

# VFW Rules and Officer Responsibility

## INTRODUCTION --

When the Veterans of Foreign Wars was first organized, it was primarily an association of individual groups all working toward common goals of veterans legislation, veterans benefits, veterans rehabilitation and patriotism. Administration was comparatively simple since the only problems were those of getting information to the members and getting them to agree as to what was to be done.

These STILL are our major goals but the interests of the Veterans of Foreign Wars have broadened and activities on the local -- Post -- level have grown far beyond the original purpose.

Youth Activities -- Civic Betterment -- Humanitarian Projects -- Community Service -- these all take a tremendous amount of individual volunteer effort and a lot of money. In the raising of that money -- and in providing recreation and social activities for our own members -- our Posts have branched into activities which have multiplied administrative problems far beyond what our founders could possibly have dreamed.

These problems are compounded by the fact that a VFW Post is almost a pure democracy and nearly all of its programs depend upon volunteers. Decisions are made by vote of people who are completely informed on the subject and are carried out by volunteers and amateurs. As a result, if there is not a set of hard and fast rules to follow -- and a clear understanding of fields of responsibility and limits of authority -- there are going to be misunderstandings and irritations which create dissension and detract from the purpose of the organization.

This problem has been recognized and very sincere efforts have been made -- and continue to be made -- by the National and Department Organizations to provide rules and guidance for Post Officers and committeemen in carrying out the duties of their particular field of responsibility.

The MASTER SET OF RULES for the guidance of all Post activities is the VFW National By-Laws and Manual of Procedure. The By-Laws are the basic rules -- the Manual of Procedure goes into further detail. These govern all activities of the Veterans of Foreign Wars and are inflexible. They are worded very clearly, and they mean just what they say.

Because of the fact that state laws differ and there is a wide variance between Departments in their organizational make-up, most Departments have adopted DEPARTMENT BY-LAWS which apply only to Posts within that Department. These must not conflict with the National By-Laws nor can they permit anything which is prohibited by the National By-Laws.

In most cases, Department By-Laws deal with policies to be followed at the Department or District level and do not attempt to go into detail in the operation of the Post. They can impose MORE restrictions on Posts but never LESS than are provided in the National By-Laws.

Naturally, a basic set of rules cannot contain much detail nor can it specifically provide for every possible contingency in every Post -- from the little 25 member Post which holds a meeting once a month and lives off its dues -- to the thousand member Post which owns its own home and conducts dozens of activities in as many different fields.

For that reason, SPECIALIZED rules must be formulated and adopted to cover specific activities. The more complicated the activity, the more specific the rules must be.

These rules seek to prevent Posts from falling into the common pitfalls of poor planning, deficit financing, loss of control, and illegal operations.

Since the By-Laws are designed to cover a wide range of operations, they cannot -- and do not attempt to -- specifically detail every move of the Post. They are something like a building code. They establish cer-

tain minimum requirements but they permit you to build a lot of different kinds of houses.

As a Post grows in size and activity, there are certain steps it either **should** take or must take to protect itself and its officers and avoid future arguments and misunderstandings which can create problems and dissension.

**INCORPORATION:** The first steps that any Post must take before it branches into **any** type of community project, social activity or financial undertaking is incorporation. Most Posts are already incorporated -- the rest should be.

There are two general sets of rules which cover incorporation of a VFW Post: the laws of the individual state, and the National By-Laws of the Veterans of Foreign Wars (Section 708). To be recognized, your corporation must comply with both and must be submitted to the Commander-in-Chief for review.

In just about every Department, incorporation of a Post is a comparatively simple matter since forms which meet the requirements of state law and the National VFW are available upon request from Department Headquarters. If they are not available, I would strongly urge that such forms be prepared, approved by the appropriate state official and the National VFW and reproduced for use by the Posts.

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

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

It is the general policy of the National Veterans of Foreign Wars that approval will not be given to separate Holding Corporations or Club Corporations. Some of these have been approved in the past and conceivably will be permitted to exist under that approval, but there will be no more in the future. (Unless changes in laws or regulations make a change in policy necessary.)

There is no particular advantage in the pyramiding of corporations. The Post incorporation is sufficient to protect all its operations -- **if those operations are kept under control of the Post**. The general purpose of a separate Club Corporation or Holding Corporation is to take control **away** from the members of the Post. Usually it has not been done for any dishonest purpose but in the belief that more efficient operation will result from tighter control by a smaller group of people. It is the contention of the Veterans of Foreign Wars that sufficient control may be exercised -- without sacrifice of democratic processes -- by the adoption of Post By-Laws and rules.

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

**POST BY-LAWS:** Every Post operating any type of activity -- particularly a Club or Post Home -- should adopt Post By-Laws. Section 202 of the National Manual of Procedure requires that such By-Laws be submitted to the State Commander and Commander-in-Chief for review.

The **Post By-Laws** can cover the gaps left in the National By-Laws and Department By-Laws and Rules. Where the former are the BUILDING CODE, the Post By-Laws are the HOUSE PLAN. They show just what you are trying to accomplish.

The National or the Department Organizations can furnish you with a Post By-Law template. However, they are the responsibility of the Post and may be set up in the way best suited to the type of operation contemplated by the Post. They CANNOT permit anything prohibited by National or Department

rules, nor can they take away any of the responsibilities or authority of Post Officers. They **CAN** set up general procedures and policies within the Post.

Post By-Laws may provide for the establishment of certain standing committees within the Post, state how they are to be selected and the limits of their powers and duties; they may give authority for the sponsorship of recurring activities; limit the expenditures of funds; establish the procedure for carrying out certain objectives; and provide for their own amendment.

Generally speaking, they set up the **policies** of the Post and provide for carrying them out. They protect the member against ill-conceived or hasty actions since they generally provide for prior notice and a 2/3 vote for amendment, and they promote a clearer understanding of operating procedures.

Matters of **policy** are covered in the By-Laws, **details of management** of a Post Home or Club are left to the Post Club or Home regulations.

**CLUB REGULATIONS:** These, again, are left to the Post for adoption although they must not conflict with the National By-Laws, Department Post Home Rules or Post By-Laws. Suggested forms are available although they are not designed for adoption in their entirety. The variance between Posts make it impossible to adopt a standard form for all Posts. Some operate entire buildings with activities scheduled every day of the week; others may own or rent very modest quarters and only be open occasionally. Some have a full-time paid staff of employees while others may operate entirely on volunteer help.

The Club regulations cover the details of operation. They outline the responsibilities and limits of authority of the Post membership, the House Committee, the Club Manager, and the guests. They cover opening and closing hours, decorum, enforcement of rules, hiring of paid help, financial authority and keeping of records.

For any Post operating a Club or Post Home, local regulations are a **must**. They will save many hours of argument, and remove most causes for misunderstanding and dissension.

### **OFFICER RESPONSIBILITY AND LIMITS OF AUTHORITY**

If every Post Officer were familiar with his duties and responsibilities and their limitations -- and carried out his duties to the best of his ability -- there would be very few squabbles within a Post and none which would require outside intervention. The National Manual of Procedure specifically lists certain duties for each officer and, in the normal course of events, this would be sufficient. However, the complex nature of the operations of many Posts make it necessary that we look beyond a mere listing of duties and fully understand the reasons for the division of authority. In this way we can apply them to the unusual situations which are bound to crop up from time to time.

The **POST MEETING** is the center of all Post activities. Every member has a right to attend all meetings and has a voice in their proceedings. It is at the Post meeting that the Post adopts its By-Laws, its Club Regulations, decides its policies, and distributes responsibilities. Within practical limitations, the Post meeting is supreme to the Post Officers, committees and employees. The membership present may overrule decisions of the Post Commander or House Committee; they may approve expenditures, set policies, and delegate authority. The Post meeting **cannot** take any action contrary to the National or Department By-Laws or rules or in conflict with its own By-Laws.

It is important to understand that there **are** limitations on the authority of the Post. A member has the right to appeal any Post action to the State Commander, who will determine whether that action was proper. In extreme cases, a member can go to the courts if he feels that his rights have been abused by an action of the Post. The Post cannot take **unreasonable** actions at a meeting. For instance, it could not refuse payment of a legitimate bill for an item authorized for purchase at a previous meeting. It cannot direct an officer or member to do anything contrary to VFW regulations or public law. It cannot take away any of

the authority given to individual officers through the National By-Laws.

Ideally, the Post meeting makes the rules and sets the policy for the Post; other levels of authority carry them out.

The **POST COMMANDER** is the key officer of the Post. He, alone, represents the JUDICIAL branch of the organization and also has some of the responsibilities of the EXECUTIVE branch. He presides at all meetings, enforces the rules, appoints committees not otherwise provided for, and makes certain that the other officers and committeemen perform their duties.

His authority extends to the Post Home or Club to the extent of enforcing the rules of the Post and the National and Department VFW, and public laws. He represents the authority of the Post between meetings, and his voice is that of the Post membership. He sees that the Post Trustees conduct their audits, that the Post Quartermaster is bonded, and that the House Committee properly supervises the activities of the Post Home.

His authority also is limited according to the rules of the organization and the bounds of common sense. He is in no sense a dictator. He cannot order nor permit the breaking of laws nor can he supersede the recognized authority of other officers or committees. He could not, for instance, order the Club Manager to keep the clubrooms open after hours, nor could he direct the Post Quartermaster to pay an unauthorized bill.

He should be familiar with all activities of the Post. He should sit in with the Trustees at their audits, or, at least, have a sufficient knowledge of their procedure to know whether they are doing their job. He should attend the meetings of the House Committee, calling to their attention any discrepancies he may have observed or complaints he may have received. He must know that, when he signs a check, it is in payment of a legitimate expenditure.

He is the arbitrator of arguments and the judge in disputes. As a general rule, his decisions are considered correct until over-ruled by the Post meeting, the State Commander or Commander-in-Chief.

The **POST QUARTERMASTER** has certain definite responsibilities and duties. He is the responsible officer for all Post funds and property and his signature validates all checks. He keeps the fiscal records for the Post and has the duty of overseeing all financial transactions. He must be bonded to the Post for all funds under his control.

In the case of a large-scale club operation, it often becomes impractical or impossible for the Post Quartermaster to physically handle all the funds or to personally keep the detailed records of operation. It is not uncommon in these cases to require that the Club Manager or a hired bookkeeper keep a separate set of club books, subject to the control of the Quartermaster and reported to the Quartermaster at regular intervals.

The Quartermaster is the **RESPONSIBLE** Post Officer in financial matters -- not necessarily the Post bookkeeper. In a large corporation the treasurer does not physically handle the bookkeeping obligations but he is responsible that they are done properly, efficiently and accurately. This may also be true of the Post Quartermaster, depending upon the Post By-Laws and Club regulations. In any case, he must be familiar with all books of record and is responsible for all required Federal and State reports and payments.

Remember that the Post cannot take away any of the **authority** of the Post Quartermaster although he may be relieved of some of the **work**.

The Quartermaster only pays bills which are authorized by Post action or under Post rules. He **cannot** refuse to pay a legitimate and properly authorized bill except for a lack of funds. Neither can he be forced to pay one which is not properly authorized.

Quite often a controversy arises between the Quartermaster and Club Manager as to responsibility for Club funds. Sometimes a fine point arises which must be arbitrated. As a rule of thumb, the Quartermaster

keeps his nose out of the cash register except for checking purposes, and the Manager hides no transactions from the Quartermaster. The Quartermaster does have the right, and the duty, to determine that all reports are correct and that all funds are handled properly. He **does not** have the right to assume managerial responsibilities.

The **POST TRUSTEES** duties are probably the most misunderstood of any of the Post Officers. They are primarily the WATCHDOGS of the Post funds. They make certain that no one has his fingers in the till. They audit the Post funds regularly -- at least once each quarter.

While the National By-Laws are silent on this point, it would seem logical that the Trustees also have authority and responsibility concerning the proper handling of funds. It is only reasonable that their authority should not be limited to catching a dishonest person. Equally important should be the **prevention** of dishonesty. Where funds are guarded carelessly or records are kept inefficiently, the Trustees should call attention to this and make every effort to correct it.

The Trustees duties extend to **every** operation of the Post. Their audits must cover all activities, including the clubrooms, the bar, bingo, or any other source of income or financial transactions.

Again, it is not always entirely necessary that the Trustees do their own investigating and conduct their own audits. In most cases, the Trustees are not qualified accountants, particularly where large amounts of cash are involved and the operations are especially complex. Many Posts employ a private firm of accountants for the purpose of an audit. This is to be encouraged rather than discouraged. In these cases, the auditors report to the Trustees and the Trustees make certain that the audit is conducted correctly.

A quarterly audit of all funds and accounts is an absolute necessity. If the Trustees do not function in a proper manner, the Commander may deem it an emergency situation and appoint an auditing committee on his own initiative.

Regardless of the size of the Post, a quarterly audit is mandatory. Failure to conduct one may result in the cancellation of the Post Quartermaster bond and will take away all voting privileges at District and Department Conventions.

The Trustees do not have any authority over the management of the Post Home, nor is property held in their name in an incorporated Post. They cannot serve on any committee having to do with the handling of Post funds, and cannot therefore serve as members of the House Committee, Bingo Committee, etc. There is nothing to keep a Trustee from serving as a volunteer worker or in an appointive capacity where Post funds are not handled.

The **HOUSE COMMITTEE** functions only in a Post which operates a Post Home or Club. This committee may be selected in anyway the Post determines but it is generally considered advisable that it be elected by the Post membership, with the members serving staggered terms, on the order of Post Trustees. This lessens the possibility of one certain group gaining and retaining control of the club.

The duties of the House Committee should be laid out in the Post By-Laws and/or Club regulations so there is no misunderstanding of their powers and responsibilities. The purpose of the committee is to act on behalf of the Post in making certain that the club is run in an efficient, reputable and legal manner and that the rules of the Veterans of Foreign Wars are adhered to.

It is the general procedure for the House Committee to hire all employees, set their salaries, and issue necessary instructions and orders to the Club Manager. The committee usually meets at least once a month for the purpose of discussing problems, taking inventory, studying financial reports, and in general, acting as an advisory, supervisory and disciplinary board. No member of the House Committee should ever be permitted to act as Club Manager or as a paid employee of the club.

The House Committee is generally given authority to suspend the club privileges of any member and to establish and enforce, through the Club Manager, rules of decorum and behavior. They usually, also,

have the authority to suspend or discharge the Club Manager or any employee for good and sufficient cause. In any disciplinary action, discharge or suspension, there should be provision for an appeal to the Post meeting.

The committee cannot make or enforce any rules contrary to the rules of the National or Department VFW, public law, or the lawful instructions of the Post. If it is elected from the Post floor, the committee is directly responsible to the Post floor and makes its reports to the Post at meetings. Refusal to comply with the rules and instructions of the Post is grounds for removal of any or all members of the House Committee.

The **CLUB MANAGER** is directly responsible to the House Committee for the management of the Post Clubrooms. He has the direct responsibility for supervising employees, enforcing rules, and accounting for receipts and expenditures. He must have enough authority to permit him to do so with a reasonable degree of freedom from interference. He must keep his accounts in such a manner as to justify all expenditures and verify all receipts. He must make reports to the Post Quartermaster and to the House Committee. He enforces the rules but he does not make them.

The Club Manager keeps all payroll records, recording amount of pay to each individual and withholding the proper amount of Federal and State Income Taxes and FICA Taxes. Either he or the Post Quartermaster must make the necessary Federal and State reports and payments for withholding taxes, Social Security and Unemployment Compensation.

The Club Manager has the right to appeal any decision of the House Committee to the Post floor for arbitration. Post members should, however, be cautious in overruling the actions of its own representatives on the House Committee, particularly in the case of frequent appeals. A dishonest Club Manager generally has no problem in bringing in enough friendly votes at a meeting to uphold his appeal.

IN SUMMARY, it must be remembered that the Veterans of Foreign Wars itself is supreme in any dispute. The National and Department rules and the Post By-Laws and rules outline the way the Post and the Club must be run. The Post, in **all** cases, is above the Club. The Club is merely an activity of the Post and must be treated as such. In no case is it a separate entity.

When a Post is chartered it is granted a license or franchise for the use of the name of the Veterans of Foreign Wars in the carrying out of programs which are assumed to be of value to the entire organization. At any time that a Club or other activity is managed in such a manner as to harm the good name and reputation of the Veterans of Foreign Wars, the right to use the name can be revoked.

As a general rule, the operations of VFW Posts and their Clubrooms in the Departments are a credit to the organization and a source of pride to its membership. Through proper adherence to the rules of the VFW and the duties and responsibilities of our officers, we can avoid the many misunderstandings and bitter arguments which can break the finest Post.

**Suggested guidelines of By-Laws and Articles of Incorporation  
are available from Department Headquarters.**