th.
 - If tax exemption is lost, the entity is immediately placed on-hold and not allowed to fundraise or receive any type of donations.
 - If the entity does not comply within 30 days, the entity will automatically be suspended.
 - In order to regain tax exempt status, you must submit an IRS Form 1024-A along with a \$600 filing fee to the IRS, and send proof of filing and payment to DAVofficersupport@dav.org.
 - Normally it takes the IRS 6-12 months to reissue tax exempt status.
 - If the entity does not comply within 120 days the entity will be revoked for loss of tax-exemption and the decision will be final.
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NEC Regulation 13

- **General Rule.** All bequests and/or other testamentary gifts like IRAs, bank accounts, and life insurance policies regardless of size, type, or designation, must be submitted to the Bequests Reporting Program (BRP) to ensure distribution is pursuant to the donor's intent. It is the responsibility of all subordinate entities to promptly report all bequests received, or upon notification of a potential gift, to the BRP, by submitting an image of all paperwork or checks received to legaldepartment@dav.org.
 - Additionally, if a subordinate entity receives any donation and the payee is: Disabled American Veterans; DAV National Headquarters; or DAV, and the donor does not specify a Department, Chapter or Auxiliary entity, that entity is required to forward the donation to Remittance Processing at National Headquarters. Conversely, if National Headquarters receives a donation intended for a Department, Chapter or Auxiliary entity, Remittance Processing will distribute the funds accordingly, in alignment with the donor's expressed wishes.
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Bequest Reporting Program Example

- Chapter receives communication from an estate.
 - Estate contacts the Chapter and indicates the decedent has named the Chapter in their Will.
 - All documentation the Chapter receives must be forwarded to legaldepartment@dav.org as soon as possible.
 - Once the documentation is reviewed by the Legal Department, General Counsel will work directly with the Chapter to ensure the funds are distributed per the decedents wishes.
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Q&A

Inspector General

Ed Hartman

ehartman@dav.org

Deputy Inspector General

Ryan Burgos

rburgos@dav.org

