

DEPARTMENT VFW AUXILIARY 990-SERIES FILINGS
AND REINSTATEMENT OF FEDERAL TAX-EXEMPT STATUS
UPDATE 5/31/2024

RECAP: The Department VFW Auxiliary's' federal tax-exempt status was automatically revoked on October 15, 2023, for failure to file a Form 990-series return for the following three (3) consecutive years 2020, 2021, and 2022. The last filing was May 31, 2020, for tax year 2019. As a result of the Department VFW Auxiliary losing their federal tax exemption status, those auxiliaries who fell under the Group Exemption also lost their federal exempt status. The Department was not made aware of any issues with the IRS until after our tax exemption was revoked.

In early April 2024, the Department Council of Administration voted to hire a Tax Accountant to help resolve these deficiencies. Interim Department Treasurer, Cindy Estell has signed an agreement with a local Tax Accountant who specializes in non-profit organizations 990-series returns and the reinstatement process and applying for a group exemption as a 501(c)19.

UPDATE: Transactions (Checks and Deposits) processed through the former Peachtree recordkeeping system between 07/2/2022 to 2/29/2024 have successfully been imported into QuickBooks and all transaction processed from 3/1/2024 through 4/30/2024 were manually added to QuickBooks and reconciled. Over 900 individual transactions were manually categorized to the proper Income and Expense Chart of Accounts and the interim Department Treasurer is now utilizing QuickBooks as the official Department financial recordkeeping system.

Transactions from 7/1/2022 back to 6/1/2020 were no longer available on Peachtree to allow for an extract and import into QuickBooks. As a result, all transactions during this time must be added and categorized into QuickBooks manually.

We since have located an unsigned hardcopy of a 990-series for the year 2021 which was immediately forwarded to the Tax Accountant. The Tax Accountant was asked if this could be used to go ahead and file the 2021 990 online to begin the process which would eliminate the need to manually add the 6/1/2020 – 5/31/2021 transactions into QuickBooks and start the filing of the 990 online with the IRS. However, in 2019, the IRS changed the method and financial details required for the 990-series filings which will now require additional manual research of the transactions processed from 7/1/2022 back to 6/1/2020. As a result, we cannot use the information found on the 990 hardcopy for 2021. The interim Department Treasurer has secured the transactions from 6/1/2020 – 6/30/2022 from the Department VFW Auxiliary storage unit currently in Hudson, but the records were not organized and filed in folders by month for each of the specific years. As a result, this will now require additional time and work to organize the transactions so that we can complete our research to identify the specific transaction details (disbursements and receipts) required by the IRS for the 990 online filings.

This additional work will impact our prior goal to complete the missing returns and finalize the submission of the Reinstatement and Federal Group Exemption status by June Convention. We will continue to provide updates and work diligently to resolve and finalize this issue tentatively by School of Instruction in August 2024.