



Department of New York

Inspector's Guide



Thank you for accepting the appointment and responsibility as the Department Inspector for the Department of New York.

Your are expected to perform your duties to the best of your ability and to become familiar with the requirements of the Department of New York's Inspection Program. This Chairman's Guide will provide you some of the necessary guidelines in performing your duties. There may be additional references you may need to review either on the Department or National websites and/or other documentation that may be issued during the ensuing year.

It is important you learn as much as you can about your position and ask questions if you are not sure of what you will be required to do. I and my staff are available to assist you in this endeavor to ensure you are successful in your efforts.

Of particular importance is the close coordination required between you and our District Commanders to ensure the minimum requirements of the inspection are completed and that the required forms and associated documents are forwarded to the Department as required. You may at your leisure visit the Department HQ to research required information as necessary.

You will be required to prepare a short but detailed status report to be presented at each of our Council of Administration (C of A) meetings and at our conferences when scheduled. From time to time you may also be asked to represent me at a District meeting, Anniversary or other social function on my behalf as required.

Thank you for stepping up and accepting this challenging position.

DEPARTMENT INSPECTOR

Duties and Responsibilities **Manual of Procedure (Sec. 518(a)(9))**

The Department Inspector shall ensure that each District, County Council and Post are inspected in accordance with the Department and National Guidelines, Department By-Laws or as directed by the State Commander. The requirements of such inspection are:

- a. That all books and records be inspected in accordance with a properly executed Inspection Form.
 - b. Receive from each District Inspector all completed inspections.
 - c. Perform such other duties as may be incident to the office or may be from time to time required by the laws and usages of the organization or on lawful orders of proper authority.
1. At the beginning of the year and preferably at the Council of Administration (C of A) meeting, meet face to face with the District Commanders and explain what you expect of them during the year. If a District Commander is not in attendance at the C of A or you cannot meet with them face to face, give them a call and have a discussion of what you expect them to do and what you expect them to pass on to their inspectors as guidance in the conduct of their inspections
 2. Provide each District Commander a packet containing a set of inspection forms for each of their posts along with a Post Inspection Checklist for each post so that the inspectors can go more deeply into post operations to ensure they are not getting themselves into trouble.
 3. What should you discuss with them?
 - Post Inspections should be completed as early as December 31st to take advantage of the good weather and try to have all inspections completed no later than February 1st.
 - Recommend that each inspector take with them the following blank forms so they can be provided to the post in the event there is a new Quartermaster or Trustee who is unfamiliar with the required reports that need to be submitted each year:
 - Community Activity Report

- Trustee Report of Audit
- Monthly Quartermaster Report of Receipts and Reimbursements

Encourage the District Commanders to have their Post Inspectors take the time to explain the forms and how they are to be completed and used as well as when they need to be submitted and to whom.

- Recommend that each inspector complete a Community Activity Report at the time of the inspection if one has not been submitted for the current period. By doing this, the post will have completed at least one report for the first reporting period.
 - A copy of the previous year's 990 or a copy of the e-mail acknowledgement accepting the on-line post card filing **MUST** be attached to the completed inspection report.
 - Remind them that the Inspector, Post Commander and Quartermaster must sign and date the inspection report (This was a missing item on some reports last year).
 - Remind them to make sure their Inspectors complete all blocks on the inspection report.
 - Recommend that their Post Inspector provide comments on the inspection form detailing any discrepancies, issues or problems they find during the inspection. They can also detail any good things that were found during the inspection.
 - Remind them to forward an original and one copy of the completed inspection form and the post's 990 to you.
4. Remind the District Commanders that their Councils or inspectors should collect the annual District Dues (if applicable).
 5. The Department Inspector after his/her review of the inspection report will return one copy to the District for filing.
 6. If Upon receipt of your copy of the completed post inspection, there are noted deficiencies identified on the Post Inspection Report, you will prepare a letter (per Sample Attachment) to the Post Commander identifying the discrepancy(s) using the sample Post Inspection/Feedback Action Follow-up Form and ask that the deficiencies be corrected at the earliest. Provide a copy of your letter to the District Inspector and put one copy in the Department Post File. **Make a tickler file or annotate on your**

calendar about two weeks out and follow up on your discrepancy with the District Commander to ensure the Post Commander is correcting the deficiencies.

7. It is recommended that you inform the District Commanders that it is advisable to maintain an Inspection Report History File so that each year's inspection reports may be maintained for each post in the District. This history file will enable each incoming District Commander to review the status of each post in his/her district to see if any issues exist that may need to be monitored, e.g. non submission of IRS 990's, Bell Jar problems, failure to bond, etc..

At the end of the VFW year the District Inspection Report History should be turned over to the incoming Commander for the coming year.

Reporting at Department Conferences and Meetings

As the Department Inspector, you will be required to provide a Committee Report at each Department conference. Your first report could consist of what you have done to begin the inspection program for the year. Follow on reports could consist of updating the District Commander's and C of A on the number of inspections completed for each District as the year progresses and any issues of particular interest that should be brought forward.

At each meeting you should remind the District Commanders present that they should continue to make progress on getting their inspections completed as soon as possible and any other information or recommendations you feel pertinent.

Repeated Errors Identified in Previous Inspections

Ensure the following errors are not repeated during the current year's inspections:

- Insufficient bond to cover the financial assets of the Post
- Incorrect Employer Identification Number (EIN) or different from the previous year
- Undated Inspection Forms
- Illegible printed names and signatures
- Failure to follow up on identified deficiencies noted during previous years' inspection
- Failure to forward an IRS 990 or Postcard e-mail acceptance

Attachments:

- ◇ District, County and Post Inspection Report (with Post instructions)
- ◇ Post Inspection Checklist
- ◇ Sample letter to Post Commander noting deficiencies/requesting corrective action.

POST INSPECTION CHECKLIST

- I. **Post:**
- ☐ Is Proof of Eligibility on file for elected officers?
 - ☐ Are elected officers dues paid for the year?
 - ☐ Do meeting minutes reflect acceptance/rejection of members applying for membership?
 - ☐ Are DD-214's or other source document maintained for each accession?
 - ☐ Does Post maintain a Dues Reserve Fund (per Sec. 717 of By-Laws & Manual of Procedure)?
 - ☐ Does the Post use a credit card? Are checks and balances in place to prevent abuse?
- II. **Trustee Reports:**
- ☐ Trustee Reports reviewed monthly by the Post Trustees
 - ☐ Trustee Reports completed quarterly
 - ☐ Trustee Report signed by all Trustees
 - ☐ Trustee Reports forwarded Quarterly to Department
 - ☐ Does the balance shown in the Post ledger at the end of the month in agreement with the bank statement, checkbook and Post Ledger?
 - ☐ Trustee Report attached to monthly meeting minutes
- III. **Monthly Quartermaster Detail of Receipts and Reimbursements:**
- ☐ Quartermaster uses monthly Quartermasters Detail of Receipts and Reimbursements
 - ☐ Quartermaster Detail of Receipts and Reimbursements signed monthly by Post Trustees
 - ☐ Quartermaster Detail of Receipts and Reimbursements attached to monthly meeting minutes
 - ☐ Receipts available for expenditures identified on the monthly report
 - ☐ Quartermaster Monthly Report balances with Post Ledger and Checking account
- IV. **Checking Accounts:**
- ☐ Checks signed by the Quartermaster. (Does the post by-laws require the Commander to sign)
 - ☐ Monthly statements balanced
- V. **Bonding:**
- ☐ Is the Quartermaster bond sufficient to cover disposable financial assets?
 - ☐ Are all individuals handling funds in the post bonded?
- VI. **Canteen:**
- ☐ Register tape run daily? Receipts transferred to the daily ledger?
 - ☐ Bills paid expeditiously
 - ☐ Bartenders bonded
 - ☐ Liquor Bond up to date? Liquor License up to date?
 - ☐ Quarterly Sales Taxes Paid and copies on file
- VII. **Bell Jar:**
- ☐ Bell Jar Chairman designated
 - ☐ Are Quarterly Bell Jar reports made to NY State in a timely manner?
 - ☐ Expenditures voted on and approved by the membership
 - ☐ Expenditures documented in monthly meeting minutes
 - ☐ Bank statements balanced each month
 - ☐ Games sold to the maximum 75%
- VIII. **Reports**
- ☐ Community Activity Report forwarded to Department Headquarters
 - ☐ IRS 990 filed annually? Copy on file?
 - ☐ Quarterly NY State Sales Tax filed for Canteen operations

IX. Miscellaneous

- ☐ Are appropriate deductions made from salaries and forwarded to Federal and State (unemployment insurance, FICA taxes, etc.) for paid employees?
- ☐ Is the National Convention Delegate Fee paid and at least one delegate registered for the National Convention? Delegate Fee paid and at least one delegate registered for State Convention?



Department of New York State Inspector

January 5, 2018

John Paul Jones
Commander
VFW Post 0000
9 North St.
Anytown, NY 12832

Dear Commander Jones:

Please find attached a completed copy of your Post Inspection Report for 2022. After review of the inspection report it has been determined that deficiencies have been identified that need corrective action which are identified in the attached.

Sincerely,

encl.

A. B. Sailor

Attachment: Post Inspection Feedback/Action Follow-up Form



DEPARTMENT OF NEW YORK VFW POST-INSPECTION FEEDBACK/ACTION FOLLOW-UP

Deficiency	Corrective Action
3. <input type="checkbox"/> Officer positions not filled as prescribed in Section 216 of the By-Laws	Determine why and recommend corrective action
4. <input type="checkbox"/> Post delegates not elected per Section 222 of the By-Laws	Determine why and require post to comply
5. Post Adjutant: <input type="checkbox"/> Books & Records not maintained in a legible & uniform manner	Instruct QM/Adjutant in proper maintenance
<input type="checkbox"/> Does not maintain a file of original application of every member admitted to the Post	Reinforce requirement to maintain original applications
<input type="checkbox"/> Does not maintain a file of meeting minutes after Correction & approval	Reinforce requirement to maintain all original minutes of meetings and corrections thereof
<input type="checkbox"/> Does not maintain a file of current orders or Circulars issued from higher authority	Reinforce requirement to maintain orders, etc.
<input type="checkbox"/> Does not maintain a correspondence file	Reinforce requirement to maintain correspondence file
<input type="checkbox"/> Does not maintain a file containing proof of eligibility of submitted by officers	Ensure proof of eligibility is on file for all officers and verify completion
<input type="checkbox"/> Does not maintain a copy of Department & National By-Laws	Ensure Post maintains the latest copy of Department & National By-Laws
6. <input type="checkbox"/> Applications for members are not read & voted on for approval	Reinforce requirement that all applications for membership be voted on by the membership
7. <input type="checkbox"/> Does not hold at least one meeting per month	Reinforce the requirement to hold a meeting at least once per month per Section 203 of the By-Laws
10. <input type="checkbox"/> Post does not observe Commemorative dates	Reinforce the requirement to observe Commemorative dates per Section 223 of the By-Laws
11a. <input type="checkbox"/> No cooperation between Post & Auxiliary(s)	Explain circumstances and report back by e-mail or other means the issues involved.
12a. <input type="checkbox"/> Date of last poppy distribution left blank	E-mail State date of last poppy distribution
13. <input type="checkbox"/> Post does not have an effective membership Recruiting and retention program	Meet with Post Officers and develop an effective Membership & Retention Program
14. <input type="checkbox"/> Elected Trustees do not review monthly report of receipts & expenditures	Reinforce requirement for completion of monthly reports and reading of same at monthly meetings
15. <input type="checkbox"/> Post Trustees do not audit books & records	Reinforce requirement for completion of quarterly Post Trustee Reports with copy to Department Headquarters
15a. <input type="checkbox"/> Date of Last Trustee Report left blank	E-mail State Inspector date of last Post Trustee Report
15e. <input type="checkbox"/> Total of all accounts left blank	Verify and e-mail State Inspector total of all accounts
15f. <input type="checkbox"/> Amount of Quartermaster bond left blank	Verify and e-mail State Inspector amount of QM bond
<input type="checkbox"/> Insufficient bond	Inform Post to increase QM bond
17. <input type="checkbox"/> Name of Bonding Company left blank	E-mail State Inspector name of Post Bonding Co.
<input type="checkbox"/> Expiration of Bond left blank	Verify and e-mail date of Post QM Bond
<input type="checkbox"/> Bonding date expired	Inform Post to execute renewal of QM Bond
19c. <input type="checkbox"/> No Dues Reserve Fund maintained	Inform Post to establish a Post Dues Reserve Fund per Sec. 218 of the By-Laws
19e. <input type="checkbox"/> Dues Reserve Fund Transfer left blank	Verify and e-mail State Inspector date the Dues Reserve Fund was transferred to the General Fund 1

19f.	<input type="checkbox"/> Post does not maintain a Relief Fund	Instruct the Post to establish a Post Relief Fund
19j.	<input type="checkbox"/> Date of last 990 filing left blank	E-mail State Inspector date of last 990 filing
	<input type="checkbox"/> Date of last filing too old/questionable	E-mail State Inspector why 990 is not current
19k.	<input type="checkbox"/> 990 Not available for public inspection	Instruct post of requirement to make 990 public
	<input type="checkbox"/> 990 NOT ATTACHED to Inspection Report	Make copy of 990 & forward to State Inspector
20.	<input type="checkbox"/> Employer ID Number is different than the ID on other records, e.g. 990, last year's inspection form, Election Report	Contact Post QM and ask for base document from the IRS assigning the Post its EIN & verify correct EIN
21.	<input type="checkbox"/> All expenditures are not approved by the Post membership & approved by Post Cdr	Instruct the Post that all expenditures must be approved by the membership per Sec. 218 of the By-Laws
25.	<input type="checkbox"/> Post Appraisal information left blank or incomplete	Contact post and e-mail State Inspector missing information
26.	<input type="checkbox"/> The Post does not carry all property types of insurance	Instruct the post of the necessity of carrying proper insurance for fire, theft, liability, injury, rental, etc.
26a.	<input type="checkbox"/> The VFW & Dept are not named as additional insured's.	Contact Insurance Carrier and add the VFW & Dept as additional insured's on the Posts insurance policy

SAMPLE DEFICIENCY REPORT
WHICH CAN BE PROVIDED PERIODICALLY TO
DISTRICT COMMANDERS

POST INSPECTION REPORTS
REQUIRING DEFICIENCY CORRECTIONS

DISTRICT 1

347	Glen Cove	Post title holder left blank/Post property insurance question left blank/VFW needs to be added as additional insured
2718	Franklin Square	No IRS 990 – extension expired
2736	East Meadow	No Dues Reserve Fund/no Relief Fund
3350	Rockaway	Date Dues Reserve Fund transfer date left blank/
5350	Quogue	No IRS 990/QM underbonded by \$39,019.00/No Trustee Report of Audit in Dept
6910	Floral Park Center	No IRS 990/No QM bond
9592	Levittown	Question 26 on additional insured was answered both yes and no - ??

DISTRICT 2

161	Roosa Fleming	QM underbonded
973	Newburgh	Need bond expiration date for State Farm Ins.
1708	Goshen	Date of Last Trustee Audit left blank – no copies in Dept HQ/Date Last Dues Reserve Fund transfer date left blank/Appraised value of VFW Post home left blank/VFW not listed as additional insured
5491	Mahopac	QM is underbonded by \$31,630.00
5492	Pine Bush	QM is underbonded by \$6,266.00/No IRS 990
5497	Otisville	No Dues Reserve Fund/No IRS 990 attached to report or in Dept/19b needs explanation why dues are not transmitted expeditiously
5521	Staten Island	QM seriously underbonded by \$364,010.00
6511	Tottenville	Incomplete Trustee Report/Trustee Report signed by one individual nor all trustees/No QM bond/No IRS 990
7241	Port Jervis	QM underbonded by \$132,000.00/Date Dues Reserve Fund transfer not filled in
8691	Washingtonville	QM underbonded by \$4,972.00/No IRS 990/Wrong inspection form used (District vice Post)

Funds are not accounted for which leads one to surmise that these two funds are most likely not being maintained by the Post as required by Section 219 and Section 717 respectively.

Two districts, District 4 and District 7 are doing exceptionally well in completing their inspections and correcting deficiencies when notified. Responses and requests for documentation are being forwarded to the Department well within two weeks of being notified of the deficiencies enabling inspection reports to be cleared and closed. Inspection reports are nearly complete in both Districts.

I would like to reiterate that ALL inspections reports need to be funneled through the District Commander by Council and District Inspectors so District Commanders are aware of the condition of their posts and the items that may need attention before the report is forward to the Department Inspector.

Commonly recurring problems with inspection reports received:

- Date of the last poppy distribution left blank
- Post Quartermaster under bonded
- Incomplete name and expiration of QM bond when the bond is not with the Department of NY
- Date Dues Reserve Fund transferred to the General Fund left blank
- Maintaining relief fund question left unanswered and if the question is answered no, no explanation as to why a Relief Fund is not maintained
- Differing Employer Identification Number (EIN) reported on the inspection report
- Posts which own properly are not naming the VFW as an additional insured on their post insurance policies
- IRS 990 or electronic filing acceptance not attached to the inspection report
- Some reports which have the question filled in for the date of the last Trustee Report of Audit on the inspection form have not had a copy of their trustee report forwarded or on file with Department in over two years!

Inspectors which have been attaching the latest Post Trustee Report of Audit, IRS acceptance verification, and a copy of the insurance information for posts bonded with companies other than the VFW have had their inspection reports cleared quickly.

If inspectors took the time to review the necessary documentation to complete the inspection report the report would be cleared expeditiously.

It is understood that conducting and completing a Post/District & Council inspection is tedious and takes a good amount of time, especially when one has to travel a distance to the inspection site. Having to go back and correct needless deficiencies causes more work up and down the chain and increase the level of frustration for everyone involved.

For posts which have lost their tax exempt status and that is the only pending deficiency holding up the closing out of an inspection report, the report will be closed out as

completed provided a certified mail receipt, or other documentation is forward to the department to indicate the application has been formally submitted to the IRS. Due to the length of time it take IRS to process a reinstatement there is no need to hold up the closeout of an inspection report provided a reinstatement application has been properly submitted to the IRS.

Inspection reports will only be closed out and reported on Memstats when all deficiencies have been corrected.

For those who rush through the process and feel they don't have enough time to do all they are required to do to complete the inspection process I'll close with something once voiced by the founder of the Boy Scout movement, Robert Smyth Baden-Powell, "If you don't have time to do it the first time, when will you have time to do it again."!

If you have a question or problem that your District Commander cannot resolve I remain available to you by phone or e-mail.