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TO: National Officers and Members of the NEC
Department and Chapter Commanders and Adjutants

FROM: Edward E. Hartman
Inspector General

DATE: May 28, 2024

SUBJECT: Revision of NEC Regulation 4

The National Organization has identified many bar, lounge, bingo operations, thrift stores, and similar fundraisers, operating at a level, which is not generating revenue to support DAV's mission, but are rather "breaking-even," or making a fraction of a profit from the fundraiser, in order to satisfy the prior language of NEC Regulation 4, which permitted such. As we all know, the intent of operating a bar, lounge, bingo operation, thrift store, or similar activity is permitted solely for generating revenue to support our cause.

Accordingly, on May 24, 2024, National Adjutant Barry Jesinoski submitted NEC Ballot #042 to the NEC in order to amend NEC Regulation 4. The NEC favorably considered the Ballot and the new language reads as follows: "Effective July 1, 2024, if a bar, lounge, bingo operation, thrift store, or similar fundraiser, is operated by, or in the name of a subordinate entity of the Organization, the entity must provide, at minimum, ten (10) percent of the gross annual income derived from the operation to provide free DAV programs of service. The subordinate unit is responsible for ensuring that the bar, lounge, bingo operation, thrift store, or similar fundraiser, complies with all relevant laws and that any required filings with regulatory agencies have been made. The National Commander may immediately terminate the subordinate entities' privilege to operate such a fundraiser, in accordance with Article 15, Section 15.6, Para. 5 of the National Bylaws, should it fail to meet this standard."

As this amended Regulation will go into effect on July 1, 2024, which is the beginning of the 2024-2025 accounting period for Departments and Chapters, we need to make you aware of this revision, so you may make any necessary changes to the operation of such fundraisers, in order to be compliant. We will evaluate compliance beginning with our review of the 2024-2025 Annual Financial Reports (AFRs), and all subsequent AFRs.

As a reminder, DAV programs of service include, but are not limited to our Department and Chapter Service Officer Programs, Local Veterans Assistance Program and other Voluntary Service initiatives, DAV Transportation Network, Hospital Service Coordinator Program, Disaster Relief and Special Event Programs. Support of the Columbia Trust, National Service Foundation and Charitable Service Trust are also very appropriate DAV related programs, which can be supported.

May 28, 2024

As a reminder, operating any fundraiser, especially those identified in NEC Regulation 4, is a privilege and not a right. If an entity is not generating income to support our cause through a fundraising activity, then that activity cannot be permitted in accordance with our governing documents.

Should you have any questions or concerns, please do not hesitate to contact me at ehartman@dav.org.



Edward E. Hartman
Inspector General

EEH:js

c: National Commander Espinosa
National Adjutant Jesinoski
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