

**NATIONAL EXECUTIVE COMMITTEE  
OF  
THE AMERICAN LEGION  
INDIANAPOLIS, INDIANA  
MAY 6-7, 1998**

**Resolution No. 43: The American Legion National Emergency Fund Charitable Status**  
**Origin: Subcommittee on Resolutions**  
**Submitted By: Subcommittee on Resolutions**

WHEREAS, The American Legion National Emergency Fund provides grants, not loans, to Legion families and Posts in times of disaster and emergency; and

WHEREAS, The American Legion is exempt from federal income tax under Section 501 (c) (19) of the Internal Revenue Code as a veterans' organization and gifts to The American Legion generally may be deducted at a rate of up to 20% of a donor's contribution base under Section 170 (c) (3) of the Internal Revenue Code and the veterans' organization may lobby; and

WHEREAS, A charity is tax exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code and donors of gifts generally may deduct up to 50% of the contribution based on their tax returns and the charity may not lobby; and

WHEREAS, Corporations, employers, foundations and charities generally do not know about or understand Section 501 (c) (19) status, but do know about and understand Section 501 (c) (3) status; and

WHEREAS, Tax deductions may not be taken for lobbying or gifts for lobbying; and

WHEREAS, Corporations, employers, foundations and charities often make contributions to charities and/or match the contribution of employees; and

WHEREAS, Such a source of funds would greatly assist the building of the National Emergency Fund to the size it should be; and

WHEREAS, Such funds have been and must continue to be safeguarded, segregated and protected; and

WHEREAS, The National Retirement Plan for Employees of National Headquarters and Subordinate Groups Thereof (retirement plan) has been prudently invested following conservative guidelines established by The American Legion which have been proven by the growth of the retirement plan in various economic conditions over the past 53 years; and

WHEREAS, When funds are solicited from non-American Legion entities and individuals, such moneys need to be separately administered; now, therefore, be it

**RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana on May 6-7, 1998, That The American Legion National Emergency Fund (the fund) be transformed into a charitable foundation, trust or other appropriate entity with the same name or such other appropriate name as is chosen by the National Commander so as to qualify it as a charity to receive matching employer contributions, provided that this resolution shall not change the conditions for requesting aid or the administration of claims processing by the Internal Affairs Division and, provided further, that this resolution shall change the solicitations of moneys for the fund by authorizing additional solicitation outside The American Legion to individuals,**

entities and corporations so as to take full advantage of the charitable structure; and, be it further

**RESOLVED**, That the National Judge Advocate shall conduct research with tax counsel to determine the appropriate form and have drafted all appropriate documents as well as obtain an IRS opinion, advice or letter establishing the fund as a tax exempt charity; and, be it further

**RESOLVED**, That the moneys in the fund shall be deposited in a federally insured trust company or bank located in Indianapolis, Indiana as chosen by the National Commander and the Chairman of the National Finance Commission; and, be it further

**RESOLVED**, That the National Judge Advocate will work with such bank or trust company to develop an appropriate trust and other documents necessary for the bank to function as Trustee of the moneys in the fund; and, be it further

**RESOLVED**, That three (3) members of the National Finance Commission, as chosen by the Chairman of the National Finance Commission from time to time, shall constitute an oversight committee within the National Finance Commission to oversee the financial operations of the fund; and, be it further

**RESOLVED**, That the moneys in said fund shall be prudently invested in accordance with the investment guidelines applicable from time to time to the Retirement Plan for Employees of the National Headquarters and Subordinate Groups Thereof; and, be it finally

**RESOLVED**, That the National Commander, after review and approval by the National Judge Advocate, be and is hereby authorized and directed to execute all appropriate contracts, trust indentures and documents to accomplish the purpose of this resolution and the National Adjutant be and is hereby authorized and directed to attest the same.