

MOAA Roundtable Compliance and Legal Topics

January 18, 2024



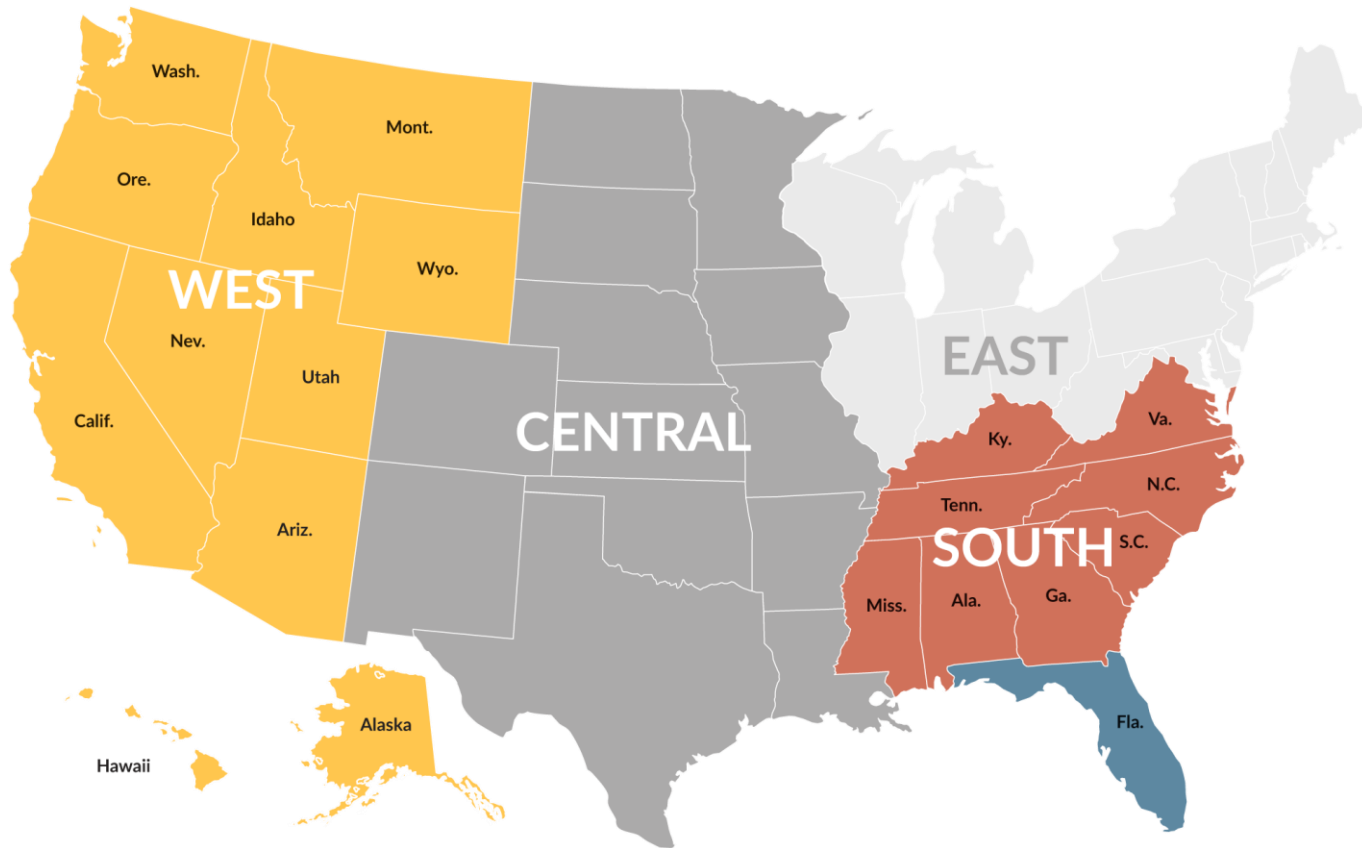
Agenda

- Program Updates
- Compliance and Legal Topics
 - Maj Gen Joe Lynch, General Counsel and Board Secretary
- AMBA Liability Insurance Update
 - Michele Armesto, AMBA
- MOAA Membership and Marketing
 - Mark Stevenson, Senior Director, Business Development/ Products and Services
 - Shelita Spady, Program Director, Membership and Marketing

Program Updates

- Program Director Dena Kilgore is onboard
- AMS Implementation Spring, 2024
 - Leader Training
 - Read-Only as early as March 1
- 2022 Levels of Excellence Award Distribution
- 2023 National Awards Portal (open thru 16 Feb)
 - LOE, Harris Communications, SSL, Strobridge
 - To Date: 80 LOE, 82 Harris, 0 SSL / 2 Strobridge
- Advocacy in Action 2024 Week of 15 April

2024 Leader Training Workshops



Leadership Seminar
Orlando, FL
January 25-27
FL, Other C&C by
invitation

Virtual Workshop
New Leaders
March 13
Focused on New
Chapter Leaders

Southeast Workshop
Greenville, SC
May 17-18
AL, GA, KY, MS, NC, SC,
TN, VA

Virtual Workshop
Experienced Leaders
August 14
Focused on Experienced
Leaders

West Workshop
Reno, NV
November 15-16
AK, AZ, CA, HI, ID, MT, NV,
OR, UT, WA, WY



2024 Roundtable Schedule

January 18 Compliance and Legal Topics	February 29 Committee Module	March 28 Advocacy in Action
April 25 Marketing	May 30 Individual Awards Program	June 27 Generational Recruiting
July 25 Chapter Health Update	August 29 Council/Chapter Visit Program	September 26 TBD
Oct 24* Community Outreach	November 21* Harris Communication Awards	December 19* 2024 review 2025 preview

* Adjusted from last Thursday of the month to avoid conflict

Key Dates

MOAA Foundation Scholarship Application Window	Nov 1- Mar 1
Community Outreach Chapter Grant Applications	Dec 1- Feb 29
National Awards Portal Open	Dec 4 – 16 Feb
AMBA Ad Program Applications	Jan 1-May 31
Quarterly CP/ICP Meeting	Feb 28
Virtual Workshop (new leaders)	Mar 13
Advocacy in Action (CP/ICP)	Week of Apr 15
Southeast Workshop (Greenville, SC)	May 17-18
Quarterly CP/ICP Meeting	Aug
Virtual Workshop (experienced leaders)	Aug 14
Annual Meeting	Week of Oct 21
Quarterly CP/ICP Meeting	Nov
West Workshop (Reno, NV)	Nov 15-16

Legal Issues Council & Chapter Leaders Need to Know

Maj. Gen. Joe Lynch, USAF (Ret), MOAA General Counsel



MOAA Chapters: Legal Status

- Councils & Chapters are Affiliates
 - Chapters are independent, self-governing, and self-supporting organizations
 - The MOAA Charter authorizes councils & chapters to associate with MOAA and to use MOAA's name, logo, and tag line
- Relationship with MOAA National
 - Separate and distinct organizations
 - Councils & chapters are not agents or subsidiaries of MOAA National
 - They are not covered by MOAA's IRS tax exemption or MOAA's liability insurance

MOAA Chapters: Legal Status

- MOAA Recommendation: Incorporate
 - Protects officers, directors, and members from personal liability in most instances
 - MOAA Council and Chapter Policies and Procedures Guide provides useful templates for Articles of Incorporation and Bylaws (MOAA.org/policyguide)
 - The website for the Secretary of State or Corporation Commission for your state provides detailed instructions and forms to use to incorporate
 - Follow the procedures for non-stock corporations (Virginia) or nonprofit organizations (in your state)

MOAA Chapters: Legal Status

- Apply to IRS for your tax-exempt status
 - IRC 501(c)(19) – *Veterans Organizations*
 - IRC 501(c)(4) – *Social Welfare Organizations*
 - IRC 501(c)(3) – *Religious, Charitable, or Scientific Organizations*
- Tax-exempt status depends primarily on ...
 - Your mission (lobbying and advocacy, scholarships, or community improvement)
 - Source of income (dues, event revenue, donations)
- Exempt Status granted/denied by IRS after review of Articles of Incorporation or other organizational documentation
- Key Reference: *IRS Publication 557*

The Process

- Secretary of State or State Corporation Commission charters the corporation
 - Check availability of name
 - Reasonable fee (Virginia is \$100)
 - Download forms from website and submit
 - Approximately 10 days
- Internal Revenue Service determines tax-exempt status
 - File the Correct IRS Form
 - Pay filing fee of \$600 [\$275 for 501(c)(3) charities]
 - Generally takes 60 to 90 days, but exempt status is retroactive
 - File timely annual tax return – IRS Form 990-N

Charitable Solicitations

- Soliciting Charitable Contributions
 - Tax Exempt vs. Tax Deduction
 - State Registration Requirements
 - Annual Renewals Required
- Registration Requirements and Exemptions Vary by State
 - “Crowdfunding” is generally considered a solicitation
 - Pay the state’s filing fee (Varies)
 - Online website solicitation may trigger out-of-state registration requirements

MOAA Chapters: Liability Insurance

- MOAA Recommendation: Chapter/Council Liability Insurance
 - Bad things happen – traffic accidents; food poisoning; alcohol-related injuries; personal data stolen or compromised; contractual indemnification
 - Your homeowners insurance doesn't cover what you do as a chapter or council officer
 - Your chapter has a duty to be a responsible member of your community – if a chapter unintentionally causes harm, it needs to have the means to make it right
 - Litigation is expensive – at least \$30,000 to \$50,000, even for a frivolous claim

MOAA Chapters: Liability Insurance

- Insurance for Chapter Activities
 - Council and Chapter Insurance is available through MOAA's insurance administrator, AMBA
 - Up to \$2 million in commercial general liability coverage
 - Provides coverage for legal fees even if suit lacks merit
 - MOAA.org/chapterliability
 - Annual cost varies depending on size of chapter. Generally, annual premium through AMBA is around \$350
 - Prices vary -- check with a local commercial insurance broker

Other Issues

- Chapter Newsletters and Websites
 - Your newsletter/website represents MOAA
 - Things to Avoid
 - Divisive social issues
 - Partisan political issues
 - Service Seals and Symbols
 - DoD/service branches own trademark rights on most military service seals and symbols
 - May not be used to identify the chapter
 - Avoid incorporating them in the header, title, or chapter name
 - Prior permission is required (not normally granted)
 - Chapters are authorized to use MOAA seals and symbols
 - MOAA will also create a logo for the chapter to maintain brand integrity
 - Photo copyright infringement



Veterans Organizations



IRS Publications

- IRS Pub. 3386 – Tax Guide for Veterans Organizations
- IRS Pub. 557 – Tax Exempt Status for Your Organization
- IRS Pub. 4221-PC – Compliance Guide for 501(c)(3) Public Charities

CAPT Frank Michael, USN (Ret)
Senior Director
Council and Chapter Affairs
Phone: 703-838-8108
Email: frankm@moaa.org

Dena Kilgore, CAE
Program Director
Council and Chapter Affairs
Phone: 703-838-8818
Email: denak@moaa.org



Chapter Liability Coverage

January 2024

Chapter Liability | Executive Summary

The MOAA Chapter Liability provides MOAA's chapters extensive coverage for lawsuits resulting from bodily injury and property damage at chapter or club-sponsored activities.

This plan provides councils and chapter insurance to cover events. This plan is provided throughout the year for all council and chapter events.

The council or chapter is covered when named in a lawsuit or acts committed by members working for the club under its direction. Officers and members are insured when named in a covered lawsuit.



One Plan – Complete Protection

\$1 Million of Liability Protection for each occurrence and up to \$2 Million aggregate coverage each year.

Coverage for Club Members and Officers

Chapter Liability | Carrier Environment

AIG

- AIG notice of termination/non-renewal of the General Liability.
- AMBA has selected Philadelphia insurance
- AIG renewed policies through 12/31/2023 (they will be non-renewed upon their 2024 exp date)
- Options for replacement coverage

AMBA

- AMBA identified Philadelphia Insurance Companies to replace AIG effective 6/1/2023.
- AMBA is working with Special Markets Insurance Consultants (SMIC) and Great American Insurance Group to add additional underwriting carriers.
- Chapters and State – wide Coverage



Questions?



Resources



- www.moaa.org
 - C&C Policies and Procedures Guide
 - Leaders Workbook
 - Webinars
 - Electronic Newsletter
- chapters@moaa.org
- 1-800-234-MOAA



MOAA[®]

Military Officers Association of America