



American Legion Auxiliary

Department of California

401 Van Ness Avenue, Room 113

San Francisco, CA 94102.4586

(415) 861-5092 FAX (415) 861-8365

E-mail: calegionaux@calegionaux.org

Department Website: calegionaux.org

Unit Procedure for Charter Cancellation

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Unit Procedure for Charter Cancellation

Naturally, before these procedures are put into effect, everything should be done to try to save or reorganize the Unit whenever possible. If the Unit can be revitalized and needs assistance, contact the District President. If she needs assistance, she will contact the Department President.

Step 1: Notify the District President

The Unit **must** notify the District President that they are considering surrendering the charter before any actions are taken.

Step 2: Discussion of surrender at a regular Unit Meeting

The **possibility** of surrender must be discussed at a regular Unit meeting. No one person or group of officers can make this decision.

Step 3: Membership Notified of Possible Surrender

- Every Senior member **MUST** be notified by letter of the possibility of the surrendered of the Unit Charter.
- The letter must state the reasons for the action, and give the date, time and location of the meeting.
- It is suggested that a ballot be included with the letter to allow those who cannot attend the meeting the opportunity to vote.
- A copy of the letter should be forwarded to the District President. Members who attend this meeting will vote Yes or No to *begin the procedure for surrender of the Unit Charter*. (Note: A vote to surrender cannot be taken at this meeting since it is the last step in the procedure.)



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Surrendered Unit Checklist

Based upon Unit Procedure for Cancellation

	Document	Date
	District President Notified of possible surrender	
	Surrender discussion at regular Unit meeting	
	Senior members notified in writing of possible surrender	
	Senior members notified in writing of outcome of decision	
	ALL members notified / offered transfer to other units or Unit 1000	
	If Unit is Incorporated – contact Franchise Tax Board for instructions	
	Letter to IRS retiring EIN (Employer Identification Number)	
	Property of Unit distributed properly	
	Funds distributed properly once obligations are met	
	Final letter & ballot to membership	
	Minutes on discussions/meetings relating to surrender of charter	
	Final bank statement showing zero balance / distribution of funds	

Comments

SAMPLE letter (#1) Discussion On Possibility of Surrender

Name and Number of Unit

Unit Address

Date

Member's Name

Address

Dear Member's Name:

The officers of this Unit are having difficulties getting the work of the American Legion Auxiliary accomplished. There are only a few members attending meetings, there are not enough active members to accept the elected and appointed positions, the few members who attend meetings are no longer interested in being active.

We have been in contact with the District President. She advises us to call a special meeting to discuss the **possibility** of surrendering our Unit charter. She suggests that when we meet we should try to decide if we want to work at reorganizing our Unit to strengthen it or begin the procedure to surrender.

The special meeting will be held at the Veterans Building on March 10, 2002, 6:30 PM.

We hope that you will be able to attend this very important meeting. If you are unable to attend, we want to know how you feel about actions we are considering. Please take a moment to indicate your choice using the ballot below. If you have comments, make them on the back of the ballot. Return the ballot to the address above to arrive before March 10, 2002. Your vote and comments will be considered.

Thank you for your continued interest in the American Legion Auxiliary and its fine programs.

Sincerely,
Mary Jones
Unit President

Ballot to vote on possibility of surrendering Unit Charter

Member Name _____

Membership Number _____

- I vote to continue the Unit and will assist in reorganization
- I vote to begin the procedure for surrender of the Unit Charter

Step 4: Decision Made by vote of Unit to Surrender

Once the Unit votes to begin the process of surrender, a second letter should be sent to all of the senior members notifying them of the decision. Contents should contain:

- Date, time, and location of future meeting/s that will be held to conclude business and take the final vote to surrender which will be the last action the unit will take.

(Note: Be sure to set a meeting date to take the vote to surrender far enough in advance to allow for satisfying the required steps.) Once again, including a ballot to be returned by the member allows all members the choice to vote Yes or No to surrender.

SAMPLE LETTER #2 FINAL CHARTER SURRENDER

Name and Number of Unit
Unit Address
Date

Member's Name
Address

Dear Member's Name:

At a special meeting held on _____, it was voted with regrets to surrender our Unit Charter.

A meeting is scheduled to be held on _____ at _____ to discuss how our property and funds will be distributed. Once the Unit completes all business, distribution of property and funds; and if a final Unit meeting is needed to vote on the surrender of the Unit Charter, it will be held on _____ at _____.

We hope that you will be able to attend both of these meetings but in the event you can't, we want you to have the opportunity to cast your vote. Please take a moment to fill out the following ballot and return it to me at the above address. Ballot must be received no later than _____.

As the American Legion Auxiliary values your membership, we would like to give you an opportunity to transfer your membership to another local Unit so that you don't lose your continuous membership. The preferred choice and one that helps the District is to transfer to another local active Unit, however, there is another alternative of transferring your membership to the Department of California Unit 1000 which is an inactive Unit. Please note that if you don't transfer to another Unit before September, you will automatically be transferred into Unit 1000. Member Data Forms for **Unit 1000** are mailed directly to: American Legion Auxiliary, Department of California, 401 Van Ness Ave., Rm. 113, San Francisco, CA 94102-4586.

To help you with transferring your membership, enclosed is a list of local Units with the names, phone numbers and addresses of each Unit President. Also enclosed is a Member Data Form that has been

partially filled out for you and all you have to do is fill in the name, # and location of the Unit you would like to transfer to, sign and mail or give the form to the Unit you are transferring to. If you have already paid your membership dues for the current year, you do not have to pay again.

There are a lot of reasons you should continue your membership but one you may not be familiar with is the Auxiliary Emergency Fund which is set up specifically to help members of the American Legion Auxiliary. This fund is designated to assist eligible Auxiliary members who have suffered a financial setback and is meant to be a bridge offering a helping hand until financial stability is re-established. In order to qualify for this program, you must have at least 3 consecutive years of membership to apply for assistance. Of course, there are many other benefits that are available to members and many reasons why we hope you will consider transferring your membership to another local Unit or to the Department Unit 1000 Unit.

If you have any questions please don't hesitate to contact me and I will do whatever I can to assist you.

Sincerely, yours,

Mary Jones
Unit President

Enclosures

List of Local American Legion Auxiliary Units and Points of Contact
Member Data Form for transfer to another Unit

BALLOT TO VOTE ON SURRENDER OF UNIT CHARTER

Member Name _____

Membership Number _____

- I vote to continue the Unit and will assist in reorganization
 I vote to surrender the Unit Charter

Step 5: All Members Notified of Membership Transfer Process

All (Seniors and Juniors) members must be notified that the surrender of the Unit means they will either transfer into another Unit of their choice or be automatically transferred into the Department Unit 1000 (currently dues is \$25 for Seniors and Juniors) once the National organization accepts the Unit charter. Every effort must be made to encourage members to transfer to active Units.

- It is suggested that when sending the final letter to the members advising of the impending meeting to vote to surrender a Member Data Form is included. The form should have all the necessary information filled in - member's name, address, membership number, Unit number, Department. The center section should include a highlight over the signature line for the member, and the current Unit Secretary should fill in the Unit number, Department, and signature. The letter to the member should explain that she may take the Member Data Form to another Unit and request to be transferred into that Unit. It is also suggested that the Unit provide the names and addresses of Units within the District. This is particularly important to Junior members who will not receive renewal notices for the next year.

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MEMBER DATA FORM

Member ID# _____ Date _____

(Required for all changes)

Name _____ Department _____ Unit _____

SR JR DECEASED, DATE OF DEATH ____/____/____

VIM Honorary Life Member

Life Member (Depts of CO, ND, SD ONLY)

Sample

CORRECTIONS

Old Information

New Information

Name _____

Name _____

Former Address _____

Former Address _____

Former City _____

Former City _____

Former State _____ Zip _____

Former State _____ Zip _____

Former Telephone # (____) _____

Former Telephone # (____) _____

UNIT TRANSFERS

PREVIOUS Unit # _____ Department _____

NEW Unit # _____ Department _____

Signature _ Member (Required)

Signature - New Unit Officer (Required)

ADDITIONAL INFORMATION

Marital Status: Married Single Widowed Divorced Date of Birth ____/____/____

Continuous Years of Membership _____ for _____ (Paid Year)

E-mail address _____

WAR ERA OF ELIGIBILITY (The Veteran, living or deceased, served in:)

- WWI (4/16/17 - 11/11/18) WWII (12/7/41 - 12/31/46) Korea (6/25/50 - 1/31/55)
 Vietnam (2/28/61 - 5/7/75) Grenada, Lebanon (8/24/82 - 7/31/84) Panama (12/20/89 - 1/31/90)
 Merchant Marines (12/7/41 - 8/15/45 Only Eligibility)
 Persian Gulf War (8/2/90 - Cessation of hostilities as determined by the U. S. Government)

BRANCH OF SERVICE OF ELIGIBILITY (The veteran, living or deceased, served in:)

- U. S. Air Force U. S. Army U.S. Marines U.S. Navy U.S. Coast Guard U.S. Merchant Marines

in Household _____ Occupation _____

181-003 (Rev. 08/03/05)
White copy goes to National Yellow copy goes to Department Pink copy goes to Unit

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MEMBER DATA FORM INSTRUCTIONS

1. The Member Data Form should be used to report name changes, address changes, continuous year changes, Unit transfers and deceased member(s).
2. The Member ID Number and address, Unit Number and name of Department are required for a Member Data Form to be processed by National Headquarters.
3. Although the information requested under "Additional Information" is optional, whenever possible this information should be provided. This will permit National Headquarters to maintain a more comprehensive database of American Legion Auxiliary membership.

The following information pertains to transfers only:

Transfer from one Unit to another is a privilege granted to any paid-up Auxiliary member ONLY with the approval of the Unit to which the member desires to transfer.

TRANSFER MAY BE MADE UNDER THE REGULATIONS LISTED BELOW:

1. No transfer shall be made unless the member requesting transfer has a membership card showing that she is a member in good standing at the time transfer is requested. Members whose dues for the current calendar year are not paid by January 31st of that year are suspended, are not in good standing, and are not eligible for transfer.
2. No charge shall be made to the member for the privilege of transfer and no dues shall be transferred from one Unit to another. The accepting Unit may require payment of difference in dues on a pro-rata basis if dues are higher than transferring member's former Unit.
3. Any Auxiliary member desiring transfer of membership must first secure approval from the Unit to which transfer is desired. She may do this orally or by letter. The Secretary of the new Unit will then complete and route the parts of the form as instructed below. She will also contact the old Unit to inform them of the transfer.
4. National Headquarters will carry through necessary procedures to transfer member's record to the new Unit, provided member's current record is on file and provided information on transfer certificate is complete.
5. Life members belonging to the Department of Colorado, North Dakota, and South Dakota should check with their Department Headquarters prior to making a transfer.

Route the three parts of the Member Data Form as follows:

WHITE & YELLOW COPIES: Mail to Department Headquarters (Department will forward the white copy to National and retain the yellow copy.)
PINK COPY: Retain in Unit Files

(Note: Signature of New Unit Secretary is required in reporting a transfer or a continuous years change.)

Step 6. All Unit Property Distributed

All American Legion Auxiliary property must be distributed properly.

- The bell, if not given to a Past President or another Unit, must be returned to the Department.
- The American Flag and Unit banner, if not given to a Past President or a charter member, may be donated to a local non-profit such as Girl Scouts or public building. Otherwise they should be returned (without the poles) to the Department.
- The Unit Charter (unframed and rolled) must be returned to the Department. Since there is not enough room at the Department Office to archive previous minutes, membership records, and banking records, the Unit should properly dispose of these items.
- It is important to realize that all funds are the property of the American Legion Auxiliary and that the Department and District should be given first consideration. All obligations to the Department/District must be met. These include:
 - Department/District per capita for membership
 - Fidelity Bond payment for the current Auxiliary year
 - Current membership per capita paid for any delinquent members should they want to continue membership in the American Legion Auxiliary.
 - VIM (Life Membership) paid for any members who significantly have contributed to the Unit.
 - Donations to the programs of the American Legion Auxiliary (both Department and National levels)
 - Donations to the programs of The American Legion Post
 - Do not close the Unit bank account until after the final vote is taken to surrender the charter. Make sure that while deciding on how to distribute the remaining Unit funds enough money is left in the account to cover the costs of postage, service charges, etc.

Step 7: Unit Incorporation

The Unit must determine if it is incorporated. If the Unit files documents with the State of California every other year, paying a \$20 filing fee, then it is incorporated. Contact the State of California, Franchise Tax Board to obtain the *Guide for Corporations Dissolving, Surrendering (Withdrawing) or Merging* (FTB Pub. 1038). Follow the requirements carefully to avoid delays.

Step 8. Notification of Internal Revenue Service (IRS)

Write a letter to the Internal Revenue Service advising of the impending surrender of the Unit. Request that the Unit unique Employer Identification Number (EIN) be retired.

SAMPLE letter #3 to Internal Revenue Service for Charter Cancellation

Name and Number of Unit
Unit Address
Date

Department of the Treasury
Internal Revenue Service
Philadelphia, PA 19255

Dear Madam/Sir:

On May 16, 2002 our Unit members voted to surrender the Unit Charter.

We request that our Employer Identification Number (type in the 9-digit number here) be retired.

Sincerely,
Mary Jones
Unit President

NOTE: If your Unit is Incorporated, you also need to send a letter to the California Franchise Tax Board retiring your incorporation # as well. It is recommended that you attach a copy of the letter to the Internal Revenue Service (IRS) to your letter to the Franchise Tax Board.

Step 9: Gather Items/Information That Must Be Turned Into the Department

- **All** Unit minutes relating to the surrender of the Unit charter. (A record of all discussions and meetings **MUST BE KEPT** and a copy of same with the notice/s to the membership must be retained for the protection of the Unit officers against later challenges that might occur.)
- Copy of letters sent to Senior members
- Final bank statement showing a zero balance
- Written statement of how the Unit funds were distributed
- Unit Charter (unframed and rolled)

It is required that the Unit Officers remain in close contact with the District President throughout the surrender process. The Unit must understand that the surrender process is timely to ensure compliance with the requirements set by the Department, National, the State of California and the IRS .

Step 10. Vote to surrender the Unit Charter.