



## Guidebook

# Chartering a State Chapter of VUFT



# **Guidebook**

## ***Chartering a State Chapter of VUFT***

### **Introduction**

Veterans United For Truth, Inc. (hereinafter VUFT) is incorporated as a national public benefit organization in the state of California. VUFT has received a favorable ruling from the IRS and is a 501(c)(3) charitable organization. As a 501(c)(3) charity, VUFT not only enjoys tax-exempt status, but also can receive tax-deductible contributions. VUFT has made a declaration that not more than 20% of its budget will be spent for lobbying purposes. This restriction holds for all subordinate chapters.

There can only be one state chapter. Chartered state chapters of VUFT can be included in an IRS Group Exemption Letter and can enjoy the same status as the parent. State chapters must be incorporated separately in their state, unless the laws of their state prohibit it. Incorporation is beneficial as it confirms the chapter's tax-exempt status within the state taxation system, and it offers certain protections to the chapter corporate officers.

To be consistent with IRS regulations, hereinafter VUFT will be referred to as the "central organization", and state chapters will be referred to as the "subordinate organization". These titles do not change the relationships discussed below.

The establishing of state chapters is important to VUFT for two reasons:

1. Having state chapters broadens the effect of VUFT's influence with federal legislators by establishing a public link among a growing number of individual states; and
2. Being part of a national organization enhances the state chapter's influence on state legislatures by adding the weight of a national organization to local efforts.

Most of the real action in support of veterans must occur in the individual states and communities within the states. These actions cannot take place and be controlled from a central organization. Distributed control is essential. State chapters, while under the control of the central organization on matters of purpose and policy, operate autonomously within their state. Chapters decide on their own internal organization, establish their own programs, and operate under their own operating policies within that state. The only constraints on state chapters is that they must:

1. Adhere to the purposes of the national organization
2. Maintain membership criteria consistent with the national organization
3. Report to the national organization on prescribed matters and on a prescribed schedule to satisfy IRS reporting requirements imposed on the national organization.

State chapters will adopt the name “Veterans United For Truth, [*state name*]”.

State chapters may themselves charter further subordinate organizations within the state to accommodate geographical distances. Such further chartered organizations will be referred to as “branches” and will title themselves as Veterans United For Truth *state name/ city or region name Branch*]. Examples are: “Veterans United For Truth, California/Sacramento Branch”; pr. “Veterans United For Truth, Texas/Panhandle Branch”.

By adhering to these simple rules, including the naming convention, state chapters can accept tax-deductible donations, and can avoid having to apply for an independent status with the IRS, thus saving both time and money in the process.

## **1 Steps in Starting a State Chapter**

These are the basic steps ~ details are in the subsequent sections

1. Submit an Intent to Charter
2. Submit an Organizing Plan
3. Sign an Initial Affiliation Agreement
4. Submit an Operating Plan
5. Sign an Affiliation Agreement

### **1.1 Intent to Charter**

The *Intent to Charter* is a simple statement of the intent to organize a VUFT state chapter. Any group of four or more members of the VUFT central organization may file this intent. Only one chartered state chapter will be permitted in each state, although that chapter may charter subordinate organizations within the state once its national charter has been issued. The submission of the *Intent to Charter* letter is an application for approval, however approval requires several more steps. The letter will preserve a place in the queue for that state.

A model *Intent to Charter* letter is at Appendix A.

VUFT national will acknowledge receipt of the letter. Which triggers the next step.

### **1.2 Organizing Plan**

The *Organizing Plan* is a brief proposed plan of action for organizing your state’s chapter. It outlines the actions your group intends to take to set up the chapter. This plan is necessary to assure the national organization that your intent matches the purposes of the organization, and is consistent with national plans and goals. You will provide more detail later in your Operating Plan.

A template for an *Organizing Plan* is at Appendix B.

### **1.3 Initial Affiliation Agreement**

Upon approval by the central organization of the *Organizing Plan*, an *Initial Affiliation Agreement* will be executed between the organizing group and the central organization. This agreement will give the state chapter the temporary right to use the VUFT name and logo for 120 days for the purposes of soliciting membership and sponsorship or donations.

A sample *Initial Affiliation Agreement* is at Appendix C

### **1.4 Operating Plan**

The *Operating Plan* reflects how you will run your state organization. The plan will cover your actions for the first year after affiliation. The central organization will notify you of acceptance of your plan. Since the state chapters are autonomous in their day-to-day operations, only a plan that clearly violates the intent of the central organization would be rejected.

A set of draft bylaws for the subordinate element must accompany the Operating Plan. The subordinate element's bylaws must be consistent with the central organization's bylaws.

The outline of an *Operating Plan* is included at Appendix D.

### **1.5 Affiliation Agreement**

The final *Affiliation Agreement* is executed once the first year Operating Plan and the bylaws are accepted. This final agreement is the chapter charter, and gives the state chapter the full authorization for the use of the name and logo for as long as the chapter exists. If the chapter violates the conditions of the charter, it may be withdrawn at any time, but would not be withdrawn without consultation with the state chapter members and an attempt to remove any hindrance that may have brought about a motion to de-charter. The *Affiliation Agreement* is renewed yearly.

A sample *Chapter Affiliation Agreement* is at Appendix E.

### **1.6 Application for Group Exemption under IRS 501(c)(3)**

The chapter may request exemption from federal income tax and tax-deductible status for donors by applying to VUFT national for inclusion in VUFT's Group Exemption. This application should be sent with the Operating Plan. This application is an annual requirement.

A blank *State Chapter Application for Group Exemption* is at Appendix F.

## **2 State Chapter Finances**

Once established, the state chapter must submit periodic reports to the central organization in a timely manner, and in accordance with the affiliation agreement. Reporting will be minimal, and will consist only of that information that is necessary to continue sheltering the state chapter

under the central organization's 501(c)(3) Group Exemption Letter, and that information that is required to keep the central organization informed of chapter activities..

## **2.1 Financial Responsibilities of VUFT Chapters**

All VUFT chapters collect and disburse their own funds. The following are the responsibilities of chapters regarding funds collected and disbursed:

1. Any chapter that collects, holds or disburses funds on behalf of VUFT or any of its branches must submit an annual accounting of such funds to VUFT.
2. Chapter funds will be accounted for in VUFT's IRS return unless the chapter specifically desires to file a separate return with the IRS. If a chapter Secretary/Treasurer chooses to file its own return, it must provide a copy of the return to the VUFT Treasurer. Chapters filing separate returns cannot be covered under the corporation's Group Exemption Letter.
3. Failure to submit financial reports is grounds for revocation of charter as provided in the Constitution and Bylaws of the Association.
4. Any chapter desiring to solicit donations of more than \$5,000 cash or equivalent goods or services from a single source must obtain advance approval from the VUFT Chair. Solicitations of donations of smaller magnitude do not require approval.
5. Disbursements of funds for expenditures necessary for the normal operation of the chapter do not require approval. Any chapter desiring to disburse funds in excess of \$1,000 to another organization or individual beyond those necessary for normal operations must notify the VUFT Chair. Funds may not be disbursed to support political candidates, or to organizations with purposes inimical to those of VUFT.
6. Upon dissolution of a chapter or revocation of a chapter's charter, all assets of the chapter become the property of VUFT.

## **2.2 CHAPTER'S RELATIONSHIP TO THE IRS**

### **2.2.1 501 (c) (3) Status**

VUFT is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. VUFT will provide a Group Exemption Number to requesting subordinate organizations, which recognizes that VUFT chapters share this 501(c)(3) exemption status. To maintain this group exemption, VUFT is required to send an annual update to the IRS with information regarding changes in chapter addresses and chairpersons, and a list of newly chartered or un-chartered chapters.

### **2.2.2 Group Form 990: The Statement of Cash Receipts and Disbursements**

Although VUFT is not required to file income tax returns, the central organization must complete the annual informational return, Form 990, and the Group Form 990 for its chapters. Every chapter must submit a Statement of Cash Receipts and Disbursements, an account of the financial activity of the chapter for the fiscal year, to headquarters. A chapter's treasurer and chairperson provide the authorization for VUFT to include its chapter in the group filing. An

organization which fails to file a Form 990 Return with the IRS by the due date can be charged with a penalty. It is therefore essential that subordinate elements submit the Statement to VUFT Headquarters by March 1 so that VUFT can file the Group 990 Return by May 15th. State chapters must collect financial data from their subordinate branches in time to meet this deadline.

### **2.2.3 Sales Tax Exemption**

VUFT has been granted an exemption from California State and local sales tax. VUFT chapters have the same right to be exempt from state and local sales taxes in those states and localities which grant such exemptions; each chapter must apply to the authorities in the state in which they operate for the exemption. Chapters should contact their state department of revenue for the necessary forms, and should contact the Treasurer at VUFT Headquarters with any questions.

### **2.2.4 Federal Employer Identification Number [For U.S. Chapters Only]**

VUFT has a Federal Employer Identification Number (EIN), which is similar to an individual's social security number. This number is required by the IRS for purposes of filing informational or any other type of return with the IRS. Chapters must apply for their own EINs as part of the chartering process. The chapter's EIN should be used when opening a bank account and should be noted on the annual financial report filed with VUFT Headquarters.

### **2.2.5 Reporting of Income Paid To Third Parties**

The following disbursements must be reported to the IRS if they amount to more than \$600 per calendar year: awards, prizes, all types of grants, honoraria, fees for professional services, temporary employment, and if the recipient is a permanent resident of the United States. Reimbursements of actual expenses, such as travel reimbursements, need not be reported except in annual aggregate financial statements.

### **2.2.6 Responding to IRS Requests**

The IRS may send your chapter blank tax returns each year. Since most chapters choose to be included in the VUFT Group 990 Return, these forms should not be prepared. The IRS may also send chapters reminder notices, and in some cases, delinquent notices. If your chapter receives such a notice, send it to the Treasurer at VUFT Headquarters, who will respond to the IRS. Chapters should not respond directly to any IRS request, either in writing or by telephone, but instead should direct the request to the Treasurer of VUFT.

## ***2.3 BASIC CHAPTER ACCOUNTING & MAINTENANCE OF CHAPTER FINANCIAL RECORDS***

### **2.3.1 Fiscal Period**

VUFT operates on a fiscal year which is the calendar year. All financial books and records are maintained, and all IRS returns reported, on this fiscal calendar. To facilitate the chapter's preparation of the annual Statement of Cash Receipts and Disbursements, and VUFT's preparation of the Group Form 990 Return, it is helpful for all VUFT chapters to use the January 1 to December 31 fiscal year schedule.

### **2.3.2 Chart of Accounts**

To establish a proper accounting system, chapters should organize a chart of accounts. The Chart is a listing of the various categories of assets, liabilities, income and expenses of an organization.

- Asset accounts are used for checking and savings accounts, other investments, inventory, and accounts receivable.
- Liability accounts include bills and invoices to be paid, loans, or any other payables due from the chapter.
- Income accounts include any major item of cash receipts received by the chapter, like chapter dues, interest from savings accounts and other investments, and other classes of income such as from sponsorship of the chapter newsletters or other activities. The income classifications in the chart of accounts should conform to the categories of cash receipts shown on the annual Statement of Cash Receipts and Disbursements and accompanying instructions from headquarters to each chapter.

The expense section of the chart of accounts should include categories that conform to the cash disbursements section of the annual Statement of Cash Receipts and Disbursements. These expenses include meeting, conference and seminar expenses, publication expenses, postage and supplies, and any other miscellaneous types of chapter expenses.

The *Unified Chart of Accounts* for 2008 is at Appendix G

### **2.3.3 Required Documentation and Retention**

All books and records, original documentation, and any other pertinent financial information, should be maintained by all subordinate organizations for a minimum of 4 years in order to meet federal record retention requirements. Each chapter should contact the state authorities where they operate in order to comply with state requirements.

### **2.3.4 Budgeting**

The chapter's budget must be well conceived, and have been prepared or approved by the chapter board;

The budget must be broken down into periods approved by the board, but no larger than annual;

Financial statements must be prepared on a timely basis throughout the year and a comparison made to the budget on the statements;

The board must be prepared to take action when there is significant deviation from the budget.

### **2.3.5 Checking Accounts**

It is important for a chapter to have at least one bank account. When opening a checking or savings account, signature cards must be prepared indicating the individuals who have authority to sign checks or deposit or withdraw funds. The signature cards are fairly straightforward. It is mandatory that, in addition to the chapter chairperson and treasurer, Treasurer of VUFT be given signature authority as well, as a safety precaution in the event of dissolution of a chapter. The chapter may send a signature card to the Treasurer at PO Box 42202, Santa Barbara, CA 93140, who will return the card to the chapter treasurer.



### **2.3.6 Investments**

Chapters may wish to consider investing chapter funds, in excess of normal checking account and operational requirements, in low risk investments, like savings accounts, certificates of deposit, or U.S. Treasury Securities. Before making any such investment, the chapter should read VUFT's policy regarding investment of VUFT funds, and consult with the VUFT Treasurer.

### **2.3.7 Accounting for Interest**

Any interest received by a chapter from any investment is considered income and should be recorded on the chapter's regular financial statements and the annual Statement of Cash Receipts and Disbursements

## **2.4 Getting Assistance**

Chartered chapters should direct financial accounting and management questions to the Treasurer, VUFT

### **Appendices**

- A Intent to Charter**
- B Chapter Organizing Plan**
- C Initial Affiliation Agreement**
- D Operating Plan Template**
- E Chapter Affiliation Agreement**
- F Application for Group Exemption**
- G Model Unified Chart of Accounts**



**Appendix A - Intent to Charter**

Veterans United For Truth, Inc.  
ATTN: Chair Chartering Committee  
PO Box 42202  
Santa Barbara, CA 93140

xx yyyyy 200z

We, members of Veterans United For Truth and citizens of the State of \_\_\_\_\_,  
have collectively agreed to establish a chapter of VUFT.

We will follow the stated purposes of the central organization, and will develop local bylaws and policies that are consistent with the bylaws and policies of the central organization.

By submitting this letter of intent we promise to complete the full process of organizing and planning within the next 120 days.

Sincerely,

/s/ A B Ceedee  
A B Ceedee, Mem # 98765

/s/ I J Kayell  
I J Kayell, Mem # 76543

/s/ E Effgee Aitch  
E Effgee Aitch, Mem # 87654

/s/ M EnnOhh Pee  
M EnnOhh Pee, Mem # 65432

***NOTE: Because members may be spread around the state, this letter may be sent individually by each of the four (or more) organizing members, by email, fax or snail mail. Send electronically to the Chartering Committee chair at [scook@vuft.org](mailto:scook@vuft.org). The principal organizer should include the names of other expected co-signers on his or her letter***



## **Appendix B –Organizing Plan Template**

### **Veterans United For Truth, *your state***

#### **Chapter Organizing Plan *[Submit within 30 days of your Letter of Intent]***

## **1 Introduction**

The Principal Purpose of Veterans United For Truth, Inc. (VUFT), is to serve all members of the Armed Forces of the United States, in all services and components, by working toward the goal that they are never sent to war except in the direct defense of the country, as determined by their elected representatives in Congress and mandated by the Constitution of the United States; that if sent, they are fully trained and provisioned with the best possible equipment; then when sent, they are told the truthful purpose of their mission and are told what will constitute the satisfactory conclusion of that mission; and during their deployment and upon their return, they and their families receive all the proper benefits a grateful nation can provide. To meet this purpose, the Corporation shall engage in charitable and educational programs in support of its target veteran community. As the chapter of VUFT in the state of *[your state]*, we subscribe to this statement of purpose.

## **2 Planning Team**

*[List the names, addresses, telephone numbers, and email addresses of the planning team members ~ should be at least two.]*

## **3 Advisory Group**

Each chapter should have an advisory group of public figures within the state. Who do you plan to approach for the advisory committee of your state chapter? Candidates need not all be veterans, but they must be public figures committed to veterans issues.

## **4 501(c)(3) Status**

Declare your intent to be covered under the central organization's Group Exemption Letter using the blank provided in Appendix F, and state here its inclusion with the submission of this plan.

NOTE: apply for an EIN in the name of your chapter and include it in this paragraph; on-line application can be made at <http://www.federalpapers.com/index-fp.php>. An EIN is necessary even if you do not propose to ever have employees.

All chapters of VUFT must achieve 501(c)(3) status; no other category of exemption is permitted. Although we do not advise it, should you decide to apply for 501(c)(3) status on your own, you must state so here. There is no advantage for you to do this independently, and you will incur the IRS filing fee expense and the 12-18 month wait it takes to get a ruling from the IRS. During that period you will be unable to provide tax-deductible receipts to donors for contributions.

*[This is a preliminary step only. When your chapter is chartered you will submit a formal request for inclusion or exclusion over an elected officer's signature, which will be renewed annually.]*

## **5 Initial Home Office**

Mailing Address:     *Chapter Name*  
                              Street  
                              City, State ZIP

*[Can be a member's address or a PO Box rented especially for this group. Need not be the final address for the chapter, merely for communications prior to chartering.]*

Tel: *[At this stage probably a planning team's number of someone who can speak to the central organization]*

Email address: *[Like the telephone number, can be a member's address]*

Web site: *[You do plan to have a website, don't you? At this time this can be TBD]*

## **6 Recruiting Plan**

Describe briefly the process your chapter will use in identifying and signing up new members and volunteers during the organizing period.

*[The surest way to build viability into a new organization is to get more people involved in the beginning, so that they feel ownership in the chapter.]*

If you have an intent to charter subordinate groups within your state, and you have an idea where those might be and what area they will cover, please include any information about those plans, no matter how preliminary.

## **7 Funding**

Estimate the funding that will be required for this start-up phase, and identify the source(s). This is not a budget, merely an estimate of what it will cost you to get started, including recruiting.

*[If the Planning Team is bearing the cost themselves, then state so, and submit \$0 as the funding requirement. Keep track of your expenses, however, since that can be useful information for future start-up efforts of subordinate groups within your state, or for other state chapter start-ups.]*

***[This plan need not be signed, however, agreement to the statements in the plan should be solicited from all members of the Planning Team. You will be notified formally of the plan's acceptance.]***

# **VETERANS UNITED FOR TRUTH, INC**

P.O. BOX 42202, SANTA BARBARA, CA 93140



## **Chapter Initial Affiliation Agreement Between Veterans United For Truth, Inc. and the Planning Team for Veterans United For Truth, State**

### **1 AGREEMENT**

- 1.1 The purpose of this Initial Affiliation Agreement is to provide a record of intent between the two parties to associate for a common purpose, where Veterans United For Truth, Inc. is the Central Organization, and Veterans United For Truth, *State* is the Subordinate Organization, in accordance with the IRS definition of those terms..
- 1.2 This agreement, entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, between Veterans United For Truth, Inc., hereinafter referred to as VUFT, and \_\_\_\_\_, hereinafter referred to as the “Chapter.”
- 1.3 The purpose of this Agreement is to make public the intended association and to grant the Chapter permission to use the name, logo, website, and other organizational materials and processes toduring the Chapter’s organization phase.
- 1.4 This agreement will expire in 120 days from the date in 1.2 above, at which time, or before, it will be replaced by a formal Affiliation Agreement.

### **2 GOVERNANCE**

- 2.1 The Chapter shall be governed by VUFT’s bylaws during the planning period, until they can establish their own bylaws consistent with the terms of this agreement, and the laws of their state.
- 2.2 The Chapter Planning Team will initiate incorporation of the chapter under their state law. If for any reason the Chapter cannot be incorporated, VUFT will be notified.

### **3 MEMBERSHIP REQUIREMENTS**

- 3.1 The Chapter will establish membership requirements that are not in conflict with those of VUFT. The basic criterion for membership in the Chapter shall be registered membership in VUFT.
- 3.2 The Chapter be formed with a minimum of four (4) active VUFT members, and must have 10- members by the end of the first year. This latter number can be waived on appeal. The Chapter shall annually validate membership maintenance requirements with VUFT.
- 3.3 The Chapter shall actively solicit, encourage, and promote VUFT membership.

**4 MEMBER SERVICES**

- 4.1 The Chapter, as determined by its governing body, shall be responsible for developing programs, activities, and services for their state that do not conflict with the stated purposes of VUFT.
- 4.2 A specific program, activity, or service designed and initiated by a Chapter for its own use may have potential value for other Chapters. A Chapter is encouraged to make such programs available to other Chapters and to VUFT. Chapters may jointly sponsor such programs.
- 4.3 The Chapter recognizes its obligation to inform its members of VUFT programs, activities, and services.

**5 REPORTING REQUIREMENTS**

- 5.1 The Chapter shall make available copies of minutes of all governing body meetings to VUFT in a timely manner.
- 5.2 The Chapter shall communicate regularly to the VUFT Chapter Committee on its planning activities.

**6 LEGAL COMPLIANCE AND RISK MANAGEMENT**

- 6.1 VUFT and the Chapters shall each strictly follow policies and procedures for compliance with federal, state, and local antitrust, tax, and other applicable laws, regulations, and ordinances. The Chapter shall make available its bylaws and when incorporated, its articles of incorporation. VUFT will make its articles of incorporation and bylaws available to each Chapter.
- 6.2 To minimize potential liability for VUFT, the Chapter will inform VUFT of implementation of new programs and services. VUFT will likewise inform all chapters of new or changed programs at the Central Organization.
- 6.3 The Chapter is an affiliate but not an agent of VUFT. VUFT assumes no responsibility for the acts or omissions of a Chapter.

**7 DURATION**

- 7.1 Either party may terminate this initial agreement with 30 days written notice.
- 7.2 This agreement remains in effect until terminated by one of the parties or replace by the final Affiliation Agreement..

**8 AMENDMENT PROCEDURE**

This initial agreement may not be amended.

For Veterans United For Truth, Inc.

For: Veterans United For Truth,           [state]          

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Signature/Date

\_\_\_\_\_  
Signature/Date



## **Appendix D - Operating Plan Template**

### **Veterans United For Truth, [your state]**

#### ***Operating Plan***

The Principal Purpose of **VETERANS UNITED FOR TRUTH, INC.** (VUFT) is to serve all members of the Armed Forces of the United States, in all services and components, by working toward the goal that they are never sent to war except in the direct defense of the country, as determined by their elected representatives in Congress and mandated by the Constitution of the United States; that if sent, they are fully trained and provisioned with the best possible equipment; then when sent, they are told the truthful purpose of their mission and are told what will constitute the satisfactory conclusion of that mission; and during their deployment and upon their return, they and their families receive all the proper benefits a grateful nation can provide. To meet this purpose, the Corporation shall engage in charitable and educational programs in support of its target veteran community.

The problems that face today's serving military and the veterans of this and past wars are largely executive and legislative in nature, VUFT concentrates on attacking the problems at the core by proposing state and federal legislation to address the problems, by actively enjoining executive departments to fulfill their obligations to these veterans, and by soliciting help for individual veterans and their families, where such help is not otherwise available.

VUFT recognizes that some of the best support to serving military, veterans and their families must come from organizations on the ground, where they can reach out to individuals and their families and help them realize the benefits they have earned. Because of this need, VUFT has adopted a program to establish a chapter in each state and territory. Those chapters must take on the character of the local community, and must be able to organize themselves within the framework of that community.

Veterans United For Truth, [your state] proposes to operate as a chapter of VUFT. This document present the annual operating plan for that effort.

## **1 Non-Profit Status**

### ***1.1 Incorporation***

Veterans United For Truth, [your state] (has incorporated/will incorporate) itself as a non-profit, public service corporation under the laws of [your state], and will request tax-exemption and tax deductible status for all state taxes, if available. The state corporation legal title and number is:

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### ***1.2 Federal status***

Veterans United For Truth, [your state] has formally request inclusion under VUFT's Group Exemption Letter.

## **2 Mission and Goals of Veterans United For Truth, [your state]**

## **2.1 Mission**

[Insert your chapter's mission statement]

## **2.2 Goals**

[Insert your chapter's goals]

# **3 Governance**

## **3.1 Board of Directors**

### **3.1.1 Chair [List duties]**

### **3.1.2 Vice Chair [List duties]**

### **3.1.3 Secretary (or Secretary/Treasurer) [List duties]**

### **3.1.4 Treasurer (if separate office) [List duties]**

### **3.1.5 At-Large Board Members (if appropriate)**

## **3.2 Advisory Committee**

(Describe the types of people whose membership you will solicit for this board. Advisors should be residents of the state.) If such members have already been solicited and have agreed to serve, include their names here. Addition of members to this board may be reported in the chapter's minutes.

## **3.3 Programs**

(Define your initial programs, e.g., Legislation, Relief, Public Education, Growth, etc. Each chapter must define for itself what it believes its role to be within the state and as a member of VUFT national.)

(Notes on Legislation: VUFT is committed to spending no more than 20% of its budget on lobbying on issues, which is permitted under IRS regulation 501(h), and under the central organization's declaration. NOTE: proposing legislation and testifying for that legislation in formal hearings is NOT considered lobbying. Remember, this is a BUDGET item, not a time-spent item. If your approaches to legislators and their staffs are made at your own expense, even if you are representing your chapter, it does not count against your chapter's limitation. It is only EXPENSES of your chapter that count. Note also that this is legislative action and lobbying on issues, not partisan support of candidates, which is prohibited.)

[Notes on Relief: It is important that any relief program be appropriate to the effort that can be applied. Proposing a grand scheme for relief that cannot be met, given your membership, your funding, your dispersion throughout your state, etc. is detrimental to the individual veterans, and to the reputation of the organization.]

[Notes on Public Education: Almost anything you do can fall under this category of program. Speeches, displays, flyers, handouts, broadcasts, posters, website, etc. all are part of public education.]

[Notes on Growth: You should decide early on if you are going to further charter community-based branches in your state. It makes sense if you have at least three or four members in a community who can in turn take on the various other action programs for that community, and who can contribute to local growth.]

*The only limitation on programs is that they be veteran-oriented, that they be realistic as to people and money, and that, once announced, they are pursued with vigor. Don't try too much to start with; it is easier to add a program than to shut one down.*

### **3.4 Operating Office**

[How do you plan to operate? Will you have a separate office somewhere? Will you operate out of a director's home or business? Remember, this is just for your first year. Perhaps in the future you will have a paid or volunteer director; that information can be included in future annual plans.]

### **3.5 Budget**

Provide a projected budget for year 1 noting if an item reflects donated services. If you expect to charge dues, note that and estimate collections based on projected membership. A budget worksheet is attached.

Projected Budget – Year 1 ( in the future you will be asked to project your budget for three years).

Expenses

Salaries – List positions and salaries or list None	\$ xx
Office Space – If none, so state	\$ xx
Office Expenses	\$ xx
Telephone, Fax	\$ xx
Internet	\$ xx
Mailing	\$ xx
Supplies'	\$ xx
Printing	\$ xx
Equipment	\$ xx
Computers	\$ xx
Maintenance	\$ xx
Insurance	\$ xx
Program Expenses – List programs and any category of expense including lobbying	\$ xx
Services (Legal, accounting, etc.)	\$ xx
Conferences/Meetings	\$ xx
Travel	\$ xx
Other (explain)	\$ xx

Income

Dues	\$ xx
Fundraising	\$ xx
Grants	\$ xx
Sales	\$ xx

*[The worksheet is a reminder. Adapt to reflect your actual plans]*

**Appendix E - Affiliation Agreement**

**VETERANS UNITED FOR TRUTH, INC**

P.O. BOX 42202, SANTA BARBARA, CA 93140



**Chapter Affiliation Agreement Between  
Veterans United For Truth, Inc.  
and the Planning Team for Veterans United For Truth, *State***

**1 AGREEMENT**

- 1.1 The purpose of this Affiliation Agreement is to provide a record the agreement between the two parties to associate for the foreseeable future for a common purpose, where Veterans United For Truth, Inc. is the Central Organization, and Veterans United For Truth, *State* is the Subordinate Organization, in accordance with the IRS definition of those terms..
- 1.2 This agreement, entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, between Veterans United For Truth, Inc., hereinafter referred to as VUFT, and \_\_\_\_\_, hereinafter referred to as the “Chapter.”
- 1.3 The purpose of this Agreement is to make public the association and to grant the Chapter permission to use the name, logo, website, Membership Cards, Lapel Pin, and other organizational materials and processes for the duration of this agreement.

**2 GOVERNANCE**

- 2.1 The Chapter shall be governed by its own bylaws which shall remain consistent with the bylaws of VUFT, and the laws of their state. If a conflict occurs between the laws of the state and the bylaws of VUFT, the Chapter bylaws must be modified, however, VUFT must be notified to ensure that such change does not violate the terms of this agreement, or the purposes of VUFT.
- 2.2 An amendment of Chapter bylaws that violates the bylaws of VUFT, and which cannot be reconciled between the parties, shall be cause for revocation of this agreement by VUFT. No such revocation shall occur without an opportunity for discussion between the parties with resolution in mind.
- 2.3 Failure to meet the reporting requirements of this agreement are grounds for revocation of the agreement.

### **3 MEMBERSHIP REQUIREMENTS**

- 3.1 The Chapter will establish membership requirements that are not in conflict with those of VUFT. The basic criterion for membership in the Chapter shall be registered membership in the central organization of VUFT.
- 3.2 The Chapter be formed with a minimum of four (4) active VUFT members, and must have 10- members by the end of the first year. This latter number can be waived on appeal. The Chapter shall annually validate membership maintenance requirements with VUFT.
- 3.3 The Chapter shall actively solicit, encourage, and promote VUFT membership.
- 3.4 The Chapter is encouraged to further charter community-based groups under the Chapter's supervision, which groups shall operate under the Chapter's bylaws. Such groups shall enjoy the same benefits of membership as the Chapter itself. Such groups shall operate as branches of the state organization and must not be separately incorporated.

### **4 MEMBER SERVICES**

- 4.1 The Chapter, as determined by its governing body, shall be responsible for developing programs, activities, and services for their state that do not conflict with the stated purposes of VUFT. All programs shall be included in the Chapter's annual Operating Plan.
- 4.2 A specific program, activity, or service designed and initiated by a Chapter for its own use may have potential value for other Chapters. A Chapter is encouraged to make such programs available to other Chapters and to VUFT. Chapters may jointly sponsor such programs.
- 4.3 The Chapter recognizes its obligation to inform its members of VUFT programs, activities, and services.
- 4.4 The Chapter will provide mailing lists, updated at least monthly, so that new members can receive the VUFT newsletter.

### **5 REPORTING REQUIREMENTS**

- 5.1 The Chapter shall make available copies of minutes of all governing body meetings to VUFT annually, in a timely manner.
- 5.2 The Chapter shall make an annual financial report to VUFT no later than 1 March of each year for the previous fiscal year, in a form prescribed by the Treasurer/Chief Financial Officer.
- 5.3 The Chapter shall communicate regularly to the VUFT Chapter Committee on its planning activities.
- 5.4 The Chapter shall use the approved VUFT design, annotated appropriately with the Chapter designation, for stationery, membership cards, business cards, etc.

**6 DISPUTE RESOLUTION PROCEDURE**

- 6.1 Disputes involving jurisdiction, membership, services, programs or activities occurring either among or between Chapters, or between VUFT and a Chapter(s) will be settled according to the provisions of this agreement.
- 6.2 Disputes will first be presented to the Chartering Committee Chair for resolution. If they cannot be resolved at that level, the Chartering Committee Chair will present the dispute to the full board. Parties to a dispute may be present at any deliberations on the dispute.

**7 LEGAL COMPLIANCE AND RISK MANAGEMENT**

- 7.1 VUFT and the Chapters shall each strictly follow policies and procedures for compliance with federal, state, and local antitrust, tax, and other applicable laws, regulations, and ordinances. The Chapter shall make available its bylaws and when incorporated, its articles of incorporation. VUFT will make its articles of incorporation and bylaws available to each Chapter.
- 7.2 To minimize potential liability for VUFT, the Chapter will inform VUFT of implementation of new programs and services. VUFT will likewise inform all chapters of new or changed programs at the Central Organization.
- 7.3 The Chapter is an affiliate but not an agent of VUFT. VUFT assumes no responsibility for the acts or omissions of a Chapter.

**8 DURATION**

- 8.1 Either party may terminate this initial agreement with 30 days written notice.
- 8.2 This agreement remains in effect until terminated by one of the parties or replace by a new annual Affiliation Agreement.

**9 AMENDMENT PROCEDURE**

Proposed amendments to this agreement must be approved by the VUFT Board of Directors and by the governing body of the Chapter.

For Veterans United For Truth, Inc.

For: Veterans United For Truth,           [state]          

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Signature/Date

\_\_\_\_\_  
Signature/Date

Incorporated in California – #C2766290

Incorporated in {state} – [corporate number]

EIN – 20-3102897

EIN -





**Appendix F – State Chapter Application for Group Exemption**

**STATE CHAPTER APPLICATION FOR GROUP EXEMPTION**

Veterans United For Truth, Inc. is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. All state and local VUFT organizations are eligible to be included under this exemption.

To be added to the group exemption, the following information is required. Send this information to:

Veterans United For Truth, Inc.  
Attention: Chair Chartering Committee  
PO Box 42202  
Santa Barbara, CA 93140

Chapter's legal name \_\_\_\_\_

Mailing address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ E-mail address \_\_\_\_\_

State \_\_\_\_\_ EIN (required) \_\_\_\_\_

Annual Expected Gross Receipts: (1) UNDER \$25,000      (2) OVER \$25,000 (*circle one*)

By submitting this application, does your unit authorize VUFT to include your chapter in VUFT's group exemption letter as a tax exempt organization described in Internal Revenue Code 501(c)(3)? \_\_\_\_\_ YES \_\_\_\_\_ NO

Officer signature \_\_\_\_\_

Title \_\_\_\_\_

After your state/chapter record has been updated, we will send you a confirmation letter and a copy of our IRS group determination letter which will explain your IRS requirements for annual reporting.

If you do not have an Employer Identification Number (EIN), submit **Form SS-4** to the Internal Revenue Service and one will be issued. The SS4 Form includes instructions for obtaining the EIN by phone from your regional IRS office.

The SS-4 can be filled out and the number issued on line at <http://www.federalpapers.com/index-fp.php>

Gross receipts are ***ALL*** receipts. They include dues, donations, sponsorships, contributions, sales, special projects, and anything else producing income. If gross receipts are over \$25,000, ***YOU*** are required to file an **Annual Information Return — Form 990**.

**NOTE:** This exemption is for **FEDERAL INCOME TAXES ONLY**. You may be responsible for your state's taxes. Applicable state law governs.

**NOTE:** This application must be submitted annually before 15 December for the following year.

**Appendix G – Simplified Chart of Accounts**

Simplified Chart of Accounts  
 Adapted from Unified Chart of Accounts (UCOA) v3.0  
 ([www.solutionsforsecretaries.com](http://www.solutionsforsecretaries.com))

UCOA Acct No		990 EZ Line No
<b>Statement of Financial Position</b>		-
	<b><u>Assets</u></b>	
1000	Cash	22
1400	Inventories:	
1410--	Promotional items	24
1420a	Materials and supplies for projects	24
1420b	Office Supplies	24
1500	Investments	22
1600	Fixed operating assets:	
1610	Land, buildings and improvements	23
1640	Equipment	24
	Total assets	25
	<b><u>Liabilities</u></b>	
2000	Payables:	
2010	Accounts payable	26
2020	Contributions and gifts payable	26
2100	Accrued liabilities:	
2110	Payroll	26
2150	Commissions and fees payable	26
2500	Other Liailities	26
	Total liabilities	26
	<b><u>Net Assets</u></b>	
	Total net assets	21 & 27
	Total liabilities & net assets	n/a

UCOA Acct No		990 EZ Line No
<b>Statement of Financial Activities</b>		
	<b><u>Revenues</u></b>	
4000	Grants, gifts and contributions received	1
5200	Membership Dues	3
5300	Income from investments	4
5400	Miscellaneous income	5a
	Total revenue	9
	<b><u>Expenses</u></b>	
7000	Program expenses	
7010--	Program-related projects	10
7020--	Grants to other organizations	10
7500	Fundraising expenses	13
8100	Administrative expenses	16
7540	Professional fees	13
7550	Personnel	13
8110	General office supplies	16
8120	Occupancy, utilities and equipment	14
8130	Telecommunications	16
8170	Printing and postage	15
8590	Other administrative expense	16
8670--	Meetings	
8670a	Quarterly Board Meetings	16
8670b	Annual Meeting	16
	Total expenses	17
	Net Change in Assets	n/a