

VFW 501c19 INFORMATION

To be exempt under Internal Revenue Code section 501(c)(19), an organization must be either:

- a post or organization of past or present members of the United States Armed Forces
- an auxiliary unit or society of such post or organization
- or a trust or foundation for such post or organization

A veterans' post or organization must meet the following requirements to be exempt under section 501(c)(19):

1. It must be organized in the United States or any of its possessions
2. At least 75 percent of its members must be past or present members of the United States Armed Forces
3. At least 97.5 percent of its members must be:
 - present or former members of the United States Armed Forces,
 - cadets (including only students in college or university ROTC programs or at Armed Services academies) or
 - spouses, widows, widowers, ancestors, or lineal descendants of individuals referred to in the first or second bullet
4. It must be operated exclusively for one or more of the following purposes:
 - to promote the social welfare of the community (e.g., to promote the common good and general welfare of the people of the community)
 - to assist disabled and needy war veterans and members of the United States Armed Forces and their dependents - and the widows and orphans of deceased veterans
 - to provide entertainment, care, and assistance to hospitalized veterans or members of the United States Armed Forces
 - to carry on programs to perpetuate the memory of deceased veterans and members of the United States Armed Forces and comfort their survivors
 - to conduct programs for religious, charitable, scientific, literary or educational purposes
 - to sponsor or participate in activities of a patriotic nature
 - to provide insurance benefits for members or their dependents or
 - to provide social and recreational activities for members
5. No part of its net earnings may inure to the benefit of any private shareholder or individual.

An organization may be exempt under section 501(c)(19) as an auxiliary unit or society of a veterans' post or organization if it meets the following requirements:

1. It is affiliated with, and organized in accordance with the bylaws and regulations of, a veterans' post or organization described above
2. At least 75 percent of its members are veterans, spouses of veterans, or related to a veteran within two degrees of consanguinity (i.e., grandparent, brother, sister, grandchild represent the most distant allowable relationships)
3. All members are either members of a veterans' post or organizations described above, or spouses of a member of such post or organization, or are related to a member of such post or organization within two degrees of consanguinity
4. No part of its net earning inures to the benefit of any private shareholder or individual.

An organization may be exempt under section 501(c)(19) as a trust or foundation for a veterans' post or organization if it meets the following requirements:

1. It is valid under local law and, if organized for charitable purposes, has a dissolution provision described in section 1.501(c)(3)-1(b)(4) of the Income Tax Regulations
2. The corpus or income cannot be diverted or used other than to fund a veterans' post or organization for charitable purposes or as an insurance set-aside
3. The trust income is not unreasonably accumulated, and a substantial portion of the income is distributed to such veteran post or organization, or for exclusively religious, charitable, scientific, literary, educational or prevention of cruelty to children or animal purposes
4. It is organized exclusively for one or more of those purposes enumerated above for which a veterans' post or organization itself may be organized

Veterans of Foreign Wars is a section 501(c)(19) organization and needs to file the Form 990 series to keep its tax exempt status. No matter how large or small the income level for the Post is.

Most small tax-exempt organizations that have an annual reporting requirement can satisfy the requirements by submitting Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ. Form 990-N is submitted electronically, there are **no paper forms**.

An organization eligible to submit Form 990-N can instead choose to file Form 990 or Form 990-EZ to satisfy its annual reporting requirement.

Small tax-exempt organizations generally are eligible to file Form 990-N to satisfy their annual reporting requirement if their annual gross receipts are normally \$50,000 or less.

- Gross receipts are the total amounts the organization received from all sources during its annual accounting period, without subtracting any costs or expenses.
- Gross receipts are considered to be normally \$50,000 or less if the organization:
 - Has been in existence for 1 year or less and received, or donors have pledged to give, \$75,000 or less during its first tax year;
 - Has been in existence between 1 and 3 years and averaged \$60,000 or less in gross receipts during each of its first two tax years; and
 - Is at least 3 years old and averaged \$50,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which calculations are being made).
- Submitting Form 990-N (e-Postcard)
- To access the Form 990-N Electronic Filing system:
- **Sign in/create an account with Login.gov or ID.me:** The IRS requires a Login.gov or an ID.me account to submit Form 990-N. Form 990-N filers should use the same email address associated with their IRS account.
- Review the [IRS Form 990-N Electronic Filing System \(e-Postcard\) User Guide](#) **PDF** for step-by-step instructions on how to submit electronic Form 990-N (e-Postcard). Most common problems can be avoided by following the User Guide.