

# **Vietnam Veterans of America, Inc.**



## **Strategic Plan for Dissolution**

Revision 0, April 12, 2019



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## **Executive Summary**

This Vietnam Veterans of America, Inc. Strategic Plan for Dissolution (Plan) is the result of two years of investigation, analysis, and deliberation by Working Group I (WG I), and addresses the legal requirements associated with dissolution of the Vietnam Veterans of America (VVA) National Corporation as well as the practical aspects of identifying and transferring issues important to the legacy of the VVA to other organizations that will preserve and extend the legacy of the VVA into the future.

This Plan was completed by WG I for the VVA National Corporation, and was transferred to the VVA National Board of Directors (NBOD) on April 12, 2019, for their safekeeping, information, and use.

This Plan represents the conditions and facts that existed in April 2019, but WG I is aware that organizational, financial, and legal conditions are likely to change between now and the actual date of dissolution. It will be the responsibility of the VVA NBOD for maintaining, updating, and executing the actions and legal responsibilities included in the Plan.

This Plan includes five topical areas: Corporation, Finance, Veterans Benefits Program, Membership, and Chapters and State Councils. Each topical area is divided into subtopics that include: Facts, Analysis, and Actions. The Facts section lists the information that was considered; the Analysis section lists the conclusions reached from analyzing the facts; and the Action section lists each action that needs to be taken, the allocated timeframe when the action needs to be taken, and the person or group within the VVA responsible for completing the action. WG I has determined that each of the Actions included in this Plan are mandatory, and not optional. For that reason, Actions contain the words will, shall, must, which direct that the Action be taken.

Based on current membership requirements in the VVA, the last date for a person on active duty military service to become eligible for membership was over 43 years ago on May 7, 1975. As a result, the membership is aging, and in 2018 the average age of VVA members was 72 years old. At some point in the not too distant future VVA members will likely not be able to physically perform the tasks required to effectively manage the activities necessary to continue operation of the VVA National Corporation.

The VVA NBOD is directly responsible to conduct business in a lawfully compliant and responsible manner, always in the best interest of the VVA National Corporation and membership. Successful execution of this Plan is vitally important to the VVA National Corporation and will require significant attention and cooperation of the VVA NBOD on an ongoing basis.

## **Corporation**

The Corporation section of this Plan pertains to the VVA National Corporation in general and includes: Corporate Structure, Corporation Dissolution, Asset Distribution, Constitution, Government Affairs, and Committees.

The Corporation section of the Plan is very detailed and contains numerous legal requirements that must be completed in an orderly and timely manner. The information contained in the Executive Summary section is abbreviated and should be considered for information rather than reference purposes. More detailed information is contained in Section 3 of this Plan.

### Corporate Structure

The VVA National Corporation is a non-profit corporation formed under the laws of the State of New York. The VVA Constitution, as amended from time to time, establishes the structure of VVA.

As the VVA National Corporation nears the date of dissolution it may wish to adopt an amendment to the VVA Constitution to reduce the size of its NBOD and reapportion some responsibilities. For example, as funding for the Conference of State Council Presidents is removed, then the CSCP will cease functioning and the NBOD position held by the President of the CSCP could be eliminated. Further, the remaining number of NBOD could be reduced by eliminating the At-Large Directors (10) or the Regional Directors (9), or some combination of the two groups, with the remaining Directors assuming greater responsibilities. Under New York state law, there must be a minimum of one (1) member of the Board of Directors.

When the VVA National Corporation dissolves it will have a direct impact upon State Councils, Chapters, and Membership, as none of them will be bound by the structure set forth in the VVA Constitution. The VVA Constitution will cease to exist.

As a general proposition, the Law is the highest authority having a bearing upon the organization and operation of the VVA National Corporation, and the lower authorities are listed in descending order: Law, Articles of Incorporation, Congressional Charter, VVA Constitution, Special Rules of Order, Rules of Order, Board Policies, and Staff Policies.

### Corporation Dissolution

As a legal entity, the VVA National Corporation's existence will be brought to an end eventually, regardless of anyone's wishes or desires. Much like an individual person, the VVA National Corporation has a life span which will be ended by its dissolution (either voluntarily or involuntarily). An involuntary dissolution would result from the failure by the VVA National Corporation to file some required government report, or perhaps an unpaid creditor would put VVA National Corporation into bankruptcy or otherwise take all of its financial assets. A voluntary dissolution would allow the VVA National Corporation to decide to control its end in a manner that will perpetuate VVA's legacy and which will continue to bestow benefits upon

future generations of veterans. The VVA National Corporation can accomplish this through planning in advance for its voluntary dissolution.

Defaults by the VVA National Corporation give rise to possibilities of personal liabilities upon officers/directors of the VVA National Corporation.

Not later than one year prior to dissolution, subject to the advice of New York counsel, the VVA NBOD must commence the process of formal dissolution of VVA National Corporation by the adoption of a Plan of Dissolution and Distribution of Assets addressing the close of the VVA National Corporation and the distribution of assets not previously distributed and by the filing of a Petition for Dissolution with the New York Attorney General or a New York Supreme Court. This plan should not be confused with the Vietnam Veterans of America, Inc. Strategic Plan for Dissolution.

A Petition must be filed with either the New York Attorney General (AG) or a New York Supreme Court. Upon approval of the Petition by the AG or the Court the Plan of Dissolution must be carried out within 270 days (distribute assets and pay liabilities), “Wind up” the dissolution by filing a final Financial Report (showing no assets or liabilities), prepare a Certificate of Dissolution, and file a Petition for its approval with the New York AG.

#### Asset Distribution

The VVA National Corporation has both tangible and intangible assets at this time and will probably have both types of assets at the time the VVA National Corporation dissolves.

The VVA has substantial flexibility in transferring assets prior to the filing of its Plan of Dissolution, without having to be concerned about State oversight. The VVA should use that flexibility to identify its “legacy” assets, with a view toward transferring ownership (but not necessarily possession) to a successor organization or other selected organization(s) before filing the Plan of Dissolution.

For distribution of assets under a Plan of Dissolution, significant oversight by the State of New York is imposed, including filing of financial reports, affidavits, and governing documents of recipient organizations.

When the VVA National Corporation dissolves, all of its remaining assets (after payment of all remaining debts) will, if not otherwise disposed of, be given to an organization which is tax-exempt under Internal Revenue Code Section 501(c)(3), which is the usual form of charitable or religious organization, or 501(c)(19), which is the form specifically for veterans’ organizations. If the VVA National Corporation has not designated any such organization(s), the State of New York will make that determination.

Also, six years prior to dissolution the VVA NBOD shall direct the finance staff of VVA National Corporation to make a comprehensive listing of the Corporation’s assets, both tangible

and intangible. This list must be updated on a biennial basis (i.e., every two years) and finalized two years prior to dissolution.<sup>1</sup>

At two years prior to dissolution the VVA NBOD must select the organization(s) that will receive VVA National Corporation tangible assets, along with the description of assets it desires to transfer to those organization(s). Distribution of these assets must be completed before the VVA National Corporation files its Plan of Dissolution.

Also, at two years prior to dissolution the VVA NBOD will determine the amount of assets required to pay all remaining liabilities until the anticipated date of dissolution, and safeguard those assets in the Dissolution Fund or other protected status.

### Constitution

The VVA Constitution establishes a structure among the National organization, the State Council, and the Chapters. If VVA National Corporation dissolves but leaves State Councils and Chapters which are active, the VVA Constitution ends along with VVA National Corporation, relieving those corporations of requirements contained in the VVA Constitution.

Currently the VVA Constitution contains no provisions for dissolution or other termination of the VVA National Corporation. Working Group I submitted a proposed amendment to the VVA Constitution to require the NBOD to actively manage the legal dissolution of the VVA National Corporation, to include adopting, updating, and implementing a strategic plan for dissolution, and to take all actions necessary to accomplish the orderly dissolution of the Corporation.

When the date of dissolution is adopted the VVA NBOD shall immediately have responsibility for actively managing dissolution activities, to include adopting, updating and implementing a strategic plan for dissolution, monitoring and responding to liabilities and vulnerabilities, and all other actions necessary to bring the existence of the VVA National Corporation to an end.

Prior to each VVA National Convention after 2019, the VVA NBOD shall timely submit such proposed amendments to the VVA Constitution as may be necessary in order to carry out the Strategic Plan for Dissolution (for example, changes in the number and/or composition of the Board of Directors of the VVA National Corporation).

### Government Affairs

“Government Affairs” is a broad term which encompasses not only the work of VVA officers, staff, and hired consultants/lobbyists, but also the Government Affairs Committee. The Government Affairs Committee accepts input from all of the other VVA committees and, if congressional or other action is warranted, then places the item in the hands of VVA’s Government Affairs Department, officers and staff to carry out.

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<sup>1</sup> **Note:** Valuations are not the focus of this effort.



The work of Government Affairs in Congress is considered by the general membership as one of the most vital functions to preserve the Founding Principle, “**Never again will one generation of veterans abandon another.**”

Two years before dissolution the VVA NBOD shall direct the Government Affairs staff to determine the status of each undertaking then in progress, along with the anticipated time needed to see that undertaking completed. For any undertaking which cannot be completed prior to the dissolution of the VVA National Corporation, the VVA NBOD needs to identify a successor organization(s), or another existing organization, or consider formation of a new organization of similar status, willing to continue that undertaking, and transfer to it all of VVA’s preparatory work supporting that undertaking. This action may involve coordinating with other organizations to place VVA employed personnel in direct contact with counterparts in those organizations. Transfers need to occur in a timely manner with regard to legislative calendars and sessions, such that all transfers occur not later than one year prior to dissolution.

### Committees

Some committees primarily support the VVA National Corporation, and others primarily support the membership. The standing committees are adopted by the VVA Constitution and will remain in effect unless and until the VVA Constitution is amended, or the VVA National Corporation dissolves, or the VVA National President ceases to appoint chairs of the committees. Most standing committees meet for only six hours per year, three meetings a year for two hours at each meeting.

The standing committees which primarily support the VVA National Corporation may need to remain functional until the VVA National Corporation dissolves.

Beginning with the next fiscal year budget cycle, and continuing each year thereafter, prior to January 31, the VVA NBOD shall determine which committees will continue to be funded.

Additionally, as early as five years before dissolution the VVA NBOD shall determine whether individual committees should consider merging, separately incorporating, or aligning with other organizations to share information. This action must be completed not later than one year prior to dissolution.

## **Finance**

### Revenue

Historic Revenues have not substantially changed over the last few years. Total Revenue for 2018 was \$9,691,195, and the major sources of revenues were: The Household Goods Donation Programs at \$6,508,654, 67 percent, Contributions \$2,158,606, 22 percent. Other sources of revenue include: Membership Dues \$341,517, Veterans Support Foundation Grant \$261,583, The VVA Veteran magazine \$197,368, Conventions and Conferences \$134,871, Royalties \$62,958 and Other \$25,538, totaling 11 percent.

The VVA National Corporation's greatest financial concern is the risk of loss of critical revenues such as the Household Goods Donation Program, and contributions, which make up the largest portion of revenues. The VVA NBOD should take prudent actions to ensure revenue sources continue as long as possible and should attempt to identify new sources of revenues in case one of the main sources reduces or becomes unreliable.

Eight years prior to dissolution the CFO and National Treasurer must provide line item details of revenues instead of lump sums values to the VVA NBOD so they have more knowledge of what they are working with. On a quarterly basis the CFO and staff will need to prepare financial reports, including graphs and charts to keep the VVA NBOD completely up to date on transactions that affect the final goal of transition.

Two years prior to dissolution the VVA NBOD must begin to notify the revenue sources of the intent to dissolve the VVA National Corporation or to transition to another organization, and work with those sources to sustain revenue as long as possible.

### Expenses

The authority to incur expenses is implied in the Articles of Incorporation and Congressional Charter, and further defined in the VVA National Policies and Procedures. The Congressional Charter emphasizes the following right to members, "All books and records of the corporation may be inspected by any member having the right to vote or by any agent or attorney of such member, for any proper purpose, at any reasonable time."

The expense budget for VVA for Fiscal Year 2018 was \$9,300,000.

As VVA National Corporation progresses through the Plan, the needs of the organization will change, and some expenses will be reduced or eliminated, while some, such as the VVA National Officers, attorney fees, consultants and some committees might increase or decrease.

The VVA Chief Financial Officer (CFO), VVA National Treasurer and necessary staff members within the Finance Department will be crucial through the dissolution of the VVA National Corporation.

The VVA NBOD must become more actively involved in reducing expenses to meet the goals outlined in this Plan. This includes use and possible elimination of the reserve and investment funds. Beginning as soon as possible, the CFO must provide detailed expenses on a quarterly basis to enable the VVA NBOD to make sound financial decisions. The VVA NBOD will determine what details and data format will be presented to them on a quarterly basis.

The VVA NBOD must establish and fund a Dissolution Fund to ensure there are sufficient funds remaining to cover final dissolution expenses. The initial estimate for this fund is \$1,800,000, with the understanding that the VVA NBOD will need to monitor and reevaluate costs associated with dissolution and adjust the fund balance as necessary.

Feedback from the VVA membership indicates a strong interest in extending some of the VVA programs that form the legacy associated with the VVA. The VVA NBOD must establish and fund a Legacy Programs Fund to ensure there are sufficient funds available to transfer programs important to the legacy of the VVA to other organizations. Transfer of legacy programs could include funding to support the program for a given number of years, and could include transfer of certain VVA employees along with the funding necessary to support their salary for a given number of years. The initial estimate for this fund is \$3,100,000, with the understanding that this is a minimum value that will likely need to be adjusted upward, and the VVA NBOD will need to monitor and reevaluate costs associated with transferring legacy programs and adjust the fund balance as necessary.

Feedback from the VVA membership indicates a strong interest in having VVA funds available for distribution to chapters and state councils upon dissolution of the VVA National Corporation to carry on the legacy of the VVA at a local level. To provide funding to chapters and state councils the VVA NBOD must establish and fund a Legacy Membership Fund to ensure there are sufficient funds available for that purpose. Chapters would receive funding based on chapter membership strength, and state councils would receive funding based on state members-at-large membership strength. The initial estimate for this fund is \$3,100,000, with the understanding that the VVA NBOD will need to monitor and adjust the fund balance as necessary.

Eight years prior to dissolution the VVA NBOD must establish three distinct funds: A Dissolution Fund for costs related to dissolution under New York law; a Legacy Program Fund to provide resources for transferring selected legacy programs to other organizations; and a Legacy Membership Fund for pro rata distribution based on membership to State Councils (Members at Large) and Chapters (Chapter Members) that remain active after dissolution of the VVA National Corporation.

#### Contracts and Memorandums of Understanding

The contracting authority is vested in the VVA National Treasurer by VVA Policy. The National Treasurer oversees and maintains all contracts and Memorandums of Understanding (MOU's). After review of all contracts and MOUs in 2018 the VVA National Treasurer found that all were currently necessary to the organization and have an escape (early termination) clause included.

Six years prior to dissolution the VVA NBOD must have a corporate attorney review the escape clauses and contract language in all existing contracts and MOUs to ensure all liabilities to the VVA National Corporation are identified and the VVA NBOD must ensure all new contracts and MOUs have escape clauses before the contracts are agreed to and executed.

Three years prior to dissolution the VVA NBOD will review all contracts for any necessary changes in language. The VVA NBOD will again review all contracts and MOU's to determine those that are necessary to the mission through the dissolution of the VVA Corporation. Contracts and MOUs that do not meet that criterion will be terminated or allowed to expire.

## **Veterans Benefits Program**

Based on feedback from the VVA membership the VVA Veterans Benefits Program is well supported by them and is considered by many as a premiere VVA legacy program. Working Group I believes the legal representation of claimants during the appeals process to be the primary function that needs to be preserved and transferred to another organization to preserve that portion of the VVA legacy.

Based on the lengthy claim adjudication and appeals process, intake of new claims with the VVA listed as the power of attorney must end soon. If a VVA-accredited Service Officer desires to continue as a Service Officer the VVA should assist that person in obtaining accreditation from another recognized service organization. VVA Service Officers will be required for several years to assist existing VVA claimants to transfer their power of attorney to another recognized service organization.

The VVA Veterans Benefits Department, with its attorneys and staff, will be required to continue operating for many years until the backlog of VVA claims in the Board of Veterans' Appeals system are resolved or closed. The process developed and implemented by the VVA Veterans Benefits Department has proven to be highly effective and should be considered by the NBOD as a legacy program for transfer to another organization to ensure the function continues beyond the dissolution of the VVA Corporation.

## **Membership**

The Membership section of this document pertains to issues important to the VVA membership and includes: VVA Reputation and Lasting Legacy; Support to the Associates of Vietnam Veterans of America; Communications; and Membership Status.

Based on current membership requirements in the VVA, the last date for a person on active military duty to become eligible for membership was over 43 years ago on May 7, 1975. The membership is aging, and in 2018 the average age of VVA members was 72 years old.

### VVA Reputation and Lasting Legacy

Almost every conversation Working Group I had with the VVA membership regarding the future of the VVA included the need to preserve the reputation and legacy of the VVA that has been established over the last 40 years. While the name "Vietnam Veterans of America" may not extend beyond dissolution of the VVA National Corporation, some of the most important legacy programs and services provided for veterans can continue through the organizations that the VVA distributes assets to, either before or after the filing a Plan of Dissolution.

To effectively accomplish this, the VVA NBOD must form a Legacy Task Force composed of three or more current members of VVA NBOD, tasked with identifying and preserving the legacy and reputation of the VVA. The Legacy Task Force would meet in conjunction with each scheduled VVA NBOD meeting to actively investigate and develop solutions relating to the

legacy and reputation of the VVA, to develop Actions to be included in the Strategic Plan for Dissolution. The Legacy Task Force will report their progress at each scheduled VVA NBOD meeting to assist the VVA NBOD in managing and executing the Strategic Plan for Dissolution. One of the most important tasks of the Legacy Task Force will be to develop evaluation criteria for distribution of VVA assets relating to legacy issues, to include: compatibility of corporate goals and objectives with those of the VVA, projected ability of the corporation to carry on a legacy item important to the VVA, demonstrated corporate performance, corporate leadership qualities, corporate financial stability, and other criteria necessary to ensure success in caring on the legacy of the VVA.

#### Support to the Associates of Vietnam Veterans of America

At the time of the creation of the Associates of Vietnam Veterans of America (AVVA) 20 years ago, the VVA pledged its support to the new organization. In return, the AVVA pledged their support to the VVA by adopting the motto "**Together Always**". The majority of AVVA members are women who are spouses, former spouses, or relatives of VVA members, and there is a strong emotional connection between the two organizations.

Many VVA members have expressed the opinion that the AVVA should be considered the logical successor to the VVA. Because of the continuing close relationship between the two organizations and the projected longevity of women, the AVVA may remain active after the VVA dissolves and may provide an opportunity for VVA members to remain active in some manner with the AVVA. The AVVA has been very active in Agent Orange issues, not only as it affects Vietnam veterans directly exposed to dioxins, but the effect it may have on the children and grandchildren of those veterans. The AVVA may be a suitable organization for the VVA to transfer Agent Orange related information and educational services such as VVA Agent Orange Committee activities, Agent Orange Town Hall Meetings, and the Faces of Agent Orange Program.

Specific Actions in this Plan relating to the AVVA include:

- Distribution of VVA's memorabilia to the AVVA or an acceptable corporation or educational institution;
- Transferring all rights to the VVA name, logos, flag, website, internet domain, and email talklists, including but not limited to, all trademarks and copyrights and other intellectual property, to the AVVA, provided that the AVVA agrees to permit all existing state councils and chapters to continue their permitted uses of such intellectual property, and
- For the AVVA to begin or continue a periodic (preferably weekly) information transmittal by e-mail and social media similar to the current VVA Web Weekly to keep VVA members informed of current issues affecting veterans.

## Communications

Effective communication with the VVA membership will be vital to reduce confusion and dispel rumors as the VVA National Corporation approaches the date for dissolving the VVA National Corporation.

As soon as practical following the 2019 VVA National Convention the VVA NBOD must effectively communicate the results of the convention to the VVA membership relating to Working Group I and Working Group II, as well as any associated actions taken by convention delegates. Additionally, five years prior to dissolution of the VVA National Corporation the VVA must establish a separate “Dissolution” section of the VVA website that includes the strategic plan for dissolution adopted by the VVA NBOD, and information specific to dissolution of VVA National Corporation as it relates to State Councils, Chapters, and individual members.

## Membership Status

After dissolution of the VVA National Corporation current life members of VVA will not be dispossessed of their history with the VVA. If the membership cards are good for discounts or to gain preferential treatment or access, that is fine. However, the VVA National Corporation cannot make any representation of a benefit that it can't stand behind after dissolution.

Specific Actions in this Plan relating to the Membership include:

- Six years before dissolution of the VVA National Corporation, the VVA will begin issuing an approximately 3-inch by 5-foot ribbon streamer that represents the green, yellow, and red design in the VVA logo suitable to be displayed on the life member's casket or urn at their funeral or memorial service. This ribbon streamer would initially be issued to all current life members, and would continue to be issued to individuals who become a life member after that date.
- Two years before dissolution of the VVA National Corporation the VVA will discontinue accepting and processing new membership applications. At that same time the VVA will issue a specially designed membership card and wall certificate to each current life member recognizing them as a proud member of a veteran organization that effectively served veterans, active duty military, and their families for 50 years before closing.

## **Chapters and State Councils**

The Chapters and State Councils section of this Plan pertains to issues State Councils and Chapters will encounter due to dissolution of the VVA National Corporation.

Working Group I has developed a State Council Guide and a Chapter Guide attached as Appendices D and E to this Plan that can be used as a reference by Chapters and State Councils that decide to remain active after dissolution of the VVA National Corporation.

## Issues Common to State Councils and Chapters

When the VVA National Corporation dissolves, State Councils and Chapters will continue as corporations but will no longer be bound by the corporate structures imposed by Articles II and III of the VVA Constitution. State Councils and Chapters will continue to exist as separate and (in the absence of any affirmative actions) independent corporations, no longer bound by any of the rules and relationships of the VVA Constitution, Policies, and Board Motions.

When the VVA National Corporation dissolves, requirements and guidance in the VVA Constitution will no longer apply.<sup>2</sup> State Councils and Chapters that desire to continue in existence will need to update their bylaws to address the following topics:

Membership requirements and processes. State Councils and Chapters that remain active will need to determine their own membership requirements, the process for granting membership, the process for determining and collecting dues (if any), and other factors specific to obtaining and maintaining membership. State Councils and Chapters that remain 501(c)(19) corporations will be bound by Internal Revenue Service (IRS) membership requirements pertaining to veterans, and those that become 501(c)(3) corporations will have more flexibility regarding membership.

Meetings. Location, frequency, quorum requirements, member voting policy, notices of special meetings, conduct of meetings, and perhaps other factors relating to meetings will need to be defined and incorporated into bylaws.

Leadership. State Councils and Chapters will need to ensure that the leadership structure complies with state laws, such as the minimum number of officers and/or directors. The duties, responsibilities, and authority of officers/directors must be defined and included in the bylaws. The methods for electing, selecting, and replacing officers/directors, as well as the term of office, must be defined and included in the bylaws. If leadership will include a subset of officers/directors (example: executive board), the duties, responsibilities, and authority of that subset must be defined and included in the bylaws.

The VVA National Corporation is incorporated as a non-profit corporation under the laws of the State of New York. For Federal income tax purposes, VVA National Corporation has been granted status under group exemption number 3202 as a tax-exempt organization under Section 501(c)(19) of the Internal Revenue Code. When the VVA National Corporation dissolves, it will have no further status, either corporately or for tax-exemption purposes, and State Councils and Chapters will no longer be able to claim FEDERAL tax-exemption under the VVA National Corporation's group exemption number.

Each State Council and each Chapter has its own unique tax identification number issued to it by the state in which it was incorporated; that STATE tax identification number is used for payment of taxes owed by the State Council or Chapter to that state. Each State Council and each Chapter

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<sup>2</sup> **Note:** in states that do not require bylaws, there is in all likelihood a statutory equivalent set of regulations for operation of a corporation.

has also applied for and received a separate FEDERAL tax identification number. STATE reports are filed under the STATE tax identification number, and FEDERAL reports (such as IRS Form 990) are filed under the FEDERAL tax identification number by each State Council and each Chapter. Being tax-exempt under a FEDERAL tax number does NOT mean that the organization is tax-exempt from STATE taxes; similarly, being “non-profit” under STATE law does NOT mean that the organization is tax-exempt under FEDERAL law. STATE and FEDERAL taxes (and exemptions) are independent considerations.

State Councils and Chapters which desire to continue in existence after VVA dissolves will need to take affirmative steps to obtain their own separate FEDERAL tax-exemptions under Sections 501(c)(3) or 501(c)(19) or other applicable sections of the Internal Revenue Code, unless their activities will not require or benefit from FEDERAL tax-exemption.<sup>3</sup>

Not later than four years prior to dissolution the VVA NBOD shall assign staff members to assist continuing State Councils and Chapters with some of the legal and practical actions that will be required. As the Membership Department reduces its scope of duties, those staff members currently dealing with membership issues could assist with this process.

Not later than four years prior to dissolution the VVA NBOD shall direct the Constitution Committee to develop templates for bylaws, for use by continuing state councils and chapters, to possibly standardize such bylaws to fill the void left when the VVA Constitution ceases to exist.

Not later than three years prior to dissolution each State Council and each Chapter desiring to continue in existence after the VVA National Corporation dissolves is encouraged to seek the assistance of VVA staff, and if not sufficient, a competent business attorney and/or a competent tax professional to assist in the transition. At the same time, the VVA NBOD shall advise each State Council and Chapter which desires to continue in existence after the VVA National Corporation dissolves to start the conversion process, both in terms of creating a new internal structure independent of the VVA National Corporation, and in terms of seeking its own Federal tax-exemption.

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<sup>3</sup> **Note:** It is possible that some State Councils may choose to obtain group tax-exemptions which, in turn, may be used by Chapters within their defined areas.



## Foreword

Recognizing the effects of aging membership on the Vietnam Veterans of America, Inc. (VVA) as an organization, the VVA National Board of Directors (NBOD), at a National Board Meeting held on January 13, 2017, established two panels by passing Motion 3, which reads, “To amend Motion # 19 from the October 2016 NBOD meeting: To establish two panels: Panel A will formulate a strategic plan to “Transition” at a time certain in the future to be determined by the working group and communicated to the general membership for approval at a convention; and Panel B will determine the feasibility of forming, chartering, funding and/or empowerment of a new veterans’ organization to perpetuate our legacy and assure the tomorrow of all veterans which will be communicated to the general membership for approval at a convention.” Motion 3 passed without objection.

At the same VVA NBOD meeting Motion 4, “To appoint Bob Seal as Chair of Panel A”, and Motion 5, “To appoint Jake Barsottini, Ray Breault, Nick DeLeo, John Margowski, Sandy Miller, Jerry Morano, Stephen Brady, Kerwin Stone as members of Panel A, and Rod Farley and Bill Norton as alternate members.” were passed without objection. President Rowan appointed VVA Secretary Bill Meeks and VVA Treasurer Dr. Wayne Reynolds as advisors, and AVVA President Sharron Hobbs as special advisor to Working Group I.

Working Group I first met in April 2017 and received process training from Reverend Bob Lewis with strong emphasis on working together as a group, determining our initial goals, and focusing on the objective of our mission. Working Group I did not differentiate between members and alternate members, and all members continued to participate and meet periodically in Silver Spring, MD, in conjunction with the VVA NBOD meetings. Working Group I also conducted significant work remotely between face-to-face meetings.

At the VVA NBOD meeting on April 7, 2017, Motion 4, “To amend Motion # 3 from the January 2017 NBOD meeting which amended Motion # 19 from the October 2016 NBOD: To establish two panels working groups: ~~Panel A~~ Working Group I will formulate a strategic plan to “Transition” at a time certain in the future to be determined by the working group and communicated to the general membership for approval at a convention; and ~~Panel B~~ Working Group II will determine the feasibility of forming, chartering, funding and/or empowerment of a new veterans’ organization to perpetuate our legacy and assure the tomorrow of all veterans which will be communicated to the general membership for approval at a convention. The proposed membership on these panels will be presented to the NBOD in January 2017 for approval.” Motion 4 was passed without objection.

This Vietnam Veterans of America, Inc. Strategic Plan for Dissolution (Plan) is the result of two years of detailed investigation and discussion by Working Group I, and represents the best analysis and recommendations based on the conditions and information available at the time. Working Group I is aware that organizational conditions will change as time progresses, and therefore it will be necessary for the VVA NBOD to actively manage and update this Plan to keep it current with changing conditions.



## **1.0 Introduction**

### **1.1 Mission Statement**

The mission statement for WG I, and the primary purpose and goal of this strategic plan is to, “Formulate a strategic plan to “Transition” at a time certain in the future to be determined by the working group and communicated to the general membership for approval at a convention.”

### **1.2 Vision Statement**

The vision of WG I is to develop a strategic plan for dissolution (transition) as described in our mission statement that will be thorough, reasonable, flexible, and implementable.

### **1.3 Values Statement - The Vietnam Veterans of America Founding Principle**

“**Never again will one generation of veterans abandon another,**” rings as true today just as it did in the beginning. It was the ultimate goal of WG I to develop a Vietnam Veterans of America, Inc. Strategic Plan for Dissolution that will preserve and perpetuate that Founding Principle.

### **1.4 Long-Term Strategic Objectives**

The long-term strategic objectives of WG I included developing a Vietnam Veterans of America, Inc. Strategic Plan for Dissolution that would serve as a guide for the VVA NBOD to actively and successfully manage the VVA National Corporation through the years-long process of dissolution. Primary to this task was identifying the legal and practical requirements associated with distributing tangible and intangible assets, particularly assets relating to functions identified as legacy items. It was also a long-term strategic objective to actively involve the VVA NBOD in the dissolution process because they are the legally responsible decision-making body charged with guiding the VVA National Corporation at all times, including the dissolution process.

## **2.0 Strategic Plan for Dissolution**

### **2.1 Purpose and Structure of this Strategic Plan for Dissolution**

This Plan includes a determination of where the VVA National Corporation is now as an organization, analysis of where the VVA is headed, development of the actions and activities necessary to achieve successful transition, and a timeline of actions and activities necessary to complete transition.

The Executive Summary section of this Plan contains a summary of the most significant analysis and actions necessary for successfully dissolving the VVA National Corporation, including specific actions required by the VVA NBOD to achieve success. Information in the Executive Summary is extracted from other sections of the document, which are provided as a reference for the VVA NBOD to use when they determine changes to the document are necessary. The

Executive Summary also includes, in tabular and chronological timeline format, the actions necessary to conduct the dissolution process in a controlled and successful manner.

## **2.2 Updating and Maintaining this Strategic Plan for Dissolution**

This Plan was completed by WG I on April 12, 2019, and transferred to the VVA NBOD for their information and action based on conditions and facts as they were known and understood at that time. After receiving the Plan, the VVA NBOD will have ownership of the plan and will be responsible for adopting, maintaining, and executing the plan.

Modification of the Plan may be accomplished by majority vote of the VVA NBOD. As time passes organizational conditions will change, some issues that were relevant when the plan was completed may become less relevant, and some issues that were not considered may become relevant, making it necessary for the VVA NBOD to actively manage and maintain this Plan.

When future revisions or interpretations of the Plan are considered, WG I encourages the VVA NBOD to acknowledge and utilize the skills of Kerwin Stone. Kerwin Stone is a current member of the VVA NBOD and is a practicing attorney in the State of Texas. He was fully engaged with WG I for over two years during development of the Plan and is a reliable source for providing trusted opinion and advice.

## **2.3 Executing this Strategic Plan for Dissolution**

This Plan is a roadmap for taking the VVA National Corporation from its current operational status successfully through dissolution.

Actions listed in this Plan consist of three components; what must be accomplished to achieve a goal, who is responsible for accomplishing it, and when the task needs to be accomplished. The Actions listed in this Plan are determined by WG I to be necessary, not optional, and as such, include words such as must, will, and shall.

The VVA NBOD is directly responsible to conduct business in a lawfully compliant and responsible manner in the best interest of the VVA National Corporation and membership. Successful execution of this Plan is vitally important to the VVA National Corporation and will require significant attention and cooperation of the VVA NBOD. To assist the VVA NBOD in successful execution of the Plan, Actions requiring the establishment of a Legacy Task Force consisting of VVA NBOD members will be needed.

## **2.4 Tracking and Reporting Progress**

Tracking and reporting progress in executing this Plan will need to be conducted on a quarterly basis and should be included on the agenda for every VVA NBOD meeting in the future. The VVA NBOD may choose to form a task force composed of VVA NBOD members to track and report progress in execution this Plan, to monitor conditions that could affect accomplishment of Actions, to propose modification of existing Actions and to propose additional Actions as

necessary. This task force would also periodically report the status of the Plan to the Conference of State Council Presidents, State Councils, Chapters, and Members at Large to ensure the membership remains adequately updated.

### **3.0 Topical Areas**

#### **3.1 Corporation**

##### **3.1.1 Corporate Structure**

#### **Background Facts and Information**

1. Vietnam Veterans of America, Inc. is a non-profit corporation formed under the laws of the State of New York. The VVA Constitution, as amended from time to time, establishes the structure of the VVA National Corporation.
2. Article I, Section 3 of the Constitution sets the criteria for membership in VVA.
3. Article I, Section 4 requires the establishment of a National Board of Directors, in which is vested control and management of the VVA National Corporation. There are 24 Directors: Four elected national officers, ten at-large directors, nine regional directors, and the chair of the Conference of State Council Presidents. Regional directors represent the states and territories attributed to each in Appendix I to the Constitution. Except as granted by the Constitution (for example, grants of powers to the national officers), no individual director has any governing authority, but instead can act only through action of the Board as a whole.
4. Article I, Section 5 requires and empowers the four VVA National Officers: President, Vice President, Secretary and Treasurer. VVA National officers are salaried positions. The officers oversee the work of VVA's paid staff, and are responsible for the day to day operations of the VVA National Corporation.
5. Article I, Section 6 requires biennial national conventions, and states that "The national convention shall be the highest authority of the Corporation." A vote of the membership delegates at a national convention therefore controls over any inconsistent actions by the Board of Directors or the National officers.
6. Article I, Section 7 establishes committees to assist the VVA National Corporation. Five special committees are mandatory and are dedicated to operation of the National Convention. Sixteen Standing Committees, as set forth in Appendix II to the Constitution, are optional and may be established, and the President can establish other committees. The committees are established, and the chairs of each are selected, by the President, subject to the approval of the Board. Each Committee has a special subject area. VVA National staff members are assigned to assist each Committee with its work.

7. Article I, Section 11 requires the establishment of the Conference of State Council Presidents (CSCP), for the purpose of sharing information and discussing matters of common concern. The CSCP elects its own officers. The CSCP can issue opinions and recommendations to the VVA NBOD.
8. Article II permits the establishment of State Councils to carry out the interests of the VVA National Corporation in those states. The chapters in a state comprise the membership of the State Council. Officers of the State Council are elected by delegates from the chapters. A State Council “may” have a board of directors; if established, its members are elected by the delegates to the State Council meetings. Each of the State Councils has been incorporated as a non-profit corporation under the laws of its own state.
9. Article III permits the establishment of Chapters of the VVA National Corporation on the local level. Members of VVA can become affiliated with a Chapter, or can choose to be at-large members of VVA. Chapters are governed by elected officers and by a board of directors (officers are deemed to be directors, too). All VVA Chapters have been incorporated as non-profit corporations under the laws of their respective states.

### **Considerations**

1. When the VVA National Corporation dissolves, it will have a direct impact upon State Councils, Chapters, and Membership, as none of them will be bound by the structure set forth in the VVA Constitution. The VVA Constitution will cease to exist.
2. If the VVA National Corporation does not plan for the future, then it is only a matter of time until the laws of the State of New York will control what happens to the VVA National Corporation as its corporate structure falls apart due to inaction or lack of attention by the dwindling number of members remaining. The VVA National Corporation can best carry on its legacy and its duties to its Vietnam veterans, as well as its duties to future generations of veterans, by equipping one or more other organizations with our accumulated knowledge, wisdom and assets. The VVA National Corporation should adopt a plan for its future. The VVA National Corporation has time in which to adopt and implement a plan now, but as the years pass, the VVA National Corporation will lose its ability to be proactive.
3. As the VVA National Corporation nears the date of dissolution, it may wish to adopt an amendment to the VVA Constitution to reduce the size of its NBOD and reapportion some responsibilities. For example, as funding for the Conference of State Council Presidents is removed, then the CSCP will cease functioning, and the NBOD position held by the President of the CSCP could be eliminated. Further, the remaining number of NBOD could be reduced by eliminating either all of the At-Large Directors (10) or all of the Regional Directors (9), or some combination of the two groups, with the remaining Directors assuming greater responsibilities for aiding state councils and chapters in transitioning (geographically, the Regional Directors are better poised to ensure coverage for all state councils and

chapters). Under New York state law, there must be a minimum of one (1) member of the Board of Directors.

4. “Vietnam Veterans of America, Inc. Hierarchy of Laws”, which summarizes the relative priorities of various laws and corporate documents pertaining to the VVA National Corporation. As a general proposition, the Law is the highest authority having a bearing upon the organization and operation of the VVA National Corporation, and the lower authorities are listed below it in descending order, such that Staff Policies have the least binding effect upon the VVA National Corporation. As an example, a provision in the VVA Constitution would overrule anything contained in the Rules of Order.
  - a. Law
    - 1) Statutory and case law applicable to non-profit corporations; contains enabling and restrictive provisions, along with taxation obligations.
  - b. Articles of Incorporation
    - 1) Created a new legal entity in the State of New York.
    - 2) Created a relationship between the VVA National Corporation and the State of New York.
    - 3) Together with any amendments, governs the general conduct of the VVA National Corporation until it is dissolved.
  - c. Congressional Charter
    - 1) Granted additional rights and status to the VVA National Corporation.
  - d. VVA Constitution
    - 1) Serves as Bylaws for the VVA National Corporation.
    - 2) Creates the organizational structure of the VVA National Corporation, including not only internal operations, but also relationships between the VVA National Corporation and its State Councils and Chapters.
    - 3) Adopted by members, and any amendment requires 2/3 affirmative vote.
    - 4) Establishes the highest authority of the VVA National Corporation as the National Convention (i.e., vote of delegates at a National Convention rather than direct vote by members of VVA).
  - e. Special Rules of Order
    - 1) Procedural rules adopted to supplement or modify those in the Rules of Order.
  - f. Rules of Order
    - 1) The VVA National Corporation adopted Robert’s Rules of Order, as amended from time to time, for conduct of corporate meetings and procedures.

g. Board Policies

- 1) Adopted by majority vote of the VVA National Corporation's NBOD from time to time.
- 2) Deal with administration of corporate duties by the NBOD.
- 3) Amended or retired by majority vote of NBOD.

h. Staff Policies

- 1) May be adopted by VVA National Officers and/or managers to govern staff duties and procedures.
- 2) Changeable at will by VVA National Officers or managers, to the extent the prior policy did not rise to the level of being a contract between the VVA National Officers or managers, on the one hand, and staff.

3.1.2 Corporation Dissolution

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. As a legal entity, the VVA National Corporation's existence will be brought to an end eventually, regardless of anyone's wishes or desires. Much like an individual person, the VVA National Corporation has a life span which will be ended by its dissolution (either voluntarily or involuntarily).
  - a. An involuntary dissolution would result from the failure by the VVA National Corporation to file some required government report because there is no one around to file it, or perhaps an unpaid creditor would put the VVA National Corporation into bankruptcy or otherwise take all of its financial assets.
  - b. A voluntary dissolution would allow the VVA National Corporation to decide to control its end in a manner that will perpetuate the VVA National Corporation's legacy and that will continue to bestow benefits upon future generations of veterans. The VVA National Corporation can accomplish this through planning in advance for its voluntary dissolution.
2. A Petition must be filed with either the New York Attorney General ("AG") or a New York Supreme Court.
  - a. The filing must be done in the district in which the VVA National Corporation's principal office in New York is located.
  - b. Numerous attachments have to accompany the Petition, including:
    - 1) The Plan of Dissolution.



- 2) If the VVA National Corporation is registered with the New York AG's Charities Bureau, then the VVA National Corporation must demonstrate compliance with its requirements.
- 3) New York law requires that each recipient of assets from the VVA National Corporation during the time span of its Plan of Dissolution must provide the State with detailed documentation, including the recipient's organizational documents (such as articles of incorporation), any other documents of governance (such as bylaws), its most recent financial reports, documentation confirming the recipient's federal tax-exempt status, and an affidavit stating the purpose of the recipient's organization.
  - c. The Petition must be verified (sworn to).
3. Upon approval of the Petition by the AG or the Court:
  - a. The Plan of Dissolution must be carried out within 270 days (distribute assets and pay liabilities).
  - b. "Wind up" the dissolution by filing a final Financial Report (showing no assets or liabilities).
  - c. Prepare a Certificate of Dissolution, and file a Petition for its approval with the AG.
4. Upon approval of this Petition by the AG, request a Consent to Dissolution from the New York State Department of Taxation and Finance.
5. Upon approval by the New York Tax Department, it will issue its Consent, which is to be filed with the New York Secretary of State and also included in the VVA National Corporation's final filing with the Internal Revenue Service.
6. The VVA National Certificate of Incorporation (New York, 1978). Art. XI reads in pertinent part as follows: "Upon the...dissolution...of the corporation, ...its assets, if any, shall be distributed to, and only to, one or more organizations having either exclusively charitable, religious, scientific, or educational purposes only as described in Sections 501(c)(3), and (19) of the Internal Revenue Code, as amended subject to the order of the Supreme Court of the State of New York."
7. The VVA National Congressional Charter (1986), Section 18 states, "If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire."
8. The VVA Constitution (1983, as amended through 2017) does not contain provisions about termination of the VVA National Corporation.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. The VVA National Corporation is a New York non-profit corporation, and hence its dissolution must be in accordance with New York state law. If the VVA National Corporation does not have a New York licensed business attorney in its ranks who is willing to assist, then the VVA National Corporation will need to hire one in order to prepare, file and represent it in the dissolution proceedings. A key question is how the VVA National Corporation wishes to go about dissolving. It can either dissolve WITH all or some of its assets to be distributed according to a plan, or transfer all of its assets first and then dissolve with NO assets remaining. If some, but not all, assets are transferred prior to dissolution, then there would still need to be a plan for distribution of those assets. Here is a general outline of how VVA should proceed:
  - a. Adopt a Plan of Dissolution and Distribution of Assets.
    - 1) The VVA NBOD must approve (with a quorum and by majority vote) distributing its assets, including identification of and acceptance by the recipient 501(c)(3) or (19) organizations, and for paying its liabilities.
    - 2) The Plan of Dissolution must be approved by the members entitled to vote. Generally, this means the members who elect the VVA NBOD. For the VVA National Corporation, this occurs only at National Conventions, where the voting is done by delegates. In order to pass, there must be a quorum and a two-thirds (2/3) majority vote to adopt the Plan of Dissolution. If a Plan of Dissolution is not approved by the members, then this path to dissolution will not be available to VVA National Corporation.
2. Defaults by the VVA National Corporation give rise to possibilities of personal liabilities upon officers/directors of VVA.
3. Any assets remaining after the defaults are first applied to payment of debts and liabilities of the VVA National Corporation, with remainder being distributed to a 501(c)(3) or (19) organization chosen by a state court in New York.
4. The VVA National Corporation has the flexibility and opportunity to select recipient(s) of its assets, and to provide for the continued realization of the value of its ongoing assets, without oversight by the State of New York. After the VVA National Corporation files its Petition for Dissolution, no assets of the VVA National Corporation will be transferred out of the VVA National Corporation without prior approval by the New York Attorney General or the Court of the VVA National Corporation's Petition for Dissolution.
5. If the VVA National Corporation dissolves but leaves State Councils and Chapters which are active, the VVA Constitution dies along with the VVA National Corporation, relieving them of requirements contained in the VVA Constitution, and leaving no guidance or cohesion for State Councils and Chapters. For that and a multitude of other reasons, the VVA National Corporation carries a responsibility to continue in existence as long as reasonably possible.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

GENCORP ACTION 9 – Not later than X-Date minus 1 year, subject to the advice of New York counsel, the VVA NBOD must commence the process of formal dissolution of the VVA National Corporation by the adoption of a Plan of Dissolution and Distribution of Assets, and by the filing of a Petition for Dissolution with the New York Attorney General or New York Supreme Court.

### 3.1.3 Asset Distribution

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. There are two basic categories of assets: tangible and intangible. Tangible assets are those which can be seen and touched (such as books, furniture, and cash). Intangible assets are those which have value but cannot be touched in that same manner (such as an organization's reputation built up while using its trade name, registered trademarks).
2. The VVA National Corporation has both tangible and intangible assets at this time and will probably have both types of assets at the time the VVA National Corporation dissolves.
3. When the VVA National Corporation dissolves, all of its remaining assets, after payment of all remaining debts, will, if not otherwise disposed of, be given to an organization which is tax-exempt under Internal Revenue Code Section 501(c)(3), which is the usual form of charitable or religious organization, or 501(c)(19), which is the form specifically for veterans' organizations such as the VVA National Corporation. If the VVA National Corporation has not designated any such organization(s), the State of New York will make that determination.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. In approaching dissolution under New York law, the VVA National Corporation must file a Plan of Dissolution sufficiently far in advance to allow processing or approval by the State, following which all assets must be distributed within 270 days, following which the VVA National Corporation can be formally dissolved.
2. For distribution of assets prior to the filing of the Plan of Dissolution, no oversight by the State of New York is exercised (so long as no debts remain unpaid).

3. For distribution of assets under a Plan of Dissolution, significant oversight by the State of New York is imposed, including filing of financial reports, affidavits, and governing documents of recipient organizations.
4. Some of the VVA National Corporation's assets, both tangible and intangible, reflect the legacy of the VVA National Corporation and have values not easily measurable in terms of dollars. Those special assets include its name and logo, its extensive library of publications, including its own, concerning the Vietnam War and its effects, and souvenirs, awards and memorabilia of the impact on our country which the VVA National Corporation has made during its years of existence.
5. Some of the VVA National Corporation's assets, including furniture and supplies, have very limited actual financial value.
6. The VVA National Corporation has substantial flexibility in transferring assets prior to the filing of its Plan of Dissolution, without having to be concerned about State oversight. The VVA National Corporation should use that flexibility to identify its "legacy" assets, with a view toward transferring ownership (but not necessarily possession) to a successor organization or other selected organization(s) before filing the Plan of Dissolution.
7. The VVA National Corporation can retain most of its tangible assets (e.g., items such as furniture, computers, telephones, lease space) until the very end of the dissolution process, to enable the VVA National Corporation to continue to function. Anything remaining at the time of dissolution can be donated or sold.
8. As it approaches the filing of the Plan of Dissolution, the VVA National Corporation should retain sufficient assets with which to pay any remaining liabilities of any kind. Those liabilities would include payroll, pension plan obligations, lease payments, insurance premiums, and any other debts without limitation.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

GENCORP ACTION 4 - At X-Date minus 6 years, the VVA NBOD shall direct the finance staff of VVA National Corporation to make a comprehensive listing of the Corporation's assets, both tangible and intangible. This list must be updated on a biennial basis (i.e., every two years) and finalized at X-Date minus 2 Years.<sup>4</sup>

GENCORP ACTION 6 - At X-Date minus 2 years the VVA NBOD must select the organization(s) that will receive VVA National Corporation tangible assets, along with the description of assets it desires to transfer to those organization(s).<sup>5</sup>

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<sup>4</sup> **Note:** Valuations are not the focus of this effort.

<sup>5</sup> **Note:** Distribution of those assets must be completed before the VVA National Corporation files its Plan of Dissolution.

GENCORP 7 - At X-Date minus 2 years, the VVA NBOD will determine the amount of assets required to pay all remaining liabilities until the anticipated date of dissolution, and safeguard those assets in the Dissolution Fund or other protected status, as may be appropriate for the specific types of assets.

#### 3.1.4 Constitution

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. The VVA Constitution establishes a structure among the National organization, the State Council, and the Chapters.
2. The VVA Constitution contains no provisions for dissolution or other termination of the VVA National Corporation.
3. The VVA Constitution can only be amended by the affirmative vote of two-thirds of the delegates present and voting at a duly convened biennial National Convention.
4. When VVA National Corporation dissolves, then the VVA Constitution will also cease to exist.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. Amendments to the VVA Constitution will be necessary in order to implement plans for dissolution.
2. Portions of the VVA Constitution can be adapted by State Councils and Chapters, as a means of creating a framework within which they can operate after the VVA National Corporation dissolves.
3. When the membership of the VVA National Corporation decides upon a date for dissolution of the VVA National VVA National Corporation, then specific amendments to the VVA Constitution should be proposed and adopted as soon as possible to permit implementation of the Strategic Plan adopted by the VVA NBOD.
4. The VVA NBOD is in the best position to oversee and manage the dissolution of the VVA National Corporation, since those tasks ordinarily fall within the scope of responsibilities of a corporate board of directors

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

GENCORP ACTION 1 - When the date of dissolution is adopted the VVA NBOD shall immediately have responsibility for actively managing dissolution activities, to include adopting, updating and implementing a strategic plan for dissolution, monitoring and responding to liabilities and vulnerabilities, and all other actions necessary to bring the existence of the VVA National Corporation to an end.

GENCORP ACTION 3 - Prior to each VVA National Convention after 2019, the VVA NBOD shall timely submit such proposed amendments to the VVA Constitution as may be necessary in order to carry out the Strategic Plan for Dissolution (for example, changes in the number and/or composition of the Board of Directors of the VVA National Corporation).

### 3.1.5 Government Affairs

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. "Government Affairs" is a broad term which encompasses not only the work of VVA Officers, staff, and hired consultants/lobbyists, but also the Government Affairs Committee (a standing committee under the VVA Constitution).
2. The Government Affairs Committee accepts input from all of the other VVA committees and, if congressional or other action is warranted, then places the item in the hands of the VVA National Corporation's Government Affairs Department, officers and staff to carry out. The VVA National Corporation's National Officers and staff retain the services of lobbyists if needed, and also testify before Congress as needed.
3. VVA National Corporation's consultants and staff are very attuned to the shifting moods in Congress and the Department of Veterans Affairs in particular.
4. The work of the VVA National Corporation's Government Affairs Department is highly effective in obtaining results which benefit all veterans.
5. The work of Government Affairs in Congress is considered by the general membership as one of the most vital functions of the VVA National Corporation to preserve its Founding Principle, "**Never again will one generation of veterans abandon another.**"

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. The work of the VVA National Corporation Government Affairs has a definite value to all veterans, and is well worth preserving. Sentiment among the membership is that the work accomplished by the VVA National Corporation Government Affairs efforts in Congress is

vital and demonstrates our Founding Principle, “**Never again will one generation of veterans abandon another.**”

2. When the VVA National Corporation decides to dissolve, then the Government Affairs process needs to be preserved, if not intact with a successor organization, then for observation and copying by another veterans’ service organization. Government Affairs represents many years of education, experience, and cultivating relationships.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

GENCORP ACTION 8 - At X-Date minus 2 years, the VVA NBOD shall direct the Government Affairs staff to determine the status of each undertaking then in progress, along with the anticipated time needed to see that undertaking completed. For any undertaking which cannot be completed prior to the dissolution of the VVA National Corporation, the VVA NBOD needs to identify a successor organization(s), or another existing organization or 527 political action committee, or consider formation of a new organization of similar status, willing to continue that undertaking, and transfer to it all of VVA’s preparatory work supporting that undertaking. This action may involve coordinating with other organizations to place VVA employed personnel in direct contact with counterparts in those organizations. Transfers need to occur in a timely manner with regard to legislative calendars and sessions, such that all transfers occur not later than X-Date minus 1 year.

### 3.1.6 Committees

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. Article I Section 7.A of the VVA Constitution provides that “There shall be established by the president of the Corporation...five convention committees: elections, rules, credentials, resolutions, and convention planning.” These committees are thus mandated by the Constitution.
2. Article I Section 7.B of the VVA Constitution provides that “The president of the Corporation may establish, with the approval of the national board, the standing committees defined in Appendix II of this constitution and may establish such subcommittees or special committees as is necessary or desirable to the affairs of the Corporation.” All other committees are established as the discretionary act of the president, and can be terminated by the decision of the president not to appoint a chair.
3. Appendix II to the VVA Constitution established sixteen (16) standing committees dealing with a wide range of topics. The National President also from time to time establishes other committees to serve specific needs of the VVA National Corporation.

4. The chairs of the committees are appointed by the VVA National President, subject to consent of the VVA NBOD.
5. The members of the committees are appointed by the chairs of the respective committees.
6. The general purpose of the committees is to assemble and disseminate information of importance to the veteran community, and to focus upon actions to improve the treatment of veterans.
7. Each committee provides periodic written reports to the VVA NBOD.
8. Information supporting the need for legislation is funneled through the VVA National Corporation Government Affairs Committee.
9. Article I, Section 7, Paragraph B of the Constitution states: “The president of the Corporation may establish, with the approval of the national board, the standing committees defined in Appendix II of this constitution and may establish such subcommittees or special committees as is necessary or desirable to the affairs of the Corporation.”

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. The work of some committees, but probably not all committees, would be of value to another veteran service organization.
2. The standing committees which primarily support the VVA National Corporation (as opposed to the Members) are:
  - a. Membership Affairs (addresses membership issues and policies).
  - b. Public Affairs (liaison between the VVA National Corporation and media).
  - c. Constitution (advises the VVA National Corporation on interpretation of Constitution).
  - d. Finance (oversight over budget and financial matters affecting the VVA National Corporation).
3. The standing committees which primarily support the Members (as opposed to the VVA National Corporation) are:
  - a. Government Affairs
  - b. Veterans Affairs
  - c. Economic Opportunities
  - d. Minority Affairs



- e. Veterans Benefits
  - f. Women Veterans
  - g. POW/MIA
  - h. Agent Orange, Dioxin & Other Toxic Exposures
  - i. Veterans Incarcerated and in the Justice System
  - j. Community Services
  - k. Veterans Health Care
  - l. PTSD and Substance Abuse
4. Other committees performing services for the VVA National Corporation and/or the members include:
    - a. Veterans Against Drugs.
    - b. Homeless Veterans.
  5. The standing committees are adopted by the VVA Constitution, and will remain in effect unless and until the VVA Constitution is amended, or VVA National dissolves, or the VVA National President ceases to appoint chairs of the committees.
  6. Some committees may require no further action beyond submission of a written final report.
  7. The standing committees which primarily support the VVA National Corporation need to remain functional until VVA dissolves.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

GENCORP ACTION 2 – Beginning with the next fiscal year budget cycle and continuing each year thereafter, prior to January 31, the VVA NBOD shall determine which committees will continue to be funded.

GENCORP ACTION 5 – As early as X-Date minus 5 years, the VVA NBOD shall determine whether individual committees should consider merging, separately incorporating, or aligning with other organizations to share information. This action must be completed not later than X-Date minus 1 year.

## **3.2 Finance**

### **3.2.1 Revenue**

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. Historic Revenues have not substantially changed over the last few years. The handling of Revenues is addressed in VVA financial and fiscal policies. Revenues are monitored and input daily by staff finance employees which consist of 8–10 people including full time staff, part time and temporary employees. The lead staff accountant reviews the daily inputs, makes corrections if necessary and electronically reports revenues to, the Chief Financial Officer (CFO), National Treasurer, and on a monthly basis to the Finance Committee. The Finance Committee provides oversight on the Budget, (Revenues and Expenses) to the Executive Officers, CFO and National Board of Directors.
2. Historic revenues are available on the VVA website under the “Annual Reports” tab, including VVA Annual Reports, Independent Auditor Reports, and VVA Internal Revenue Service (IRS) Tax Form 990. Total Revenue for 2018 was \$9,691,195.

The major sources of revenues were:

- The Household Goods Donation Programs at \$6,508,654, 67.16 percent.
  - Contributions \$2,158,606, 22.27 percent.
  - Other sources of revenue include: Membership Dues \$341,517, Veterans Support Foundation Grant \$261,583, The VVA Veteran magazine \$197,368, Conventions and Conferences \$134,871, Royalties \$62,958 and Other \$25,538, totaling 10.56 percent.
3. Not reflected in the above revenues as of the end of Fiscal Year 2018 are restricted and unrestricted reserves, designated bequests. The CFO and National Treasurer monitor and review VVA’s Investments on a monthly basis. The total of current investments as of Fiscal Year 2018 was \$8,793,169. This total consists of Undesignated Investments - \$5,821,806 and designated Life Membership Fund - \$2,971,863. These totals include interest and dividends.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. For the past few years, VVA National Corporation has almost no substantial changes in revenues from year to year.
2. The VVA National Corporation’s greatest financial concern is the risk of loss of critical revenues such as the Household Goods Donation Program, and contributions, which make up the largest portion of revenues.
3. The VVA NBOD should take prudent actions to ensure revenue sources continue as long as possible.

4. The VVA NBOD should attempt to identify new sources of revenues in case one of the main sources reduces or becomes unreliable. The VVA NBOD may determine that reserve and investment funds can be used to replace some revenue when necessary. It is the sole responsibility of the VVA NBOD to decide when those actions need be taken, and who is responsible for completing those actions.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

FINANCE ACTION 6 - At X-Date minus 2 years the VVA NBOD must begin to notify the revenue sources of the intent to dissolve the VVA National Corporation or to transition to another organization, and work with those sources to sustain revenue as long as possible.

### 3.2.2 Expenses

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. The function of VVA National Corporation expenses is to operate the organization for the benefit of Vietnam veterans. The authority to incur expense is implicit in the VVA Constitution under Article I, Section 2. The authority is also implied in the Articles of Incorporation and Congressional Charter, and further defined in the VVA National Policies and Procedures.
2. With regards to books and records, New York Corporation law and the Congressional Charter lay out the rules for maintaining proper books and records. The Congressional Charter emphasizes the following right to members, “All books and records of the corporation may be inspected by any member having the right to vote or by any agent or attorney of such member, for any proper purpose, at any reasonable time.”
3. Appendix II Section I of the VVA Constitution specifically states, “The Finance Committee shall provide oversight of the financial activities of the Corporation, the state council, or chapter, and shall recommend policies on financial matters, to include, but not limited to, assisting and consulting with the treasurer on all financial planning, budgeting, reporting, and other related matters.”
4. Expenses are prepared and reviewed by the CFO, National Treasurer and Finance Committee. Every year in March the Finance Committee meets to prepare a budget. The final budget is ultimately approved by the VVA NBOD. The expense budget for VVA for Fiscal Year 2018 was \$9,300,000.
5. The assets that cover the expenses are listed each year in the annual budget report which is provided to the VVA NBOD. The expenses are too numerous to list in this document, but totals are available at the VVA website under the “Annual Reports” tab, including VVA Annual Reports, Independent Auditor Reports, and VVA IRS Tax Form 990 Tax Returns.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. As VVA National Corporation progresses through the Strategic Plan, the needs of the organization will change, and some expenses will be reduced or eliminated, while some, such as the VVA National Officers, attorney fees, consultants and some committees might increase or decrease. At some point, all committees will be eliminated.
2. The VVA Chief Financial Officer (CFO), VVA National Treasurer and necessary staff members within the Finance Department will be crucial through the dissolution of the VVA National Corporation since they control and account for funding, pay expenses and file tax returns, including the final tax return.
3. All operating expenses, travel expenses, officer salaries, director expenses, annual donations to other non-profits, committee expenses, legal costs for setting up new chapters, investments and reserve funds are reviewed by the Finance Committee and the corporate staff and officers. The VVA NBOD must become more actively involved in reducing expenses to meet the goals outlined in this Strategic Plan. This includes use and possible elimination of the reserve and investment funds.
4. Financial documents used in this analysis included financial information found on the VVA Website, and certain financial information was provided by the VVA National Treasurer to Working Group I. Based on the analysis of these documents and the budget preparation process, it is vital that the VVA National Treasurer, CFO and the VVA NBOD begin to immediately review expenses to find areas of reduction, keeping in mind the long-term goal for dissolution. As the Corporation moves forward, it will be important that future budgets must be reduced every January before the budget is prepared prior to dissolution.
5. Based on the facts presented, and future financial related actions by the VVA NBOD (example; elimination of the investment fund), VVA Policies and Procedures may need to be revised.
6. The starting point for the analyses regarding establishment of three special funds was based on the Fiscal Year 2018 budget of approximately \$9,300,000. The savings are estimates based on the comparison of actual expenses incurred during Fiscal Year 2018 to the expenses projected in the 2018 budget.
7. The VVA NBOD must establish and fund a Dissolution Fund to ensure there are sufficient funds remaining to cover final dissolution expenses including attorney fees, liability insurance, remaining payroll and insurance, audit expenses, filing the final IRS Form 990, and compliance with the New York State dissolution laws. The initial estimate for this fund

is \$1,800,000, with the understanding that the VVA NBOD will need to monitor and reevaluate costs associated with dissolution and adjust the fund balance as necessary.

8. Feedback from the VVA membership indicates a strong interest in extending some of the VVA programs that form the successful veteran's advocacy legacy associated with the VVA. The VVA NBOD must establish and fund a Legacy Programs Fund to ensure there are sufficient funds available to transfer programs important to the legacy of the VVA to other organizations. By an Action in the Membership section of this document a Legacy Task Force composed of three or more current members of the VVA NBOD will be formed to identify and preserve the legacy and reputation of the VVA. The Legacy Task Force will be tasked with identifying the programs important to the legacy of the VVA that can be transferred whole, or partially, to another organization. Transfer of legacy programs would include funding to support the program for a given number of years, and could include transfer of certain VVA employees along with the funding necessary to support their salary for a given number of years. The initial estimate for this fund is \$3,100,000, with the understanding that this is a minimum value that will likely need to be adjusted upward, and the VVA NBOD will need to monitor and reevaluate costs associated with transferring legacy programs and adjust the fund balance as necessary.
9. Feedback from the VVA membership and state council presidents indicates a strong interest in having VVA funds available for distribution to chapters and state councils upon dissolution of the VVA National Corporation. Some chapters and state councils are already planning to continue as viable organization following dissolution of the VVA National Corporation to carry on the legacy of the VVA at a local level. It is understood that the Life Membership Fund may become exhausted before dissolution of the VVA National Corporation, and support to chapters and state councils will end. To provide funding to chapters and state councils that demonstrate they will continue after dissolution of the VVA National Corporation, the VVA NBOD must establish and fund a Legacy Membership Fund to ensure there are sufficient funds available for that purpose. Working Group I recommends disbursing the funds to chapters and state councils that demonstrate they will continue after the VVA National Corporation dissolves, on a pro rata basis. Chapters would receive funding based on chapter membership strength, and state councils would receive funding based on state members-at-large membership strength. For states without a continuing state council the funding associated with those members-at-large would not be assigned and would remain in the Legacy Membership Fund for distribution. The initial estimate for this fund is \$3,100,000, with the understanding that the VVA NBOD will need to monitor and adjust the fund balance as necessary.
10. All monetary assets must be distributed more than 270 days prior to dissolution otherwise the State of New York will distribute those funds in accordance with New York law. It will be important that the closer to dissolution the VVA National Corporation is, the VVA Officers, VVA NBOD, and National Finance Department have detailed knowledge of expenses needed until dissolution.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

FINANCE ACTION 1 - Beginning as soon as possible, the CFO and staff must provide a quarterly financial report containing line item details of revenues and expenses to the VVA NBOD, in a content and data format designated by the VVA NBOD to assist in making sound financial decisions.

FINANCE ACTION 2 - At X Date Minus 8 years the VVA NBOD must establish three distinct funds: A Dissolution Fund for costs related to dissolution under New York law; a Legacy Program Fund to provide resources for transferring selected legacy programs to other organizations, and a Legacy Membership Fund for pro rata distribution based on membership to State Councils (Members at Large) and Chapters (Chapter Members) that remain active after dissolution of the VVA National Corporation (Table 1).

**Table 1. VVA National Corporation Budget Reduction and Legacy Funds Table**

<b>Date</b>	<b>Budget Reduction Amount</b>	<b>Dissolution Fund</b>	<b>Legacy Programs Fund</b>	<b>Legacy Membership Fund</b>
X-Date minus 8 Years	\$1,000,000	\$400,000	\$300,000	\$300,000
X-Date minus 7 Years	\$1,000,000	\$200,000	\$400,000	\$400,000
X-Date minus 6 years	\$1,000,000	\$200,000	\$400,000	\$400,000
X-Date minus 5 years	\$1,000,000	\$200,000	\$400,000	\$400,000
X-Date minus 4 years	\$1,000,000	\$200,000	\$400,000	\$400,000
X-Date minus 3 years	\$1,000,000	\$200,000	\$400,000	\$400,000
X-Date minus 2 years	\$1,000,000	\$200,000	\$400,000	\$400,000
X-Date minus 1 year	\$1,000,000	\$200,000	\$400,000	\$400,000
<b>Fund Totals</b>		<b>\$1,800,000</b>	<b>\$3,100,000</b>	<b>\$3,100,000</b>

3.2.3 Contracts and Memorandums of Understanding

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. The contracting authority is vested in the VVA National Treasurer by VVA Policy. The National Treasurer oversees and maintains all contracts and Memorandums of Understanding (MOU's).
2. Contracted Services required from year to year and contract to contract vary and are listed in each year's Audit and approved by the VVA National Board of Directors.

3. After review of all contracts and MOUs in 2018 the VVA National Treasurer found that all were currently necessary to the organization. That said, some Memorandums of Understanding can be modified as it relates to terms and costs. According to the VVA National Treasurer all contracts and MOUs have an escape (early termination) clause included.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. All Contracts and MOUs, including their specific language, should be approved by the VVA National Board of Directors since they are responsible for directing the corporation in accordance with the VVA Constitution.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

FINANCE ACTION 3 - At X-Date minus 6 years VVA NBOD must have a corporate attorney review the escape clauses and contract language in all existing contracts and MOUs to ensure all liabilities to the VVA National Corporation are identified.

FINANCE ACTION 4 - At X Date minus 6 years the VVA NBOD must ensure all new contracts and MOUs have escape clauses before the contracts are agreed to and executed.

FINANCE ACTION 5 - At X-Date minus 3 years the VVA NBOD will review all contracts for any necessary changes in language. The VVA NBOD will again review all contracts and MOU's to determine those that are necessary to the mission through dissolution of the VVA National Corporation. Contracts and MOUs that do not meet that criterion will be terminated or allowed to expire.

### **3.3 Veterans Benefits Program**

#### **3.3.1 Future of the VVA Veterans Benefits Program**

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. The VVA National Corporation is a congressionally chartered Veterans Service Organization that's also recognized by the Department of Veterans Affairs Office of General Counsel for the purpose of preparation, presentation, and prosecution of claims under law administered by the Department of Veterans Affairs (VA), as provided in Section 5902 of Title 38, United States Code (U.S.C.) and Sub Section 14.628 (a) and (c) of 38 C.F.R.

2. The VVA Veterans Benefit Program is composed of 533 VVA accredited Service Officers in the field, and the VVA Benefits Department which consists mostly of attorneys and staff located in Silver Spring, MD, and Washington, DC. The Veterans Benefits Committee provides oversight, as directed by NBOD for the Corporation's Veterans Benefits Program, and recommends policies to govern that program to the NBOD.
3. The VVA Veterans Benefits Department is responsible for most appeals that have reached the Board of Veterans' Appeals (BVA). VVA attorneys review claimants' files, research the law and medical questions involved and prepare a written legal brief, which is submitted to the BVA. They also gather key evidence included in the submissions. In 2018, BVA issued a total of 907 decisions for claimants represented by VVA, of which 676 cases (75 percent), were processed by the VVA Benefits Department, and the remaining 25 percent of cases went directly to the BVA after being represented by a VVA Service Officer during a hearing before a Veterans Law Judge. As of January 2019, 1,274 cases are waiting to be reviewed by a VVA Benefits Department attorney. The VVA Benefits Department has implemented a quota system, and a fully trained VVA attorney will process at least 30 cases per quarter; 120 per year. The VVA Veterans Benefit Program continues to achieve a "win rate" at the BVA above 80 percent. From January 2018 until October 2018, 37.5 percent of VVA cases were granted and 43.1 percent of its cases remanded (returned for reconsideration).
4. If a VVA Service Officer makes an error in the processing or appealing of a veterans VA claim, the claimant can file suit against the VVA Service Officer and the VVA National Corporation creating a potential financial liability.
5. The VVA National Corporation's liability may extend beyond the VVA National Corporation's existence and insurance coverage due to the VA's time frame for processing of claims.
6. Initial claims are processed according to the VA, usually within 125 days, and appeals take an average of five to seven years, with many beyond this timeframe. Average wait time of several years should be understood to mean that many appeals can, and do, take much longer than several years.
7. The number of appeals certified to the BVA during FY 2016 alone was 86,836. Total cases pending (certified) before the BVA at the end of FY 2016 was 115, 847. Those numbers are anticipated to be even larger for the 2017 and 2018 years. The total number of members of the BVA at the end of FY 2016: 72 members; the total number of professional, administrative, clerical and other personnel employed by the BVA at the end of FY 2016: 584 employees (Not including 72 members above.). The BVA is understaffed.
8. If a VA claim error occurs because of a VVA Service Officer error, liability extends from the date the claim error was discovered until the date of the applicable statute of limitations. The VVA National Corporation maintains liability insurance for all of its service officers and attorneys who work on VA claims.



9. The VVA National Corporation is required to provide legal staff/attorneys to address any appeal issues on open VA claims serviced by a VVA Service Officer.
10. There are 21 states and District of Columbia with no active VVA Service Officer Program. For veterans with VVA Power of Attorney in effect the VVA National Corporation Veterans Benefits Department Office provides VA claims service for those states and Washington, D.C. without a VVA Service Officer Program.
11. To transfer Power of Attorney from one VA recognized service organization to another, the claimant must agree to the transfer and the other recognized service organization must agree to accept it.
12. The Independent Auditors' Report for the fiscal year ending February 28, 2018, listed expenses associated with the Veterans' Benefits Program as \$1,469,624.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. According to recent estimates from the VA in 2017, veterans currently wait an average of three to five years for resolution of an appealed claim. Those who received a decision from the BVA waited an average of seven years from the date they filed their Notice of Disagreement (NOD), the first step in the appeals process, until the final decision.
2. Several VVA members who filed a Notice of Disagreement on their BVA decision have waited between 11 to 15 years, or much longer for their VA claims to be adjudicated. The VVA National Corporation must recognize this potentially decades-long timeframe when making the decision to continue receiving VA claims with VVA as Power of Attorney (POA). It can affect the length of time VVA staff attorneys are retained and whether the VVA POA will be accepted by another VA recognized organization. If accepted, all claims with VVA listed as POA must be transferred to this VA recognized service organization in a timely manner.
3. If the claimant transfers their Power of Attorney to another VA recognized service organization there is no problem. If, however, that is not the case then VVA National Corporation must assume responsibility for that VA claim and the VVA National Corporation remains liable. The VVA National Corporation will retain liability for all work that was done by a VVA Service Officer or VVA attorney on a VA claim.
4. The VVA Veterans Benefits Department should create a partnership with other VA recognized service organizations to facilitate transfer of VA claims originally submitted by VVA Service Officers to another VA recognized service organization.

5. The transfer of all open VVA VA claims to a VA recognized service organization must be completed in sufficient time to ensure there is adequate time to process these claims.
6. VVA Service Officers can assist their claimants with transferring their VA Power of Attorney to another VA recognized service organization. If the VVA Service Officer has a dual accreditation they can assist the claimant to transfer power of attorney to the other service organization if that service organization agrees.
7. The VVA National Corporation is responsible for providing legal staff/attorneys until all VVA VA claims are adjudicated or Power of Attorney have been transferred.
8. The Director of VVA Veterans Benefits Department must cancel all Veteran Service Organization Memorandums of Understanding at a time deemed necessary to prevent delays in the ending of the VVA Veteran Service Officer Program.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

VBP ACTION 1 - At X-Date minus 8 years the Director of the VVA Benefits Department will order all VVA accredited Service Officers to stop accepting new VA claims with VVA listed as Power of Attorney.

VBP ACTION 2 - At X-Date minus 5 years, the Director of the VVA Veterans Benefits Department will declare all VA claims serviced by VVA attorneys or VVA accredited Service Officers that are not adjudicated must be transferred to a VA accredited service organization. If another VA recognized service organization cannot assume Power of Attorney for these claims VVA is responsible to provide legal staff or attorneys until the VA claim is adjudicated.

VBP ACTION 3 - At X-Date minus 4 years, if all VA claims that list VVA as the power of attorney have not been transferred to another VA recognized service organization, the Director of the VVA Veterans Benefits Department must direct VVA Service Officers to either scan all claims folders into Records Retention Software or otherwise deliver all claims folders to the VVA Veterans Benefits Department.

VBP ACTION 4 - At X-Date minus 4 years the Director of the VVA Veterans Benefits Department will revoke accreditation of all VVA Service Officers with the exception of attorneys attached to the VVA Veterans Benefits Department.

### **3.4 Membership**

#### **3.4.1 VVA Reputation and Lasting Legacy**

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. There currently is not a program or committee in place within the VVA to address the lasting reputation and lasting legacy of the VVA following dissolution of the VVA National Corporation.
2. The lasting reputation and lasting legacy terms have not been formally defined and have different meaning to different members. However, a number of VVA members have expressed beliefs that lasting legacy includes the important work the VVA has accomplished to assist its own members and families as well as living up to its Founding Principle that, **“Never again will one generation of veterans abandon another.”**
3. Legacy can include both tangible and intangible assets. Tangible assets include VVA's extensive library and its memorabilia collected over the years of VVA's existence, while intangible assets include the reputation and the work-in-progress (such as program work and legislative efforts).

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. VVA leadership needs to address the fact that the lasting legacy and lasting reputation of the VVA have not been defined and prepared for. The VVA NBOD will bear the responsibility for leading the VVA National Corporation through dissolution. It is therefore reasonable that the VVA NBOD should take the lead for preserving the lasting legacy and reputation of the VVA. One way to accomplish this would be to form a Legacy Task Force composed of a small number of VVA NBOD members tasked with preserving the legacy and reputation of the VVA.
2. While lasting legacy may mean something different to each member, some of the most popular possibilities expressed by VVA members include; legislative affairs work on Capitol Hill regarding legislation affecting veterans, the military, and their families; Agent Orange and toxic exposure education and town hall meetings; specific focus on POW-MIA issues which includes continuing contact with Vietnamese authorities and sharing of information to locate and return remains; and the VVA Veterans Benefits Department which assists veterans in obtaining Department of Veterans Affairs benefits and has had a profound effect on the veterans appeals court process.
3. Another way our legacy may be carried on is through the credible organizations that the VVA selects for distribution of assets, before or after the filing a Plan of Dissolution. A search of the GuideStar website that rates non-profit organizations indicates there are over 68,000 non-profits that have the word “veteran” in their title, so having a method to select the one or few non-profits that actually receive VVA assets will be important. Criteria for eligibility to receive assets should be established well ahead of actual distribution so the VVA can evaluate applications and make well supported decisions regarding distribution of

assets. This could also include student scholarships for family members of VVA and AVVA members, and endowments to institutions that will assure our legacy.

4. Another possibility for the VVA to leave a lasting legacy could be to assist interested parties in establishing 501(c)(3) and/or 501(c)(19) organizations to carry on some of the more important work. This may be an option for the committee work that should be carried on but would otherwise end when the committee ends.
5. Another possibility is to place a memorial in Arlington National Cemetery that prominently displays the VVA logo and Founding Principle that, “**Never again will one generation of veterans abandon another.**” This project would require prompt action to ensure completion of a lengthy approval process.

Actions: Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

MEMBERS ACTION 2 - As soon as practical, but no later than X-Date minus 8 years, the VVA NBOD will form a “Legacy Task Force” composed of three or more current members of the VVA NBOD to identify and preserve the legacy and reputation of the VVA. Duties and responsibilities would include defining the terms lasting legacy and reputation as they apply to the VVA. The Legacy Task Force would meet in conjunction with each scheduled VVA NBOD meeting to actively investigate and develop solutions relating to the legacy and reputation of the VVA, develop Actions to be included in the Strategic Plan for Dissolution, report task force progress at each scheduled VVA NBOD meeting, and assist the VVA NBOD in managing and executing the Strategic Plan for Dissolution.

MEMBERS ACTION 4 - This action can begin as soon as the VVA NBOD adopts a Strategic Plan for Dissolution, but in no case later than X-Date minus 5 years. Prior to distribution of fiscal assets to another corporation or entity, the VVA NBOD will task the Legacy Task Force to develop a set of evaluation criteria for VVA NBOD approval that includes: compatibility of corporate goals and objectives with those of the VVA, projected ability of the corporation to carry on a legacy item important to the VVA, demonstrated corporate performance, corporate leadership qualities, corporation financial stability, and other criteria necessary to carry on the legacy of the VVA.

MEMBERS ACTION 6 - At X-Date minus 2-Years, the VVA NBOD will distribute VVA's library to an acceptable organization or educational institution, and VVA's memorabilia to the AVVA, an acceptable organization or educational institution.

### 3.4.2 Support to the Associates of Vietnam Veterans of America

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. The AVVA began within the VVA as non-Vietnam Era members. To maintain 501(c)(19) status the VVA needed to be composed of at least 75 percent of past or present members of the Armed Forces of the United States (veterans) and substantially all (22.5 percent) of the other members must be: A. Cadets or B. Spouses, widows, or widowers of past or present members of the Armed Forces of the United States or of cadets. In 1999, it was determined that the large numbers of non-veteran members within VVA jeopardized 501(c)(19) status. In January 1999 the AVVA was established as an independent membership 501(c)(4) Social Welfare non-profit organization, and the AVVA achieved 501(c)(3) status in September 2018.
2. At the time of the creation of the AVVA 20 years ago the VVA pledged its support to the new organization. In return, the AVVA pledged their support to the VVA by adopting the motto "**Together Always**". The majority of AVVA members are women who are spouses, former spouses, or relatives of VVA members, and there is a strong emotional connection between the two organizations.
3. The logo for VVA is copyrighted. Since the AVVA logo is a derivative of it, a special license and memorandum of agreement between VVA and AVVA is required for its use.
4. The VVA has maintained a close working relationship with the AVVA including shared events such as convention and leadership training sessions, providing The Veteran to AVVA members with cost, office space for the AVVA President in the VVA National office, assignment of AVVA members to VVA committees as non-voting members, and additional in-kind support.
5. Many VVA chapters open their meetings to AVVA members who work side by side with VVA members for chapter activities and fundraising efforts.
6. The AVVA has permanently offered VVA life members the opportunity to become a dual life member of the AVVA, currently for the rate of \$50.00.

**Analysis:** Conclusions based on analysis of the facts, describes benefits to the organization, explains why it is important to the organization, describes liabilities, describes the relative importance to the continuance of the VVA, describes the relative importance to the membership as a legacy item, etc.

1. The majority of AVVA members are women who are spouses, former spouses, or relatives of VVA members, and there is a strong emotional connection between the two organizations.
2. Many VVA members have expressed the opinion that the AVVA should be considered the logical successor to the VVA. Because of the continuing close relationship between the two organizations and the projected longevity of women, the AVVA may remain active after the VVA dissolves and may provide an opportunity for VVA members to remain active in some manner with the AVVA. The AVVA has been very active in Agent Orange issues, not only as it affects Vietnam veterans directly exposed to dioxins, but the effect it may have on the

children and grandchildren of those veterans. The AVVA may be a suitable organization for the VVA to transfer Agent Orange related information and educational services such as VVA Agent Orange Committee activities, Agent Orange Town Hall Meetings, and the Faces of Agent Orange Program.

**Actions:** Required actions based on analysis, to include what actions are required, when those actions need be taken, and who is responsible for completing those actions.

MEMBERS ACTION 10 - At X-Date minus 1 year the VVA NBOD will transfer all rights to the VVA name, logos, flag, website, internet domain and email talklists, including, but not limited to, all trademarks and copyrights and other intellectual property, to the AVVA, provided that the AVVA agrees to permit all existing state councils and chapters to continue their permitted uses of such intellectual property.

### 3.4.3 Communications

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. The VVA Veteran is a publication of VVA, and is issued six times a year. The VVA Veteran is provided to VVA members and is available to AVVA members who do not have a VVA member in the household. Non-member subscriptions are \$20.00 per year and single copies are \$4.00 each. The VVA Veteran is the primary method of written communication between the VVA National Corporation and the membership.
2. The VVA maintains an internet website <https://vva.org/> that provides information and reference material for members and the general public. Major sections of the website include: Who We Are (About Us, History, Annual Reports, Leadership, Membership, and Affiliates), What We Do (Our Members in Action, Veteran Services, Outreach Programs, Government Relations, and Publications), News (Inside VVA Chapters, Press Releases, VVA Testimony, Web Weekly, and Chaplains Corner), Events (Upcoming Events), Info for Members ( VVA Organizational Resources, Link to Join, Link to Renew, News and Notes from the National, E-Room Reservations, Membership Information (Guides and Forms), Organizational Documents and Policies, VVA NBOD Meeting Minutes, Conference of State Council Presidents Meeting Minutes, State Council Information (Handbooks, Policies and Forms), Chapter Information (Handbooks, Policies and Forms), Service Representatives Policies and Report Forms, and VVA Award Nomination Forms, and Contact which includes a fillable email form. The website is well maintained and is often accessed by state councils, chapters, and members to obtain organizational information and documents.
3. The VVA maintains several “talk lists” that allow leadership at the various levels, National Officers, VVA NBOD, and Conference of State Council Presidents to communicate among themselves with information, questions, and comments.

4. The VVA maintains several social media pages on Facebook such as “Vietnam Veterans of America”, “Faces of Agent Orange”, and “The VVA Veteran” to provide current information regarding VVA programs and activities.
5. The AVVA currently maintains contact with its members through electronic methods such as a website, e-mail lists, and a Facebook page with over 10,000 followers. The President of the AVVA has suggested that perhaps the AVVA could publish a weekly article similar to the VVA Web Weekly which contains information and links to current issues and events and could include VVA members on the e-mailing list.

**Analysis:** Conclusions based on analysis of the facts, describe the benefits to the organization, explain why it is important to the organization, describe any liabilities, describe the relative importance to the continuance of the VVA, and describe the relative importance to membership as a legacy item.

1. Effective communication with the VVA membership will be vital to reduce confusion and dispel rumors as the VVA National Corporation approaches the date for dissolving the VVA National Corporation. A section of the website pertaining specifically to dissolution activities and information should be established. Information should be specific to the VVA National Corporation, State Councils, Chapters, and individual members.

**Actions:** Actions based on analysis to include what actions are required, when those actions should be taken, and how to perform the actions. Provide sufficient detail regarding the criteria applied in the recommendation process to provide a basis for reevaluation in the future.

MEMBERS ACTION 1 - As soon as practical following the 2019 VVA National Convention the VVA NBOD must effectively communicate the results of the convention to the VVA membership relating to Working Group I and Working Group II, as well as any associated actions by convention delegates.

MEMBERS ACTION 5 - No later than X-Date minus 5 years the VVA NBOD will establish a separate “Dissolution” section of the VVA website that includes the strategic plan adopted by the VVA NBOD, and dissolution information specific to the VVA National Corporation, State Councils, Chapters, and individual members.

MEMBERS ACTION 7 - At X-Date minus 2 years the VVA NBOD will coordinate with the AVVA to begin or continue a periodic (preferably weekly) information transmittal by e-mail and social media similar to the current VVA Web Weekly, and will contact the VVA membership encouraging them to join the AVVA or to otherwise sign-up to receive the AVVA transmittals. This action must be completed while the VVA Communications Department is still functional.

#### 3.4.4 Membership Status

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. Membership is open to U.S. military veterans who served on active duty (for other than training purposes) in Vietnam between February 28, 1961, and May 7, 1975, or in any duty location between August 5, 1964 and May 7, 1975.
2. The Membership current rate is \$50 for a life membership; no renewals of 1-year or 3-year memberships are accepted.
3. Membership benefits includes a subscription to The VVA Veteran, updates on issues and legislation affecting veterans, notices of special events, and help connecting with other veterans
4. All new members must submit a copy of their DD- 214 form along with the application and dues payment to VVA National where the documentation is reviewed and approved (or rejected) by the Membership Department. VVA does not maintain original or copies of DD-214's which are destroyed within 30 days of receipt.
5. Chapters and State Councils currently receive dues rebates from VVA National for each member. The rebate varies depending on membership status, but is basically \$11 per member divided between the Chapter and State Council.

**Analysis:** Conclusions based on analysis of the facts, describe the benefits to the organization, explain why it is important to the organization, describe any liabilities, describe the relative importance to the continuance of the VVA, and describe the relative importance to membership as a legacy item.

1. After dissolution of the VVA National Corporation there will be no process or method to issue new memberships.
2. The only category of members of VVA at its dissolution will be life members.
3. After dissolution of the VVA National Corporation membership benefits to members such as subscription to The VVA Veteran and contact assistance will no longer be available.
4. After dissolution Chapters and State Councils will no longer receive membership dues rebates from VVA National.
5. After dissolution current life members of the VVA National Corporation current life members of VVA will not be dispossessed of their history with the VVA. If the membership cards are good for discounts or to gain preferential treatment or access, that is fine. However, the VVA National Corporation needs to be careful not to make any representation of a benefit that it can't stand behind after dissolution.

**Actions:** Actions based on analysis to include what actions are required, when those actions should be taken, and how to perform the actions. Provide sufficient detail regarding the criteria applied in the recommendation process to provide a basis for reevaluation in the future.



MEMBERS ACTION 3 - At X-Date minus 6 years the VVA National Corporation will begin issuing an approximately 3-inch by 5-foot ribbon streamer that represents the green, yellow, and red design in the VVA logo suitable to be displayed on the life member's casket or urn at their funeral or memorial service. This ribbon streamer would initially be issued to all current life members and would continue to be issued to individuals who become a life member after that date.

MEMBERS ACTION 8 - At X-Date minus 2 years the VVA National Corporation will discontinue accepting and processing new membership applications.

MEMBERS ACTION 9 - At X-Date minus 2 years the VVA National Corporation will issue a specially designed membership card and wall certificate to each current life member recognizing them as a proud member of a veteran organization that effectively served veterans, active duty military, and their families for 50 years before closing.

### **3.5 Chapters and State Councils**

#### **3.5.1 Issues Common to State Councils and Chapters**

**Facts:** Background information that describes the function of the subtopic, defines the authority that established and maintains the subtopic, etc.

1. VVA National Corporation is incorporated as a non-profit corporation under the laws of the State of New York. For Federal income tax purposes, VVA National Corporation has been granted status under group exemption number 3202 as a tax-exempt organization under Section 501(c)(19) of the Internal Revenue Code.
2. When the VVA National Corporation dissolves, it will have no further status, either corporately or for tax-exemption purposes. When the VVA National Corporation dissolves, the VVA Constitution will be void, as will all other VVA National policies and procedures.
3. When the VVA National Corporation dissolves, State Councils and Chapters will no longer be bound by the corporate structures imposed by Articles II and III of the VVA Constitution. The VVA National Corporation will no longer exist as a corporation, but the State Councils and Chapters will continue to exist as separate and (in the absence of any affirmative actions) independent corporations, no longer bound by any of the rules and relationships of the VVA Constitution, Policies, and Board Motions. The bylaws applicable to each State Council and to each Chapter must then be changed accordingly.<sup>6</sup>
4. Article II of the VVA Constitution establishes State Councils. Article III of the VVA Constitution establishes Chapters. Each State Council and each Chapter has been organized under its own state's laws as a non-profit corporation, and each has applied for and received

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<sup>6</sup> **Note:** In states that do not require bylaws, there is in all likelihood a statutory equivalent set of regulations for operation of a corporation.

protection under the VVA National Corporation's federal tax-exemption. However, the structure and powers of State Councils and Chapters are dictated by the VVA Constitution.

5. Each State Council and each Chapter has its own unique tax identification number issued to it by the state in which it was incorporated; that STATE tax identification number is used for payment of taxes owed by the State Council or Chapter to that state. There are various types of taxes which a state may levy, including income, property, franchise, sales and use, hotel, and others. Generally, being organized as a non-profit corporation in a state carries only minimal actual automatic tax-exemptions, and others must be applied for by the corporation and granted by the state.
6. Each State Council and each Chapter has applied for and received a separate FEDERAL tax identification number. STATE reports are filed under the STATE tax identification number, and FEDERAL reports (such as IRS Form 990) are filed under the FEDERAL tax identification number by each State Council and each Chapter. Being tax-exempt under a FEDERAL tax number does NOT mean that the organization is tax-exempt from STATE taxes; similarly, being "non-profit" under STATE law does NOT mean that the organization is tax-exempt under FEDERAL law. STATE and FEDERAL taxes (and exemptions) are independent considerations.
7. When the VVA National Corporation dissolves, State Councils and Chapters will no longer be able to claim FEDERAL tax-exemption under the VVA National Corporation's group exemption number.

**Analysis:** Conclusions based on analysis of the facts, describe the benefits to the organization, explain why it is important to the organization, describe any liabilities, describe the relative importance to the continuance of the VVA, and describe the relative importance to membership as a legacy item.)

1. State Councils and Chapters which desire to continue in existence after VVA dissolves will need to take affirmative steps to obtain their own separate FEDERAL tax-exemptions under Sections 501(c)(3) or 501(c)(19) or other applicable sections of the Internal Revenue Code, unless their activities will not require or benefit from FEDERAL tax-exemption.<sup>7</sup>
2. State Councils will need to establish new rules for not only their own operations, but also for their relationships with Chapters who wish to be affiliated with those Councils.
3. When the VVA National Corporation dissolves, requirements and guidance in the VVA Constitution will no longer apply. State Councils and Chapters that desire to continue in existence will need to update their bylaws to address the following topics:

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<sup>7</sup> **Note:** It is possible that some State Councils may choose to obtain group tax-exemptions which, in turn, may be used by Chapters within their defined areas.

- a. Membership requirements and processes. Membership in the VVA National Corporation is currently defined by VVA's Articles of Incorporation [established the VVA National Corporation as an IRS Code Section 501(c)(19) organization], by IRS Code Section 501(c)(19) [75 percent of members are past or present members of the U.S. Armed Forces] and by VVA's Congressional Charter [adopts VVA's Articles of Incorporation, Constitution and Bylaws, plus the 501(c)(19) criteria]. Membership in the VVA National Corporation is administered by the VVA NBOD. When the VVA National Corporation dissolves, the process of granting membership in the VVA National Corporation and assigning members to a specific Chapter or at-large status will end. Membership rosters will no longer be updated and issued by the VVA National Corporation. State Councils and Chapters that remain active will need to determine their own membership requirements, the process for granting membership, the process for determining and collecting dues (if any), and other factors specific to obtaining and maintaining membership. State Councils and Chapters that remain 501(c)(19) corporations will be bound by IRS membership requirements pertaining to veterans, and those that become 501(c)(3) corporations will have more flexibility regarding membership.
- b. Meetings. Location, frequency, quorum requirements, member voting policy, notices of special meetings, conduct of meetings, and perhaps other factors relating to meetings will need to be defined and incorporated into bylaws.
- c. Leadership. State Councils and Chapters will need to ensure that the leadership structure complies with state laws, such as the minimum numbers of officers and/or directors. The duties, responsibilities, and authority of officers/directors must be defined and included in the bylaws. The methods for electing, selecting, and replacing officers/directors, as well as the term of office, must be defined and included in the bylaws. If leadership will include a subset of officers/directors (example: executive board), the duties, responsibilities, and authority of that subset must be defined and included in the bylaws.
- d. Committees. State Councils and Chapters that intend to utilize committees need to define establishment and functioning requirements for committees and include them in the bylaws.
- e. Disciplinary Actions. If desired, each State Council and Chapter can develop a process for disciplinary actions and include that process in the bylaws, since the VVA National Disciplinary Policy will not be effective after the VVA National Corporation dissolves.

**Actions:** Actions based on analysis to include what actions are required, when those actions should be taken, and how to perform the actions. Provide sufficient detail regarding the criteria applied in the recommendation process to provide a basis for reevaluation in the future.

STATES / CHAPTERS ACTION 1 - Not later than X-Date minus 4 Years, the VVA NBOD shall assign staff members to assist continuing State Councils and Chapters with some of the legal and practical actions that will be required. As the Membership Department reduces its scope of duties, those staff members currently dealing with membership issues could assist with this process.

STATES / CHAPTERS ACTION 2 - Not later than X-Date minus 4 years, the VVA NBOD shall direct the Constitution Committee to develop templates for bylaws for use by continuing State Councils and Chapters, to possibly standardize such bylaws to fill the void left when the VVA Constitution ceases to exist.

STATES / CHAPTERS ACTION 3 - At X-Date Minus 3 years, the VVA NBOD shall advise each State Council and Chapter which desires to continue in existence after the VVA National Corporation dissolves to begin preparing for the conversion process. At that same time the NBOD will encourage those State Councils and Chapters which desire to continue in existence to seek assistance from the VVA National Staff that have been tasked with providing guidance in those matters.

**APPENDIX A. CHRONOLOGICAL TIMELINE OF ACTIONS**

<p>Results relating to WG I and WG II communicated to membership</p> <p>CFO provides NBOD with quarterly detailed expense and revenue report</p> <p>NBOD begins dissolution activities</p>	<p>NBOD determines committee funding</p> <p>Dissolution, Legacy Program, and Legacy Membership Funds established</p> <p>VVA stops accepting new VA claims</p> <p>Legacy Task Force established</p>	<p>NBOD determines committee funding</p> <p>Proposed amendments to VVA Constitution submitted as necessary</p>	<p>NBOD determines committee funding</p> <p>Finance staff provides list of tangible and intangible assets</p> <p>Corporate attorney reviews escape clauses in all existing contracts</p> <p>VVA ensures all new contracts have escape clause</p> <p>Begin issuing 3" x 5' ribbon streamers</p>	<p>NBOD determines committee funding</p> <p>Proposed amendments to VVA Constitution submitted as necessary</p> <p>Consider merging, incorporating, or aligning committees with other organizations</p> <p>VA claims not adjudicated must be transferred to another VA accredited VSO</p> <p>Legacy Task Force establishes criteria for distribution of assets</p> <p>"Dissolution" section of VVA website established</p>	<p>NBOD determines committee funding</p> <p>VA claims not transferred to other VSO are delivered to VVA Veterans Benefits Department</p> <p>Accreditation of VVA Service Officers revoked</p> <p>VVA staff assigned to assist continuing State Councils and Chapters</p> <p>Bylaws templates developed for use by State Councils and Chapters</p>	<p>NBOD determines committee funding</p> <p>Proposed amendments to VVA Constitution submitted as necessary</p> <p>Contracts and MOUs are reviewed and terminated as necessary</p> <p>VVA advises continuing State Councils and Chapters to seek assistance and to start the conversion process</p>	<p>NBOD determines committee funding</p> <p>NBOD selects organization(s) to receive tangible assets</p> <p>Determine assets required to pay all remaining liabilities</p> <p>Government Affairs staff determines status of undertakings in progress</p> <p>VVA notifies revenue sources of intent to dissolve or transition to another organization</p> <p>VVA library and other memorabilia are distributed</p> <p>VVA coordinates with AVVA to begin or continue periodic informational transmittal</p> <p>New memberships are discontinued</p> <p>Special membership card and certificate issued to life members</p>	<p>NBOD determines committee funding</p> <p>Proposed amendments to VVA Constitution submitted as necessary</p> <p>All rights to name, trademarks, copyrights, intellectual property, etc. transferred to AVVA</p> <p>VVA commences process of formal dissolution</p>	<p>DISSOLUTION COMPLETE</p>
<p>As Soon as Possible</p>	<p>Fiscal Year 2020</p>	<p>Fiscal Year 2021</p>	<p>Fiscal Year 2022</p>	<p>Fiscal Year 2023</p>	<p>Fiscal Year 2024</p>	<p>Fiscal Year 2025</p>	<p>Fiscal Year 2026</p>	<p>Fiscal Year 2027</p>	<p>December 31, 2028</p>



**APPENDIX B. CHRONOLOGICAL TABLE OF ACTIONS**

<b>X-Date Minus</b>	<b>Action Identifier</b>	<b>Action</b>
October 2019	<b>MEMBERS ACTION 1</b>	As soon as practical following the 2019 VVA National Convention the VVA NBOD must effectively communicate the results of the convention to the VVA membership relating to Working Group I and Working Group II, as well as any associated actions by convention delegates.
October 2019	<b>FINANCE ACTION 1</b>	Beginning as soon as possible, the CFO and staff must provide a quarterly financial report containing line item details of revenues and expenses to the VVA NBOD, in a content and data format designated by the VVA NBOD to assist in making sound financial decisions.
October 2019	<b>GENCORP ACTION 1</b>	When the date of dissolution is adopted the VVA NBOD shall immediately have responsibility for actively managing dissolution activities, to include adopting, updating and implementing a strategic plan for dissolution, monitoring and responding to liabilities and vulnerabilities, and all other actions necessary to bring the existence of the VVA National Corporation to an end.
January 2020	<b>GENCORP ACTION 2</b>	Beginning with the next fiscal year budget cycle and continuing each year thereafter, prior to January 31, the VVA NBOD shall determine which committees will continue to be funded.
February 2021 2023 2025 2027	<b>GENCORP ACTION 3</b>	Prior to each VVA National Convention after 2019, the VVA NBOD shall timely submit such proposed amendments to the VVA Constitution as may be necessary in order to carry out the Strategic Plan for Dissolution (for example, changes in the number and/or composition of the Board of Directors of the VVA National Corporation).

Appendix B. Chronological Table of Actions

Revision 0, April 12, 2019

X-Date Minus	Action Identifier	Action																																																		
8 years	FINANCE ACTION 2	<p>At X Date Minus 8 years the VVA NBOD must establish three distinct funds: A Dissolution Fund for costs related to dissolution under New York law; a Legacy Program Fund to provide resources for transferring selected legacy programs to other organizations, and a Legacy Membership Fund for pro rata distribution based on membership to State Councils (Members at Large) and Chapters (Chapter Members) that remain active after dissolution of the VVA National Corporation.</p> <p><b>VVA National Corporation Budget Reduction and Legacy Funds Table</b></p> <table border="1" data-bbox="493 611 1425 1446"> <thead> <tr> <th data-bbox="493 611 721 722">Date</th> <th data-bbox="721 611 899 722">Budget Reduction Amount</th> <th data-bbox="899 611 1065 722">Dissolution Fund</th> <th data-bbox="1065 611 1224 722">Legacy Programs Fund</th> <th data-bbox="1224 611 1425 722">Legacy Membership Fund</th> </tr> </thead> <tbody> <tr> <td data-bbox="493 722 721 810">X-Date minus 8 Years</td> <td data-bbox="721 722 899 810">\$1,000,000</td> <td data-bbox="899 722 1065 810">\$400,000</td> <td data-bbox="1065 722 1224 810">\$300,000</td> <td data-bbox="1224 722 1425 810">\$300,000</td> </tr> <tr> <td data-bbox="493 810 721 898">X-Date minus 7 Years</td> <td data-bbox="721 810 899 898">\$1,000,000</td> <td data-bbox="899 810 1065 898">\$200,000</td> <td data-bbox="1065 810 1224 898">\$400,000</td> <td data-bbox="1224 810 1425 898">\$400,000</td> </tr> <tr> <td data-bbox="493 898 721 987">X-Date minus 6 years</td> <td data-bbox="721 898 899 987">\$1,000,000</td> <td data-bbox="899 898 1065 987">\$200,000</td> <td data-bbox="1065 898 1224 987">\$400,000</td> <td data-bbox="1224 898 1425 987">\$400,000</td> </tr> <tr> <td data-bbox="493 987 721 1075">X-Date minus 5 years</td> <td data-bbox="721 987 899 1075">\$1,000,000</td> <td data-bbox="899 987 1065 1075">\$200,000</td> <td data-bbox="1065 987 1224 1075">\$400,000</td> <td data-bbox="1224 987 1425 1075">\$400,000</td> </tr> <tr> <td data-bbox="493 1075 721 1163">X-Date minus 4 years</td> <td data-bbox="721 1075 899 1163">\$1,000,000</td> <td data-bbox="899 1075 1065 1163">\$200,000</td> <td data-bbox="1065 1075 1224 1163">\$400,000</td> <td data-bbox="1224 1075 1425 1163">\$400,000</td> </tr> <tr> <td data-bbox="493 1163 721 1251">X-Date minus 3 years</td> <td data-bbox="721 1163 899 1251">\$1,000,000</td> <td data-bbox="899 1163 1065 1251">\$200,000</td> <td data-bbox="1065 1163 1224 1251">\$400,000</td> <td data-bbox="1224 1163 1425 1251">\$400,000</td> </tr> <tr> <td data-bbox="493 1251 721 1339">X-Date minus 2 years</td> <td data-bbox="721 1251 899 1339">\$1,000,000</td> <td data-bbox="899 1251 1065 1339">\$200,000</td> <td data-bbox="1065 1251 1224 1339">\$400,000</td> <td data-bbox="1224 1251 1425 1339">\$400,000</td> </tr> <tr> <td data-bbox="493 1339 721 1428">X-Date minus 1 year</td> <td data-bbox="721 1339 899 1428">\$1,000,000</td> <td data-bbox="899 1339 1065 1428">\$200,000</td> <td data-bbox="1065 1339 1224 1428">\$400,000</td> <td data-bbox="1224 1339 1425 1428">\$400,000</td> </tr> <tr> <td data-bbox="493 1428 721 1446"><b>Fund Totals</b></td> <td data-bbox="721 1428 899 1446"></td> <td data-bbox="899 1428 1065 1446"><b>\$1,800,000</b></td> <td data-bbox="1065 1428 1224 1446"><b>\$3,100,000</b></td> <td data-bbox="1224 1428 1425 1446"><b>\$3,100,000</b></td> </tr> </tbody> </table>	Date	Budget Reduction Amount	Dissolution Fund	Legacy Programs Fund	Legacy Membership Fund	X-Date minus 8 Years	\$1,000,000	\$400,000	\$300,000	\$300,000	X-Date minus 7 Years	\$1,000,000	\$200,000	\$400,000	\$400,000	X-Date minus 6 years	\$1,000,000	\$200,000	\$400,000	\$400,000	X-Date minus 5 years	\$1,000,000	\$200,000	\$400,000	\$400,000	X-Date minus 4 years	\$1,000,000	\$200,000	\$400,000	\$400,000	X-Date minus 3 years	\$1,000,000	\$200,000	\$400,000	\$400,000	X-Date minus 2 years	\$1,000,000	\$200,000	\$400,000	\$400,000	X-Date minus 1 year	\$1,000,000	\$200,000	\$400,000	\$400,000	<b>Fund Totals</b>		<b>\$1,800,000</b>	<b>\$3,100,000</b>	<b>\$3,100,000</b>
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8 years	VBP ACTION 1	At X-Date minus 8 years the Director of the VVA Benefits Department will order all VVA accredited Service Officers to stop accepting new VA claims with VVA listed as Power of Attorney.																																																		



X-Date Minus	Action Identifier	Action
8 years	MEMBERS ACTION 2	As soon as practical, but no later than X-Date minus 8 years, the VVA NBOD will form a “Legacy Task Force” composed of three (3) or more current members of the VVA NBOD to identify and preserve the legacy and reputation of the VVA. Duties and responsibilities would include defining the terms lasting legacy and reputation as they apply to the VVA. The Legacy Task Force would meet in conjunction with each scheduled VVA NBOD meeting to actively investigate and develop solutions relating to the legacy and reputation of the VVA, develop Actions to be included in the Strategic Plan for Dissolution, report task force progress at each scheduled VVA NBOD meeting, and assist the VVA NBOD in managing and executing the Strategic Plan for Dissolution.
6 years	GENCORP ACTION 4	At X-Date minus 6 years, the VVA NBOD shall direct the finance staff of VVA National Corporation to make a comprehensive listing of the Corporation’s assets, both tangible and intangible. This list must be updated on a biennial basis (i.e., every two years) and finalized at X-Date minus 2 Years. <b>Note:</b> Valuations are not the focus of this effort.
6 years	FINANCE ACTION 3	At X-Date minus 6 years, VVA NBOD must have a corporate attorney review the escape clauses and contract language in all existing contracts and MOUs to ensure all liabilities to the VVA National Corporation are identified.
6 years	FINANCE ACTION 4	At X Date minus 6 years, the VVA NBOD must ensure all new contracts and MOUs have escape clauses before the contracts are agreed to and executed.
6 years	MEMBERS ACTION 3	At X-Date minus 6 years, the VVA National Corporation will begin issuing an approximately 3-inch by 5-foot ribbon streamer that represents the green, yellow, and red design in the VVA logo suitable to be displayed on the life member’s casket or urn at their funeral or memorial service. This ribbon streamer would initially be issued to all current life members and would continue to be issued to individuals who become a life member after that date.
5 years	GENCORP ACTION 5	As early as X-Date minus 5 years, the VVA NBOD shall determine whether individual committees should consider merging, separately incorporating, or aligning with other organizations to share information. This action must be completed not later than X- Date minus 1 year.
5 years	VBP ACTION 2	At X-Date minus 5 years, the Director of the VVA Veterans Benefits Department will declare all VA claims serviced by VVA attorneys or VVA accredited Service Officers that are not adjudicated must be transferred to a VA accredited service organization. If another VA recognized service organization cannot assume Power of Attorney for these claims VVA is responsible to provide legal staff or attorneys until the VA claim is adjudicated.

Appendix B. Chronological Table of Actions

Revision 0, April 12, 2019

X-Date Minus	Action Identifier	Action
5 years	MEMBERS ACTION 4	This action can begin as soon as the VVA NBOD adopts a Strategic Plan for Dissolution, but in no case later than X-Date minus 5 years. Prior to distribution of fiscal assets to another corporation or entity, the VVA NBOD will task the Legacy Task Force to develop a set of evaluation criteria for VVA NBOD approval that includes: compatibility of corporate goals and objectives with those of the VVA, projected ability of the corporation to carry on a legacy item important to the VVA, demonstrated corporate performance, corporate leadership qualities, corporation financial stability, and other criteria necessary to carry on the legacy of the VVA.
5 years	MEMBERS ACTION 5	No later than X-Date minus 5 years, the VVA NBOD will establish a separate “Dissolution” section of the VVA website that includes the strategic plan adopted by the VVA NBOD, and dissolution information specific to the VVA National Corporation, State Councils, Chapters, and individual members.
4 years	VBP ACTION 3	At X-Date minus 4 years, if all VA claims that list VVA as the power of attorney have not been transferred to another VA recognized service organization, the Director of the VVA Veterans Benefits Department must direct VVA Service Officers to either scan all claims folders into Records Retention Software or otherwise deliver all claims folders to the VVA Veterans Benefits Department.
4 years	VBP ACTION 4	At X-Date minus 4 years, the Director of VVA Veterans Benefits Department will revoke accreditation of all VVA Service Officers with the exception of attorneys attached to the VVA Veterans Benefits Department.
4 years	STATES/ CHAPTERS ACTION 1	Not later than X-Date minus 4 years, the VVA NBOD shall assign staff members to assist continuing State Councils and Chapters with some of the legal and practical actions that will be required. As the Membership Department reduces its scope of duties, those staff members currently dealing with membership issues could assist with this process.
4 years	STATES/ CHAPTERS ACTION 2	Not later than X-Date minus 2 years, the VVA NBOD shall direct the Constitution Committee to develop templates for bylaws for use by continuing State Councils and Chapters, to possibly standardize such bylaws to fill the void left when the VVA Constitution ceases to exist.
3 years	FINANCE ACTION 5	At X-Date minus 3 years, the VVA NBOD will review all contracts for any necessary changes in language. The VVA NBOD will again review all contracts and MOU’s to determine those that are necessary to the mission through dissolution of the VVA National Corporation. Contracts and MOUs that do not meet that criterion will be terminated or allowed to expire.
3 years	STATES/ CHAPTERS ACTION 3	At X-Date Minus 3 years, the VVA NBOD shall advise each State Council and Chapter which desires to continue in existence after the VVA National Corporation dissolves to begin preparing for the conversion process. At that same time the NBOD will encourage those State Councils and Chapters which desire to continue in existence to seek assistance from the VVA National Staff that have been tasked with providing guidance in those matters.

X-Date Minus	Action Identifier	Action
2 years	GENCORP ACTION 6	At X-Date minus 2 years, the VVA NBOD must select the organization(s) that will receive VVA National Corporation tangible assets, along with the description of assets it desires to transfer to those organization(s). <b>Note:</b> Distribution of those assets must be completed before the VVA National Corporation files its Plan of Dissolution.
2 years	GENCORP ACTION 7	At X-Date minus 2 years, the VVA NBOD will determine the amount of assets required to pay all remaining liabilities until the anticipated date of dissolution, and safeguard those assets in the Dissolution Fund or other protected status, as may be appropriate for the specific types of assets.
2 years	GENCORP ACTION 8	At X-Date minus 2 years, the VVA NBOD shall direct the Government Affairs staff to determine the status of each undertaking then in progress, along with the anticipated time needed to see that undertaking completed. For any undertaking which cannot be completed prior to the dissolution of the VVA National Corporation, the VVA NBOD needs to identify a successor organization(s), or another existing organization or 527 political action committee, or consider formation of a new organization of similar status, willing to continue that undertaking, and transfer to it all of VVA's preparatory work supporting that undertaking. This action may involve coordinating with other organizations to place VVA employed personnel in direct contact with counterparts in those organizations. Transfers need to occur in a timely manner with regard to legislative calendars and sessions, such that all transfers occur not later than X-Date minus 1 year.
2 years	FINANCE ACTION 6	At X-Date minus 2 years, the VVA NBOD must begin to notify the revenue sources of the intent to dissolve the VVA National Corporation or to transition to another organization, and work with those sources to sustain revenue as long as possible.
2 years	MEMBERS ACTION 6	At X-Date minus 2 years, the VVA NBOD will distribute VVA's library to an acceptable organization or educational institution, and VVA's memorabilia to the AVVA, an acceptable organization or educational institution.
2 years	MEMBERS ACTION 7	At X-Date minus 2 years, the VVA NBOD will coordinate with the AVVA to begin or continue a periodic (preferably weekly) information transmittal by e-mail and social media similar to the current VVA Web Weekly, and will contact the VVA membership encouraging them to join the AVVA or to otherwise sign-up to receive the AVVA transmittals. This action must be completed while the VVA Communications Department is still functional.
2 years	MEMBERS ACTION 8	At X-Date minus 2 years, the VVA National Corporation will discontinue accepting and processing new membership applications.

Appendix B. Chronological Table of Actions

Revision 0, April 12, 2019

<b>X-Date Minus</b>	<b>Action Identifier</b>	<b>Action</b>
2 years	<b>MEMBERS ACTION 9</b>	At X-Date minus 2 years the VVA National Corporation will issue a specially designed membership card and wall certificate to each current life member recognizing them as a proud member of a veteran organization that effectively served veterans, active duty military, and their families for 50 years before closing.
1 year	<b>MEMBERS ACTION 10</b>	At X-Date minus 1 year, the VVA NBOD will transfer all rights to the VVA name, logos, flag, website, internet domain and email talklists, including, but not limited to, all trademarks and copyrights and other intellectual property, to the AVVA, provided that the AVVA agrees to permit all existing state councils and chapters to continue their permitted uses of such intellectual property.
1 year	<b>GENCORP ACTION 9</b>	Not later than X-Date minus 1 year, subject to the advice of New York counsel, the VVA NBOD must commence the process of formal dissolution of the VVA National Corporation by the adoption of a Plan of Dissolution and Distribution of Assets, and by the filing of a Petition for Dissolution with the New York Attorney General or New York Supreme Court.

## APPENDIX C. STATE COUNCIL GUIDE

Each State Council may use this guide for addressing the future of the State Council. Since it is dependent in large part upon the actions taken by local chapters, this Guide may become applicable at different times in different states.

Each State Council is a non-profit corporation organized under the laws of the state in which it is located. For Federal income tax purposes, the VVA National Corporation has been recognized by IRS as a Section 501(c)(19) tax-exempt organization, and each State Council (and each Chapter) is recognized under the group tax-exemption number 3202 afforded by the VVA National Corporation's tax-exemption, rather than having its own tax-exemption from the Internal Revenue Service (IRS).

When the VVA National Corporation dissolves, then its group tax-exemption will no longer be available for use by State Councils. State Councils which choose to remain in existence after the VVA National Corporation dissolves should consider whether to obtain their own tax-exempt status from the IRS. After the VVA National Corporation dissolves, State Councils will continue to be non-profit corporations under the laws of their states of incorporation, but will not be exempt from any Federal income taxation unless they take affirmative steps to obtain those exemptions.

Article II of the VVA Constitution establishes State Councils, and each State Council has adopted the VVA Constitution (Section 1). The same section provides that the President of the VVA National Corporation "may" authorize the formation of State Councils, which makes State Councils optional rather than mandatory for the VVA National Corporation and Chapters to function. Section 2 provides as follows: "The purposes of the state councils shall be to promote and enforce the principles and policies of the Corporation as set forth in this Constitution, and the rules and resolutions and the National Disciplinary Policy of the Corporation."

After the VVA National Corporation dissolves, there will be no VVA Constitution to define membership in, and relationships between, State Councils and Chapters, such that State Councils may decide to remain in existence even in the absence of any affiliation with any Chapters in the state.

After the VVA National Corporation dissolves, the corporate documents of each State Council will determine who makes decisions on behalf of such continuing corporation.

The VVA National Corporation may, as part of its dissolution, establish a new mechanism, or a new owner, or new procedures or requirements, for the purpose of granting permission to use, or continue to use, its registered trademark name and logos, such that any State Council which does not comply may, at a minimum, have to change the name under which they are incorporated.

1. Has the VVA National Corporation established a Dissolution Date for dissolution of the VVA National Corporation? If not, wait on that.

- \_\_\_\_\_ 2. After the VVA National Corporation establishes its Dissolution Date, Chapters in your state need to decide whether they wish to continue after the Dissolution Date. Wait until most or all of the Chapters in your state have made their decisions. It is important to bear in mind that after the VVA National Corporation dissolves, all of the State Councils and Chapters will continue to exist as independent corporations, free to make their own respective decisions about continuation, affiliations, membership, tax-exempt status, and other such fundamental issues.
  
- \_\_\_\_\_ 3. Not later than 3 years prior to the Dissolution Date, convene a meeting of the continuing Chapters to see what their desires are for the role of a State Council. If a meeting is not possible, then use email or other means of communication instead of a meeting. Consult your State Council's bylaws so that you can comply with any notice requirements for voting on amendments to your bylaws. The features to be discussed and possibly voted upon include the following:
  - a. Whether the State Council wishes to continue in existence after the VVA National Corporation dissolves. If it does NOT want to continue in existence, skip to paragraph 5 below.
  - b. Whether any Chapters wish to be affiliated with State Council, and whether the State Council (if it decides to continue in existence) wishes to be affiliated with any Chapters in the state.
  - c. Whether the State Council should seek Federal income tax-exemptions as an Internal Revenue Code Section 501(c)(3) or (19) charitable organization. If so, consult with VVA staff, and if not sufficient, a competent attorney or CPA about the requirements. If no action is taken, then the State Council will continue to be a non-profit corporation under its state law, but it will not be exempt from Federal income taxation. Bear in mind that 501(c)(19) organizations must meet certain membership requirements specific to veterans, while 501(c)(3) organizations are not subject to such membership constraints.
  - d. Changes must be made to the organizational structure of your State Council, to include changes to your bylaws to address membership criteria and administration of the State Council; such changes will need to address the process for granting membership in the State Council, and the process of charging and collecting dues (if any), and other factors specific to obtaining and maintaining membership.
  - e. Amendments to bylaws are needed to address topics such as regular and special meetings, location, frequency, quorum requirements, member voting policies, notices of meetings, and conduct of meetings (parliamentary procedure).
  - f. Amendments to bylaws will be necessary to ensure that the leadership structure complies with state laws (many have minimum requirements for number of officers

and/or directors). Will also need to define the duties, responsibilities, and authority of officers and/or directors, and establish procedures for election and replacement of officers and/or directors, and terms of elected offices.

- g. Bylaws may also address (and define) topics such as executive boards, boards of directors, and committees. Any that are established also need to state their purposes and describe their functions and authority.
- h. Since the VVA National Disciplinary Policy will cease to be effective when the VVA National Corporation dissolves, each State Council may wish to develop its own process for handling disciplinary matters and include that process in the bylaws.
- i. Funding of the State Council, including retaining an attorney and/or a tax professional to assist the State Council, and, where feasible, Chapters to reorganize and to obtain tax-exempt status. Consider asking the VVA National Corporation for financial assistance, if it has funds available. Note that after the VVA National Corporation is dissolved, contributions to your State Council will no longer be tax deductible to the donor, until such time as the State Council obtains its own tax-exempt status.
- j. Any agreed restraints to be imposed upon the State Council and its participating Chapters. Such restraints might include common membership criteria, required attendance at meetings, and other policies by which all participating Chapters agree to be bound.

\_\_\_\_ 4. When all of the preparatory steps have been completed for re-establishment of the State Council, and bylaws have been prepared to reflect the revised organization and relationships, convene a meeting of the participating Chapters (or use other means of communication as needed) to have them ratify and adopt the State Council as re-established.

\_\_\_\_ 5. This paragraph pertains ONLY to a State Council which does NOT want to continue in existence after the VVA National Corporation dissolves.

- a. Your State Council will lose its tax-exemption status with the Internal Revenue Service when the VVA National Corporation dissolves. Be alert to that date in case your State Council is required to file a FINAL IRS tax return in a timely manner; consult a CPA or attorney for assistance.
- b. Your State Council can dissolve in accordance with your state's laws of incorporation. Some preparatory steps may be needed, so consult with a competent business attorney about the dissolution process. Provisions will need to be made for

distribution of the State Council's assets, including memorabilia, and payment of any debts owed.



## APPENDIX D. CHAPTER GUIDE

Each Chapter may use this Guide for addressing the future of the Chapter. This Guide should be consulted AFTER the VVA National Corporation establishes a Dissolution Date for its dissolution. Implementation can begin at any time thereafter, but in no event should a Chapter begin implementation later than Dissolution Date minus 1 year, to allow time for procedures to take place, regardless of whether the Chapter chooses to continue in existence after the VVA National Corporation dissolves.

Each Chapter is a non-profit corporation organized under the laws of the state in which it is located. For Federal income tax purposes, the VVA National Corporation has been recognized by IRS as a Section 501(c)(19) tax-exempt organization, and each Chapter is recognized under the group tax-exemption number 3202 afforded by the VVA National Corporation's tax-exemption, rather than having its own tax-exemption from IRS.

When the VVA National Corporation dissolves, then its group tax-exemption will no longer be available for use by Chapters. Chapters which choose to remain in existence after the VVA National Corporation dissolves should consider whether to obtain their own tax-exempt status from IRS; after the VVA National Corporation dissolves, Chapters will continue to be non-profit corporations under the laws of their states of incorporation, but will not be exempt from any Federal income taxation unless they take affirmative steps to obtain those exemptions.

After the Dissolution Date, there will no longer be a VVA Constitution to address organization of a Chapter, or its relationships with other Chapters or a State Council, so those matters will need to be decided by the Chapter. The Chapter's own incorporation papers and bylaws will determine how decisions are to be made, and who is authorized to make them for the Chapter.

The VVA National Corporation may, as part of its dissolution, establish a new mechanism, or a new owner, or new procedures or requirements, for the purpose of granting permission to use, or continue to use, the VVA National Corporation registered trademark name and logos, such that Chapters which do not comply may, at a minimum, have to change the names under which they are incorporated.

- \_\_\_ 1. Has the VVA National Corporation established a Dissolution Date for dissolution of the VVA National Corporation? If not, wait on that.
- \_\_\_ 2. After the VVA National Corporation establishes its Dissolution Date, your Chapter needs to decide whether it wishes to continue in existence after the Dissolution Date. Although there is no immediate need to make this decision, the sooner the Chapter decides the course it wishes to take, then the sooner any necessary steps can be taken. Further steps WILL be necessary, regardless of whether your Chapter decides to continue.

- \_\_\_3. Consult the Chapter's bylaws, and call for a meeting of all of your members; this may be at a regular meeting or at a special meeting, but be careful to provide required notice to ALL of your members about the meeting, and about what will be discussed and possibly decided at the meeting. Your notice should provide notice that the following topics will be discussed and possibly voted upon at your meeting as amendments to your bylaws (although your Chapter may wish to have multiple meetings about these topics):

Whether your Chapter desires to continue in existence after the VVA National Corporation dissolves. (If the decision is NOT to continue, then skip to Item 4 of this Guide for further actions; the remainder of Item 3 of this Guide will assume that your Chapter DOES wish to continue in existence after the Dissolution Date.)

Whether your Chapter desires to join in the support of a State Council after the Dissolution Date, if the relationship between the Chapters and the State Council is acceptable to your Chapter.

Whether your Chapter desires to obtain tax-exempt status as a charitable organization under Internal Revenue Code Section 501(c)(3) or (19). Your Chapter should consult with VVA staff, and if not sufficient, with a CPA or attorney about applying for that status. Remember, the tax-exempt status Chapters now enjoy under the group tax-exemption of the VVA National Corporation will no longer be available after the Dissolution Date, and if no action is taken by your Chapter, then you will be subject to Federal income taxation, regardless of your nonprofit status in the state of your Chapter's incorporation.

Changes in your organizational structure will need to be made. Each Chapter needs to determine its own membership criteria (you are no longer subject to the VVA constraints after the Dissolution Date). When the VVA National Corporation dissolves, its membership criteria and administration will cease. Your Chapter will need to decide, for example, the process for granting membership in your Chapter, the process for determining and collecting dues (if any), and other factors specific to obtaining and maintaining membership.

Chapters that choose to continue as Section 501(c)(19) tax-exempt corporations need to bear in mind that there are IRS membership requirements specific to veterans, whereas those that choose 501(c)(3) status will have more flexibility for membership.

Amendments to bylaws will be necessary to address topics including regular and special meetings, location, frequency, quorum requirements, member voting policies, notices of meetings, and conduct of meetings (parliamentary procedure).

Amendments to Chapter bylaws will be needed to ensure that the leadership structure complies with state laws (may have minimum requirements for number of officers and/or directors), and define the duties and responsibilities and authority of officers/directors, and establish procedures for selecting, electing, and replacing officers/directors, as well as establishing the term of each office.

Bylaws may also address (and define) topics such as executive boards, boards of directors, and committees. Any that are established need to also state their purposes and describe their functions and authority.

Since the VVA National Disciplinary Policy will cease to be effective when the VVA National Corporation dissolves, then each Chapter may wish to develop its own process for disciplinary actions and include that process in the bylaws.

Since there will be no more funding from the VVA National Corporation, your Chapter will need to identify its own sources of revenues (dues, fundraisers, grants, etc.) to support its continuing operations, including expenses of insurance and bonding.

This COMPLETES the steps for Chapters choosing to CONTINUE in existence after the Dissolution Date.

- \_\_\_ 1. This item applies to Chapters which have decided that they do NOT want to remain in existence after the Dissolution Date.

Your Chapter will lose its Federal tax-exemption status with the Internal Revenue Service when the VVA National Corporation dissolves. Be alert to that date in case your Chapter is required to file a FINAL IRS tax return in a timely manner; consult a CPA or attorney for assistance.

Your Chapter can dissolve in accordance with your state's laws of incorporation. Some preparatory steps may be needed, so consult with VVA staff, and if not sufficient, with a competent business attorney about dissolving your Chapter. Provisions need to be made for the distribution of the Chapter's assets, including memorabilia, and payment of any debts owed (including taxes).

Your continuing State Council (if applicable) may be able to assist with CPA and/or attorney recommendations.



**APPENDIX E. WORKING GROUP I SIGNATURES OF ACCEPTANCE**

By their signatures the following members of Working Group I endorse and concur with the Vietnam Veterans of America, Inc. Strategic Plan for Dissolution delivered to the VVA National Board of Directors on April 12, 2019.

Robert C. Seal (Chair) Signature on Original  
President, Idaho State Council

Jake Barsottini (Member) Signature on Original  
Treasurer, Pennsylvania State Council  
Member, VVA Finance Committee

Stephen Brady (Member) Signature on Original  
Vice President, Texas State Council

Ray Breault (Member) Signature to Be Obtained  
Treasurer, Florida State Council

Nick DeLeo (Member) Signature on Original  
Treasurer, New York State Council

Rod Farley (Member) Signature on Original  
First-Vice President, West Virginia State Council

John Margowski (Member) Signature on Original  
At-Large Director, VVA National Board of Directors

Sandy Miller (Member) Signature to Be Obtained  
Chair, VVA Homeless Veterans Committee

Jerry Morano (Member) Signature on Original  
Member, New York - Westchester Chapter 49

Bill Norton (Member) Signature on Original  
Past President, Tennessee - Chapter 203

Kerwin Stone (Member) Signature on Original  
At-Large Director, VVA National Board of Directors  
President, Texas State Council

Sharon Hobbs (Special Advisor) Signature on Original  
AVVA National President

Appendix E. Working Group I Signatures of Acceptance

Revision 0, April 12, 2019

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