



National Headquarters  
3725 Alexandria Pike  
Cold Spring, KY 41076  
Phone (859) 441-7300  
Fax (859) 441-1416  
Toll Free (877) 426-2838  
www.dav.org

### **MEMORANDUM**

**TO:** Department Commanders and Adjutants  
**FROM:** Joseph W. Johnston, National Commander  
**SUBJECT: ACCUMULATION OF FUNDS OF CHAPTERS**  
**DATE:** July 21, 2014

As you may know, Article 18 of the DAV National Bylaws and National Executive Committee Regulation 7 provide restrictions and limitations on the accumulation of funds by DAV subordinate units. The restriction on the accumulation of funds by DAV subordinate units currently provides that DAV subordinate units may not accumulate funds in excess of three times the expenses of their last accounting year and, further, that any excess accumulated funds must be spent for service purposes within a reasonable time.

To ensure there is uniform compliance with the excess accumulated fund provisions, it is requested that the Department closely review and monitor future financial reports for all chapters within your Department. If you find that a chapter has excess accumulated funds, you should request a written spend down plan be sent to the Department for consideration. This plan should set out a program for service to disabled veterans and their families, which will bring the chapter into compliance with Article 18 over the next five (5) years. The plan should also specify the service programs to be funded, whether at the Chapter, Department or National level, and the specific amount to be expended for each such service program. Please be sure to provide National Headquarters with a copy of the Department's correspondence requesting the written spend down plan from the chapter. Once the Department receives an acceptable spend down plan from a chapter, a copy of said plan and Department approval letter should be provided to National Headquarters as well.

It is important to note this standard is not solely a creature of the DAV. Both the IRS and the Better Business Bureau Wise Giving Alliance have equal or even greater yardsticks.

Your assistance in helping to significantly expand our programs of service for veterans and their families and to help bring all DAV units into full compliance with Article 18 and NEC Regulation 7 at the earliest possible time is greatly appreciated.

A handwritten signature in black ink, appearing to be 'J. Johnston', with a long horizontal line extending to the right.

JOSEPH W. JOHNSTON  
National Commander

JWJ:as

c: National Adjutant Burgess  
National Headquarters Executive Director Jesinoski  
National Inspector General Hartman