

INCORPORATION

The first step any Post must take before it branches into any type of community project, social activity, or financial undertaking is incorporation. Most Posts are already incorporated. The rest should be.

There are two (2) general sets of rules that cover incorporation of a VFW Post — the laws of the individual state and the National By-Laws of the Veterans of Foreign Wars. To be recognized, your incorporation must comply with both and must be submitted to the Commander-in-Chief for review.

In most every Department, incorporation of a Post is a comparatively simple matter since forms which meet requirements of state law and the National VFW are available upon request from Department Headquarters. These guidelines contain a very simple set of instructions on how to fill them out and what to do once they are filled out. In the State of Nebraska, incorporation costs \$10 + \$5 per page fee for filing Articles of Incorporation. Incorporation renewal is paid every odd year at \$10 per year.

Incorporation is necessary for several purposes. To begin with, in many states the Post must be incorporated before it can hold property in its own name and before any type of liquor or bingo license may be issued to it.

Secondly, and perhaps just as important to the officers of the Post, the active incorporation takes individual responsibility away from the Post officers and places it upon the Post itself. The individual officers of an incorporated Post cannot be sued for financial obligations of the Post.

It is the general policy of the National Veterans of Foreign Wars that approval will not be given to separate holding corporations or club corporations. Some of these have been approved in the past and conceivably could be permitted to exist under that approval, but there will be no more in the future.

There is no particular advantage in the pyramiding of corporations. The Post corporation is sufficient to protect all its operations, if those operations are kept under control of the Post.

The general purpose of a separate club corporation or holding corporation is to take control away from the members of the Post. Usually, it has not been done for any dishonest purpose, but in the belief that more efficient operation will result from tighter control by a smaller group of people.

It is the contention of the Veterans of Foreign Wars that sufficient control may be exercised without sacrifice of democratic processes by the adoption of Post By-Laws and Rules.

Any exception to the "no separate corporation" rule may be made in the case of sponsorship of large-scale one-shot activities such as an air show, a community celebration, a Department convention, etc. It is sometimes better in these cases to incorporate the individual activity for ease in obtaining insurance, settling financial obligations, etc. These corporations have a limited existence and are dissolved after their purpose is served.

Posts not incorporated are only asking for trouble.