

Membership &



Post Activity

February 2018

It's Tax Season, time to think about the money.

Post Tax Status.

- Are your Post taxes up to date?
- Your not a non-profit unless the IRS agrees. Don't let your tax status expire.
- District Commanders. Have you checked all the Posts in your District. Idle Posts could equal expired tax status. It's easier to revitalized a Post with current tax status.
- Are you incorporated?

Post Finances.

- Every Post needs to have an financial audit completed. It can be done internally by committee but the commander & finance officer cannot be involved.
- Every Post needs a budget. If you do not have one then every bill, every expenditure has to be approved by your membership.

(Reprint from Feb 2017 newsletter.)

Fund Raising Rules

State law strictly limits legally recognized non profit organizations to two (2) raffles per year. Your Post must be incorporated as non-profit in order to conduct a raffle. There are strict limits for the cash value of prizes that can be raffled (\$125,000 for any one raffle and/or \$125,000 in any calendar year). Furthermore, there are rules about how the proceeds from the raffle (i.e., the receipts collected less the cost of prizes) can be used by the Post. At least 90% of the net proceeds must be used for "charitable, religious, educational, civic, or other nonprofit purposes." That means that no more than 10% of the net proceeds can be used to make improvements to your building. Failure to comply can result in individual criminal liability.

Raffles also raise potential tax implications. This newsletter does not attempt to address all of the potential tax issues that go along with a raffle. However, if the value of the cash/prize to raffled is \$600 or more, the Post may be required to report the earnings and pay taxes. If the value of the prize your Post raffles is \$600 or greater, you should consult with a tax professional in advance.

Gun Raffles. Big money maker, but there are a lot of rules and some risk. Here are a few highlights (but this is not an all-inclusive, exhaustive list of how to raffle a firearm)

- ◇ To stay out of trouble with the government

alphabet (BATF, FBI, IRS, etc.....) you must work with a federally licensed firearms dealer (e.g., a local gun shop or sporting goods store).

- ◇ Identify the firearm(s) you wish to include in the raffle and determine their value. **The firearms stay with the gun shop. The Post does not take possession of the firearm(s).** Any transfer of possession of the firearm(s) occurs between the licensed dealer and raffle winner, at the conclusion of the raffle.
- ◇ Print raffle tickets with the name of the licensed firearm dealer, a description of the firearm to be raffled, and a cash value for the firearm.
- ◇ Each ticket should be at least \$5 but \$10 is better.
- ◇ Do the raffle for at least 3 months and send your members out to the world selling tickets.
- ◇ Winners must go through the firearm dealer to complete all the legal paperwork and to transfer possession of the firearm.
- ◇ Develop rules for how the raffle will be conducted and addressing topics such as: how many tickets will be sold, how many tickets may each participant purchase, who is eligible to purchase tickets, when will the raffle be conducted, must the winner be present to win, what will happen in event the winner is not legally eligible to take possession of the firearm from the dealer (i.e., does the winner forfeit, or does he/she receive a cash equivalent?), etc. Publish the rules.
- ◇ Be sure to reward your highest ticket seller with some type of prize.

Other Ideas of Raising Money:

- ◆ **Meals.** Many Posts are known for their great cooks and terrific meals, Spaghetti suppers, Fish Fry's, Breakfast etc. If you host a meal & sell to the public then the money made after expenses may be taxable. Expenses can include the cost of heat/electricity/water. Work with your Post's CPA or other tax professional to ensure this issue is handled properly.
- ◆ **Dinner for a Week.** Visit 7 restaurants in your area and ask for a donated \$25 gift card. Print tickets with the restaurant logo's/names on them and sell them for at least \$5 per ticket. The winner gets all 7 gift cards for Dinner For A Week.
- ◆ **Garage Sale.** Accept donated items from your members. Host a large, well advertised garage sale then donate any leftovers to a local charity. Avoid the hard work and sell tables for others to sell garage sale items. People love to shop and are ready to start earlier than the crack of dawn.
- ◆ **Craft Show, Bazaar or Event Market.** Use your Post home or other large space and sell tables for local entrepreneur's to sell their goods. It may take a couple years to build your event but some of the best & biggest ones are tied to Christmas Season or Christmas in July.

5K Run/Walk or Pet Walk. Fun for the whole family. Get donated prizes. Awards by age category and/or awards for best dressed, silliest dressed or cutest pet.

Restaurant/Shopping Promotionals: Many

chain restaurants and stores sponsor programs where they partner or “sponsor” a non-profit organization for a certain event, then donate a portion of the profits earned back to the non-profit. For example, **Belks, Bojangles, Chick-fil-A, Krispy Kreme, CiCi Pizza** and **Applebees** have all offered similar programs at various times with on site promotions or value cards to sell. Identify the chain restaurants in your location, go to their webpage and see what types of fundraising opportunities for nonprofits may exist (usually under the community relations page). You may also want to call or meet with the local store manager, even if there is no formal corporate program, as the local store manager may have some discretion in this area. For example, they might allow non-profits to sign up for a promotional night program. One or two nights a month, it’s your time and the restaurant donates a portion of its profit to the Post made during that specific time period like 5-8pm. Have a banner made for the store. Advertise with members, friends and family. Make it an event and create lots of sales.

Autobell Car Wash Tickets. They allow non-profits to sign up and sell tickets. The non-profit can get 50% of the ticket sale proceeds.

Flag Rewards. Sign up for American Legion Flag Rewards. Earn credits to use in the Emblem Sales catalog for awards, uniforms & other Post items by selling USA made American Flags.

Home Depot Grants help with the cost of fixing, remodeling, improving buildings. Many Post’s have benefitted from these grants. Check with Home Depot for more information. Likewise, for smaller grants, you may want to check with your local **Lowe’s** store manager.

Corporate Sponsorship can get tricky because of our tax status. Be sure to check the tax implications before you get your Post involved. Refer any questions to the Department.

NC Solicitation License. The Non-Profit one. Do you know what it is? Do you need one? Do you have one? Get the facts.

Disclaimer: Financial Planning, Tax Status, Corporate Programs and The Rules change all the time. This newsletter is only an overview. Contact the Department for

further information.

100% Club. (Department Report 1/3/18)

1	9	Charlotte
2	19	Tarboro
3	35	Red Springs
4	68	Leland
5	84	Elizabeth City
6	99	Beaufort
7	116	Fuquay Varina
8	122	Burnsville
9	127	Warsaw
10	210	Yanceyville
11	283	Pittsboro
12	293	Nashville
13	313	Aurora
14	436	Angier
15	529	Knightdale
16	540	Cary
17	543	St. James
18	545	Wilmington
19	550	Shallotte
20	1981	Department

Need Membership or Post Activity Help?

Let your District Commander know if you need assistance with membership, revitalization, use of MyLegion, officer training, or information about American Legion Programs. This will contribute to successful membership programs.

Membership Forms & Reports

All located in on the Department website at www.nclegion.org

Contact. Membership Committee Chairman Bob Barker can be reached at rgbhawaii7@gmail.com or 336-420-5877

Important Dates

Feb 15-17, 2018
Jun 27-30, 2018

Mid Winter Conference, North Raleigh Hilton
Department Convention, North Raleigh Hilton