



# Standard Operating Procedure For Post and District Inspections

## DEPARTMENT OF ILLINOIS VETERANS OF FOREIGN WARS OF THE UNITED STATES

**STANDARD OPERATING PROCEDURES (SOP)  
DEPARTMENT OF ILLINOIS  
VETERANS OF FOREIGN WARS OF THE UNITED STATES**



## **SECTION I PURPOSE**

Section 1.1 The purpose of the Department of Illinois Veterans of Foreign Wars (VFW), Inspection guide is to assist the State Inspector, District Inspectors, Assistant State and District Inspectors, Post Commanders, Post Quartermasters, Post Adjutants, and any other personnel assigned to support an inspection.

Section 1.2 The guide is intended to create an easy to follow process that is transparent and provides for a successful inspection year.

Section 1.3 The guide is an addition to National and Department Bylaws.

## **SECTION II APPOINTMENT AND AUTHORITY**

Section 2.1. The State Inspector and Assistant State Inspector(s) are appointed by the State Commander.

Section 2.2. The State Inspector is responsible for the State inspection program in accordance with (IAW) the VFW National and Department Bylaws, the current VFW Inspectors Guide, VFW Post and District Inspection forms and this SOP.

Section 2.3 Assistant State Inspectors operate similarly to the State Inspector but will report to the State Inspector who has the responsibility and oversight of the State Inspection Program.

Section 2.4 All Inspectors are expected to perform their duties to the best of their ability and to be familiar with the requirements of the Department of Illinois' Inspection Program. It is critical to the success of the program that inspectors learn as much as you can about this position.

## **SECTION III Duties and Responsibilities**

Section 3.1 The State Inspector(s) shall ensure that each Post and District is inspected IAW National and Department Bylaws under the authority of the State Commander. This includes:

Section 3.1.1 All books and records inspected by and IAW the National Inspection Form.

Section 3.1.2 The State Inspector shall receive and review all inspections conducted by Deputy Inspectors.

Section 3.1.3 Perform other duties that may be incident to this appointment.



Section 3.1.4 Provide an Inspection Packet containing the requisite instructions and forms so that posts and districts may review and prepare in-advance.

Section 3.1.5 Upon review of the final inspection report, the inspector shall provide a copy to the State Adjutant for their records.

Section 3.1.6 The Inspector must provide in writing in writing, to the District Commander, District Inspector and Post Commander identifying any deficiencies and ask that they be corrected as soon as possible. The inspection form submitted for review should be attached. District Inspectors should follow up within 30 days to ensure that the Post has had an appropriate amount of time to correct any deficiencies.

Section 3.1.7 District Inspectors shall coordinate with Post Commanders to ensure the minimum requirements of the inspection are completed and the required forms and associated documents are forwarded to the Department or State Inspector as required.

Section 3.1.8 The State Inspector will be required to prepare a short but detailed status report to be presented at each Council of Administration (C of A) meeting and at the Department convention.

Section 3.1.9 It will be the responsibility of the District Commander to supply the Department with the Name, Phone Number, Email address, and Home Address of their appointed District Inspector and Assistant District Inspector(s).

Section 3.2. All Inspectors are required to have an understanding of the following:

Section 3.2.1 National Inspectors Guide.

Section 3.2.2 National Inspection Form.

Section 3.2.3 State Inspection Guidelines.

Section 3.2.4 State Inspection Form.

Section 3.2.5 Understanding of the Post Trustees Report.

Section 3.2.6 Understanding of the Post Quartermaster duties and responsibilities.

Section 3.2.7 Understanding of Post Adjutant duties and responsibilities.

Section 3.2.8 Understanding of Internal Revenue Service (IRS) 990 form and annual requirements.



Section 3.2.9 Understanding of the online IRS Tax Exempt Organization Search.

Section 3.2.10 Understanding of the Illinois Secretary of State website.

Section 3.2.11 National, State, and Post Bylaws

## **SECTION IV INSPECTION PROCESS**

Section 4.1 A proper inspection must follow the inspection form as a guide and not be rushed.  
*See attachment One for an explanation of each question.*

Section 4.2 Inspectors will attend Post or District meetings as part of the inspection process.

Section 4.3 Inspectors will provide feedback and answer questions during the inspection to better help in understanding the process.

Section 4.4 The State Inspector will review the submitted inspection and complete a detailed report including findings and recommendations to correct deficiencies. The written report and the inspection will be sent to the Post Commander, Post Quartermaster, District Commander, and District Inspector. with a date of 30 days set to follow up. *See Attachment Two.*

Section 4.5 The Inspector will complete the VFW Inspection form and submit it to the Department for review.

Section 4.5.1 Inspectors can submit an inspection one of two ways.

- i. U.S. Postal Service by mailing to VFW Department of Illinois, 3300 Constitution Drive, Springfield IL 62711
- ii. Scan the documents into a PDF file (preferred method) only (no photos) and email to [vfwil@vfwilorg](mailto:vfwil@vfwilorg).

Section 4.5.2 A complete inspection will include all the following documents.

- i. The inspection form(s)
- ii. A complete copy of the post's most recent bylaws showing the approval from the Commander in Chief (CinC) with National cover letter.
  - a. Anytime bylaws are amended they must be approved by the CinC and a copy provided to the Department.
- iii. A complete copy of the VFW Articles of Incorporation Template showing approval from the CinC with National cover letter.
- iv. A complete copy of the most recent State of Illinois Articles of Incorporation with the Illinois Secretary of State File stamp.
- v. A copy of the IRS 948 determination letter.



## ATTACHMENTS

### ATTACHMENT ONE (1)

#### SECTION IV: 4.1 INSPECTION FORMS

##### National Inspection Form Documents and Items needed for Inspection

1. Copy of Post bylaws.
  - a. Must have the stamp of approval or cover letter with date from National Commander in Chief. If not approved the bylaws are invalid



2. Copy of Articles of Incorporation
  - a. Must have stamp of approval or cover letter with date from National Commander in Chief. If not, your post is not incorporated.





- b. Must have filed stamp for Illinois Secretary of State (SOS)

FORM **NFP 102.10**  
**ARTICLES OF INCORPORATION**  
General Not For Profit Corporation Act  
File # **73424267**  
Filing Fee: \$50  
Approved By: MAP  
**FILED**  
**SEP 12 2021**  
**Jesse White**  
**Secretary of State**

- c. The exact name of the Post incorporation as is written on the Articles of Incorporation.

Entity Name	MONTGOMERY MEMORIAL POST #7452 VETERANS OF FOREIGN WARS OF U. S., INC.
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- d. Name of registered agent and “change date” as found on the SOS website. The registered agent must notify the SOS of the names of the Officers before the first of the month each year (annual report) the post was incorporated.

- i. All the above information for 2b, c, d must be verified by the Inspector by going to the Illinois SOS corporation website to also ensure the Post is in Good Standing/Active

<https://apps.ilsos.gov/corporatellc/CorporateLlcController>

Corporation/LLC Search/Certificate of Good Standing

Corporation File Detail Report

File Number	25342174
Entity Name	MONTGOMERY MEMORIAL POST #7452 VETERANS OF FOREIGN WARS OF U. S., INC.
Status	ACTIVE
Entity Information	
Entity Type	CORPORATION
Type of Corp	NOT-FOR-PROFIT
Incorporation Date (Domestic)	Thursday, 30 June 1955
State	ILLINOIS
Duration Date	PERPETUAL
Agent Information	
Name	BRIAN J MURPHY
Address	808 N LAKE STREET AURORA, IL 60005
Change Date	Friday, 18 September 2020
Annual Report	
Filing Date	Monday, 9 May 2022
For Year	2022



3. Copy of current election report to verify all Officer positions are filled.
4. Are delegates elected in accordance with Section 222 of the National Bylaws? Verify by checking meeting minutes from election date.
5. Adjutant files: *Any no in this section indicates a neglect in duties and responsibilities as prescribed in Section 218 of the Manual of Procedure.*
  - a. Does the adjutant have a file in good working order?
  - b. Easily accessible file of all members applications and DD 214
  - c. File of approved meeting minutes from past meeting (*Posts must retain minutes for a minimum of 5 years*) *In some instances, it may be advisable to retain the minutes of Post meetings when those minutes contain policy decisions. Normally, however, those policy decisions would have been incorporated into the Post Bylaws, and the minutes would only be of minor historical significance.*
  - d. File of any current orders
  - e. Correspondence file: General correspondence needs to be kept for 3 years; Executive correspondence is kept for 10 years.
  - f. File of all current Officers applications and DD 214. Separate from all others.
  - g. File of Post, District, Department and National Bylaws
6. Utilize a copy of previous minutes to verify all incoming members are properly voted on by the membership IAW Sections 106 and 107 of the Manual of Procedure.
7. Utilize copies of previous meeting minutes to verify meetings are taking place with a proper quorum IAW Section 203 of the National Bylaws.
8. Utilize previous meeting minutes to verify all committee reports are given. Compare reporting committees against committees listed in Post bylaws. *If a committee is listed in the bylaws, then the post is required to have such committee and reports.*
9. Verify through the Department dashboard. All Posts should have a copy with the confirmation of the last report submitted.
10. Verify through the meeting minutes that the Post has planned to observe Memorial Day, Veterans Day, Flag Day and Loyalty Day IAW Section 223 of the National Bylaws.
11. Yes, or no?
  - a. If no, try to identify why and help educate.
12. Date of last Poppy distribution
13. Who is on the committee and what actions are they taking?
14. Copies of approved audits from current year



15. Do the starting and ending balances match. Verify audits have been submitted and approved through the Department dashboard. *Failure to conduct the audits, as required, will invalidate the Post Quartermaster bond.*
  - a. Date of last audit
16. Post Funds: Verify all account balances by reviewing current bank statements. Any discrepancies should immediately be brought to the attention of the Post Commander and Trustees.
  - a. Total of all checking account balances
  - b. Total of all savings account balances
  - c. Total of all CDs or bonds
  - d. Total of any other types of accounts
  - e. Add all the above together.
  - f. Total of Quartermaster bond as verified with a copy of the bond.
  - g. Do the totals match all current bank statements?
  - h. The Quartermaster bond must be greater than the total of accounts. All liquid accounts and monies must be reported and bonded. *A CD is considered liquid therefore MUST be bonded.*
17. Name of Bonding Company and expiration date
18. Each Officer accountable for funds or property shall be bonded.
19. Quartermaster Files: Verify this section by utilizing Quartermaster records and Adjutant files.
  - a. Does the Quartermaster have a file in good working order?
  - b. Is membership being processed properly? Not holding back or waiting until “next year”. Members should not be processed until a membership vote approves it.
  - c. National Bylaws Section 219: A relief fund will be established and maintained by the Posts... Verify there is a relief fund, and it is not being misused or comingled with other funds.
  - d. National Bylaws Section 709 requires that the Post Quartermaster have custody of all funds.
  - e. Does the Quartermaster prepare and provide a monthly report to the membership? Verify by reviewing reports and meeting minutes.
  - f. Review current 990 filing. The IRS mandates that all Posts have their current 990 filing available for public viewing. Verify Tax Exempt Status via <https://apps.irs.gov/app/eos/> by searching a Posts EIN.
  - g. Date of last 990 filed. *Must be filed by November 15<sup>th</sup> of each year.*





IRS SEARCH | HELP | MENU

## Tax Exempt Organization Search

Select Database [?](#)

Search All ▼

Search By [?](#)

Employer Identification Number (EIN) ▼

Search Term [?](#) XX-XXXXXXX or XXXXXXXXXX

Enter EIN Number

City

Enter City

State

All States ▼

Country

United States ▼

20. Post FEIN number they utilize to file 990s.
  - a. *See Appendix A for instructions on how to file a 990*
21. Review previous meeting minutes to verify expenditures are being voted on.
22. Proof of how the relief fund is being used, i.e., receipts.
23. Are expenditures being paid on time and IAW with National and Post Bylaws?
24. Is anyone pre-signing checks, if so, who? *Checks should never be pre-signed.*
25. Yes, or no?
  - a. Value of real-estate property, Monthly payments made on property, Balance of remaining loan on property.
  - b. The exact name the real estate title is held in.
26. Review a copy of Post Insurance policy showing Department and National VFW as insured
27. Retention policy can be found in the Quartermaster training guide.
28. If yes, then a Department of Illinois Inspection form must be completed.



**Department of Illinois Inspection Form  
Documents and Items needed for Inspection**

1. Copy of Federal form 941, Employer's Quarterly Tax Returns has been filed.
2. Copies of Employee W-2 & W4's
3. Copy of AG990 Illinois Charitable annual report. Enter date filed.
4. Proof of State sales tax payments are up to date.
5. Proof of UI-3/40 State unemployment Compensation Tax was filed.
6. Proof Quarterly State Payroll Tax, Illinois form 941 was filed.
7. Proof of filing of PTAX-763.
8. Are all required liquor licenses on display and up to date? Enter date of expiration
9. Are the required food handlers license displayed and up to date? Enter date of expiration
10. Are the required video gaming licenses on display and up to date? Enter date of expiration.
11. Is the State bingo license on display and up to date? Enter date of expiration.
12. Is the State pull tab license on display and up to date? Enter date of expiration.
  - a. If any of the answers for #8 - #12 are not applicable to the post enter N/A
13. Does the Post have proof the annual report was filed with the SOS? This will also be verified on the National inspection form in section 2. Verify through Illinois SOS website.
  - a. *See Appendix B on how to file an annual report*

Annual Report	
Filing Date	Monday, 9 May 2022
For Year	2022



## ATTACHMENT TWO (2) INSPECTION REPORT TO POST COMMANDER

INSPECTION REPORT FOR: POST #####

TO: Post ##### Commander, {NAME OF COMMANDER}  
FROM: Department Inspector, {NAME OF STATE INSPECTOR}

1. PURPOSE & SCOPE: On MM/DD/YYYY, District Inspector, {NAME}, conducted an inspection of your Post's administrative and financial records for fiscal year 20XX. The inspection was conducted in accordance with National and Department Bylaws utilizing the National and State Inspection Form.

This letter serves as your inspection report with a copy kept on file at the Department.

### 2. FINDINGS & RECOMMENDATIONS:

#### Specific Findings:

a. **Item 1, Number 1a:** Post bylaws have not been approved by the Commander in Chief. Complete the Post Bylaws Template attached to this email and submit it to the Department for approval.

#### **Sec. 202 - Bylaws.**

Copies of Bylaws, including amendments, adopted by a Post shall, within thirty (30) days, be forwarded to the Department Commander for review and forwarding to the Commander in-Chief. Bylaws or amendments adopted by a Post shall become effective upon review by the Commander-in-Chief, provided such Bylaws do not conflict with the Bylaws, Manual of Procedure, Ritual or laws and usages of the Veterans of Foreign Wars of the United States.

b. **Item 2, Number 24:** Checks are pre-signed by officers. Checks shall never be "pre-signed" by any officer and are not considered an acceptable banking practice.

#### Recommendation(s):

Recommend amending the bylaws to include:

- i. Post bylaws should be updated to reflect a more current date.
- ii. Update Officer Election status for Judge Advocate and Surgeon being appointed.
- iii. Electronic Attendance. Members may be allowed to participate in meetings using technology that allows participating members to communicate with each other simultaneously. Post Commander at their respective judgment and discretion may make such accommodations to conduct business of the post electronically.
- iv. Article XI Section 3 Demeter's Rules of Order should be replaced with Roberts Rules of Order, Newly Revised.



3. **SUMMARY:** The Inspection identified a few minor findings with recommendations detailed above. To better assist you, the Post must submit within 30 days of receipt of this letter updates and corrective actions to address the reported findings. If the Post is unable to update or correct identified findings a corrective plan of action should be submitted to the District Commander, District Inspector and State Inspector every 30 days until all findings have been corrected. Each update received will be added to the inspection report maintained with the State Inspector.

[NAME]  
Assistant Inspector  
[NAME]  
State Inspector  
VFW Illinois



## APPENDIX A

### OVERVIEW OF FORM 990

Form 990 is an annual information return required to be filed with the IRS by most organizations exempt from income tax under section 501(a). Parts I through XII of the form must be completed by all filing organizations and require reporting on the organization's exempt and other activities, finances, governance, compliance with certain federal tax filings and requirements, and compensation paid to certain persons. Additional schedules are required to be completed depending upon the activities and type of the organization. By completing Part IV, the organization determines which schedules are required. The entire completed Form 990 filed with the IRS, except for certain contributor information on Schedule B (Form 990), is required to be made available to the public by the IRS and the filing organization and can be required to be filed with state governments to satisfy state reporting requirements.

If an organization normally has gross receipts of \$50,000 or less, it must submit Form 990-N.

If an organization has gross receipts less than \$200,000 and total assets at the end of the tax year less than \$500,000, it can choose to file Form 990-EZ, Short Form Return of Organization Exempt from Income Tax, instead of Form 990.

If an organization eligible to submit Form 990-N or file the Form 990-EZ chooses to file the Form 990, it must file a complete return.

#### Prepare to File?

Only eight items of basic information about your organization.

1. Employer identification number (EIN)
2. Tax year (calendar or fiscal filer)
3. Legal name and mailing address
4. Any other names the organization uses.
5. Name and address of a principal officer
7. Website address if the organization has one.
8. Confirmation that the organization's annual gross receipts are \$50,000 or less.
  - If applicable, a statement that the organization has terminated or is terminating (going out of business)

Do not use a smart phone or tablet to file your Form 990-N.

#### Submitting Form 990-N (e-Postcard)

To access the Form 990-N Electronic Filing system:

1. **Sign in with your active IRS username, or**
  - a. <https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard>
2. **Sign in/create an account with Login.gov or ID.me:** Form 990-N filers who have an existing IRS username and register for a new Login.gov or ID.me account must use the email address associated with their IRS account.



## **APPENDIX B**

### **IL SOS ANNUAL REPORT**

All Not-For-Profit Corporations must file an annual report on Officers with the Secretary of State. The due date depends upon when the corporation was formed. The annual report is due before the first day of the corporation's anniversary month each year. The anniversary month is the month in which the corporation was formed. For example, if the date of incorporation was Sept. 15, the anniversary month is September, and each annual report is due before the first day of September each year.

#### **Guidelines**

1. A corporation may file an annual report electronically.
  - a. [https://www.ilsos.gov/departments/business\\_services/annual\\_reports/nfp\\_instructions.htmls](https://www.ilsos.gov/departments/business_services/annual_reports/nfp_instructions.htmls).
2. The registered agent may be changed by filing a Statement of Change of Registered Agent using paper form NFP 105.10/105.20
  - b. [https://www.ilsos.gov/publications/pdf\\_publications/nfp10510.pdf](https://www.ilsos.gov/publications/pdf_publications/nfp10510.pdf)
  - c. A maximum of six officers can be entered electronically.

#### **Fees**

1. On time Annual Report - \$10.00
2. Late Fee - \$13.00 (Includes \$3.00 penalty)
3. Payment must be made using Visa, MasterCard, Discover or American Express credit or debit card.
4. A payment processor fee will be assessed to all transactions.
5. Payment of all fees due is required during the electronic filing process.