

GENERAL INFORMATION REGARDING TAXES

INCOME TAXES – Our V.F.W. Posts are EXEMPT from Federal Income Taxes under Section 501 (c-19) of the Internal Revenue Code because we are NOT organized NOR operate for profit AND we operate exclusively for the purpose of social welfare.

The Internal Revenue Service (IRS) has ruled that “exclusively for the promotion of social welfare” means that we are PRIMARILY engaged in, OR operated for, the purpose of promoting in some way the common good and welfare of the people of our community OR bringing about civic betterment’s and social improvements.

IT IS NOT “promotion of social welfare” if the primary activity is carrying on a business with the general public. The IRS is required by law and regulations to know HOW THE POST IS OBTAINING ITS MONEY AND WHAT IT IS DOING WITH IT! Our required programs for Community Service, Youth Activities and Americanism are included in the meaning of “promotion of social welfare.”

Each Post of the Veterans of Foreign Wars in the State of Georgia is required to file annually the information return Form 990 on or before the 15th day of the fifth month following the close of the Post’s accounting period with the Internal Revenue Service Center, Atlanta, Georgia 39901.

In case of a complete liquidation, dissolution or termination the return shall be filed on or before the 15th day of the fifth month following complete liquidation, dissolution or termination.

Each VFW Post that has exempt status for Georgia purposes must annually file a copy of the forms they file with the IRS, such as the Federal Forms 990, 990-N & 990-T. The due date for filing a copy of the Federal Forms with Georgia is the same date for filing with the IRS.

Any correspondence relating to exempt organizations should be addressed to: Georgia Income Tax Division, P. O. Box 38467, Atlanta, Georgia 30334.

Posts that generate funds from an unrelated trade or business are required to file IRS Form 990-T and pay corporation taxes. Filing date is the same as for Form 990 or 990 N. Georgia requires that the Post file Form 600-T if they file on 990-T with IRS. The address in the preceding paragraph applies.

What is an unrelated “Trade or Business,” An unrelated trade or business is any trade or business that is regularly carried on, and that is not substantially related (aside from the need for funds) for the organizations exempt purposes.

In the State of Georgia “Bingo” is not an unrelated trade or business since it was approved by State Statute for tax exempt organizations only.

PAYROLL TAXES: At any time that you hire an employee (including a paid Bingo worker) please have them fill out a Form W-4 at the time of hiring. You must always withhold FICA/Social Security as a minimum. A part time employee is not exempt from FICA/Social Security Tax at any time.

There are other taxes associated with employees that must not be overlooked. Federal and State unemployment taxes, workmans compensation insurance, Federal and State withholding and taxes on tips reported by employees. If in doubt please contact a good accountant or the State offices for the taxes.

Other Federal Forms that come into play are forms 1099-MISC. These must be issued by the Posts that employee bands, contract laborers, entertainers, and receive rents when the total amount paid to an individual is \$600.00 or more per year.

The Important thing to remember from year to year with regard to Form 990 is that the government wants to know where and how the Post obtained its money and what it did with it. In this connection it is imperative that the Post keep adequate records with regard to all its financial activities. Post are urged to use the Club Accounting System for the bar type activities that has been developed by ideal and is available from the VFW Emblem and Supply

Department. The keeping of good records greatly facilitates the preparation of the Form 990 or 990-N regardless of who prepares it, while careless record keeping vastly compounds the difficulties in preparing the return.

Form 990 is not a simple form to fill out. It is recommended that if you do not have a member with accounting experience to prepare the report that you contact the IRS for assistance, or seek the advice of a Certified Public Accountant.

BINGO INFORMATION – Bingo is legal in the State of Georgia for Tax Exempt organizations such as VFW Posts and its Auxiliaries after the Post has been chartered for a minimum of two years. If you plan on playing Bingo please contact the following for complete information prior to any actions. All Posts will comply with State of Georgia Regulations.

Bingo Coordinator
Georgia Bureau of Investigation
P. O. Box 370808
Decatur, Georgia 30037-0808
Telephone: (404) 244-2584