

FOREWARD

GENERAL:

The National Organization is listed as a tax exempt organization described in Internal Revenue Code Section 501(c)(19) with a group exemption number (GEN) of 0925. Each Post with an Employers Identification Number (EIN) is included under the organization's GEN 0925.

PURPOSE:

This Compliance Manual is intended to assist those responsible for conducting American Legion business according to the special status (501(c)(19)) that the US Government has granted this organization.

RESPONSIBILITY:

It is the responsibility of the Post to ensure, in addition to the Compliance Manual requirements, that the Post Compliance Manual remains at the Post at all times and is maintained and updated with the revisions and changes issues by the Department. The Post Compliance Manual is to be made available, under the supervision of the Post Commander or Post Compliance Officer, when requested by any member of the Post.

The responsibility of the Post Compliance Officer or Committee is to enforce strict adherence to the Federal and State Guidelines at they pertain to all types of income (related and unrelated business), special games (i.e., Bingo, Bell Jar), etc.

Richard M. Pedro, Adjutant
The American Legion
Department of New York

This manual is provided to the Posts as a service of The American Legion, Department of New York. The American Legion, Department of New York assumes no responsibility for the conduct of its Posts. The American Legion, Department of New York does not guarantee that any particular Post will comply with the guidelines in this manual and does not guarantee that these guidelines are applicable to any particular situation.

Charles G. Mills
Department Judge Advocate

RESPONSIBILITY (cont'd)

THE AMERICAN LEGION DEPARTMENT OF NEW YORK CONSTITUTION AND BY-LAWS

ARTICLE XIII MONEYS AND COLLECTIONS

Section 1. All Department, District, County, and Post officials handling American Legion moneys shall be properly bonded with a good and solvent bonding and surety company, as surety to cover double the average amount of money handled in a single year. In case of delinquencies of the payment of moneys due Department Headquarters action shall be taken at once by the proper officials to bring about a speedy and complete settlement.

The bond provided by Department and District officials shall be approved by the Department Executive Committee and those provided by county and Post officials shall be approved respectively by the County and Post Executive Committees.

Section 2. The Department Executive Committee shall, should it be deemed advisable, detail special auditors to investigate the membership roll and financial statement of any District, County, Post, or other subdivision within the Department.

ARTICLE XIV REGULATIONS

Section 1. The Department Executive Committee is authorized to make and publish regulations for the organization, management, and conduct of this Department and of the County, Post, and all other organizations of this Department. Such regulations shall be consistent with the Department's Constitution and these By-laws and shall be COMPLIED with by all concerned.

PLEASE NOTE:

The requirement (bond) detailed in Article XIII, Section 1, Section 2; and Article XIV, Section 1 of the Department's Constitution and By-laws is applicable to all Post Officers and officials who handle American Legion money, i.e., Post Treasurer, Bell Jar Chairman, Bingo Chairman, Bar Manager, Raffles, et al.

WAR VETERANS' ORGANIZATIONS TAX EXEMPTION SECTION 501(c)(19) OF THE CODE

War veterans' organizations were formed to uphold and defend the Constitution of the United States, to maintain law and order; to preserve the memories of their comrades who served in the great wars; to foster the spirit of patriotism; and to safeguard, for posterity, the principles of justice, freedom, liberty, and democracy. These organizations operate posts where members associate and enjoy comradeship with other former service men and women exclusively. All of the post members volunteer (meets the "substantially all" requirements of Pub. 3079) their time and effort to raise all of the funds required to build and maintain their post home. The post home is private and open to members only and is considered by members to be a home away from home. Post homes are not available for public use, control, or participation.

Prior to the passage of the Act of August 2, 1972, war veterans' organizations were grouped together with all other veterans' organizations and most were recognized as exempt under IRC 501(c)(4) as social welfare organizations. The United States Congress enacted "*The Act of August 29, 1972 (Public Law 92-418, 86 Stat. 65 reproduced in 1972-2 C.B. 675) designated as IRC 501(c)(19) exclusively to provide qualifying war veterans' organization and their related auxiliaries not only tax exempt status, but permitted the war veterans' organizations to conduct both social welfare activities and recreational activities among its members without adversely affecting its tax-exempt status.*

A war veterans' organization, as described in IRC 501(c)(19) must satisfy:

- *The membership eligibility.*
- *Is organized in the United States or any of its possessions.*
- *Its activities further the purposes set forth in Reg. 1.501(c)(19)-1(c) of the regulations.*
- *None of its net earnings inures to the benefit of any private shareholder or individual.*

Membership Eligibility: "War Veterans" are defined in Rev. Rul. 84-140 as people who have served in the United States Armed Forces¹ during a period of War².

¹The United States Armed Forces, as defined in IRC 7701(a)(15): Military and Naval Forces and Armed Forces of the United States.

The terms "military or naval forces of the United States" and "armed forces of the United States" include all regular and reserve components of the uniformed services which are subject to the jurisdiction of the Secretary of Defense, Secretary of the Army, Secretary of the Navy, or Secretary of the Air Force. Each term includes the Coast Guard as well.

²The periods of war are specified in 38 USC Sec. 101 and Rev. Rul. 78-239, 1978-1 C.V. 162, as shown below:

WW II 12/7/41 – 12/31/46	Merchant Marines 12/7/41 – 12/31/46
Korea 6/25/60 – 1/31/55	Vietnam 2/28/61 – 5/7/75
Lebanon-Grenada 8/24/82 – 7/31/84	Panama 12/20/89 – 1/31/90
Persian Gulf 8/2/90 to cessation of hostilities as determined by the United States Congress	

Membership Eligibility (cont'd)

The membership requirements under 501(c)(19) of the Code, Senate Report No. 92-1082, 92nd Congress, 2nd Session, state that “substantially all” means 90% of the post membership meets the war veterans membership eligibility. Membership is restricted to “war time veterans only” and is not open to the general public or to those who served in the Armed Forces, National Guard, or Reserves during peace time duty.

War Veterans’ Organizations – Purposes

War Veterans’ Organizations traditionally have been involved in programs that promote Americanism, sponsor youth activities, provide color guards, and conduct patriotic ceremonies and community activities.

A war veterans’ organization as described in Section 501(c)(19) of the Code carries out activities in furtherance of its exempt purposes only when the activities are carried out exclusively in furtherance of the purposes listed in Section 1. 501(c)(19)-1(c) of the regulation. Therefore, war veterans’ organizations described in 501(c)(19) of the Code must be operated exclusively to meet the primary purposes as defined in 501(c)(19)-1(c).

IRC Reg. 1.501(c)(19)-1(c) defines the purposes of war veterans’ organizations as:

1. Promoting the social welfare needs of the community.
2. Assisting needy and disabled veterans and widows and orphans of deceased veterans.
3. Providing entertainment, care, and assistance to hospitalized veterans or members of the Armed Forces of the United States.
4. Perpetuating the memory of veterans and comforting their survivors.
5. Conducting programs for religious, charitable, scientific, literary, or educational purposes.
6. Sponsoring or participating in patriotic activities.
7. Providing insurance benefits to members and/or their dependents.
8. Providing social and recreational activities for members.

(See Appendix 3 for purpose defined.)

When Congress enacted IRC 501(c)(19) which provides a specific exemption for war veterans’ organizations the social and recreational activities for the members was one of the purposes permitted. Social and recreational activities are exempt if conducted by Post members and none of its net earnings inures to the benefit of any private shareholder or individual.

1. Operation of a bar or restaurant
2. Gambling
3. Dinner and dances

(See Appendix 4 for activities definitions)

NOTE: The activities listed above are private activities for members only and are not open to the public. Others who may enter are bona fide guests only in the company of a member. A bona fide guest does not pay and must leave when the host member leaves.

Members of posts exempt under the same group (501(c)(19)) ruling may use the facilities of, and participate in, the social and recreational activities of other posts exempt under the same group (510(c)(19)). No post would jeopardize its exemption if it allows this activity.

The auxiliary units and societies described in IRC 501(c)(19) posts. The inclusion of the members of an auxiliary in the social and recreational activities of the post would not generate unrelated income, as such participation furthers the social and recreational purposes of the post.

A war veterans' organization (501(c)(19)) may only obtain a club license to sell alcoholic beverages for on-premises consumption only to its members and their guests who accompany them; and, which does not traffic in alcoholic beverages for profit and is operated solely for a recreational, social, patriotic, political, benevolent, or athletic purpose, but not for pecuniary gain.

War veterans' organizations (501(c)(19)) are forbidden to solicit or advertise an event, in any manner, as open to the public.

Volunteer Labor Exception:

Post events, open to the public wherein the members volunteer (without compensation) to perform substantially all of the work the event requires and all the funds realized are dedicated solely for veteran and charitable purposes meet the volunteer labor exception under IRC 513(a)(1) and do not effect the posts' private status.

War veterans' organizations (501(c)(19)) may exclude from "Unrelated Business Income Tax" income from a trade or business that is not regularly carried on IRC 512(a)(1), income from certain bingo games (IRC 513(F)), and income where substantially all of the work is performed without compensation (volunteers) (IRC 513(a)(1)).

Although the term "substantially all" is not defined in the context of unrelated trade or business, an unofficial guideline, borrowed from other areas of exempt organization law, is 85%. Please note, that few cases strictly apply the 85% test. Instead, "substantially all" is to be applied in a general manner. Payment made to bartenders, waitresses, snack bar staff, maintenance workers, security, etc. may be considered in determining "substantially all" for the purposes of the "volunteer labor exception." (Ref. IRS Pub. 3079 (4-98) Cat. No. 25706L)

War Veterans' Organizations Verification

To maintain an "exemption from Income Tax," the Federal Government requires each veterans' organization to file yearly IRS form 990 "Return of Organizations Exempt from Income Tax" which reports the post's related income and form 990-T "Exempt Organization Business Income Tax Return" which reports the post's unrelated trade and business income and the dispersal of said income.

Posts 501(c)(19)-1(c) Purposes Verification

War Veterans' Organizations (The American Legion) (501(c)(19)) file a form "Consolidated Post Report" every year. The Consolidated Post Report details all of a post's activities. This form is the post's documentation that the "purposes" required by 501(c)(19)-1(c) are the **post's primary activities as a war veteran's organization** (veterans programs, community programs, patriotic programs, social welfare, children and youth, etc.).

NOTE: In addition to raising funds needed to maintain their post homes, members volunteer their time and effort to provide all the funds needed to support the activities defined in 501(c)(19)-1(c).

Deductible Contributions to War Veterans' Organizations

To be eligible to receive tax deductible contributions under IRC 170(c)(3), a war veterans' organization must satisfy both a membership requirement and a purpose requirement. 90% of the membership of a war veterans' organization must be comprised of war veterans as defined in Rev. Rul. 84-140 – a person who has served in the United States Armed Forces (as defined in IRC 7701(1)(15) during a period of war as specified I 38 U.S.C. sec. 101 and Rev. Rul. 78-239, 1978-1 C.V. 162. With respect to the purposes (reg. 1.501(c)(19)-1(c)) requirement, the war veterans' organizations must be organized and operated primarily for purposes consistent with its status as a war veterans' organization.

War Veterans' Organizations Posts IRC 501(c)(19) Record Keeping Per IRC 6001

IRC 6001 states that every organization liable for any tax imposed by the Code, or for the collection thereof, shall keep adequate records as the Secretary of Treasury may prescribe.

War veterans' organizations must show the composition of its membership to meet the requirements of 501(c)(19) – name, dates of service, and type of discharge.

Records of all activities include post meeting minutes, historian's records, activity books, commander's books, house committee reports, and reports, to the parent organization.

IRS require IRC 501(c)(19) war veterans' organizations to maintain records of the amount of gross income, source of gross income, deductions, credits, expenses, and other matters by activity. Activities would include restaurant and bar sales, bingo, pull tabs, gaming devices, and fundraisers such as dinners, etc. Methodology should be in place to determine what income is from members/non-members, whether activity is related (IRC 501(c)(19)-1(c)) or unrelated to war veterans' organizations exempt purposes.

Tax exemption under IRC 501(c) exempts an organization from income tax on related income. It does not exempt such an organization from tax on unrelated business income, employment tax, Social Security, Workmen's Compensation, Medicare under the Federal Insurance contributions Act, or excise tax on certain gambling income.

APPENDIX 3

IRC Reg. 1.501(c)(19)-1(c) defines the purposes of war veterans organizations as:

1. Promoting the social (501(c)(4)-1(a)(2)) welfare of the community.

Blood Donor, Disaster Preparedness, Law & Order, Employment, Energy & Conservation, Fire Prevention, Community Services, Employer of the Year, Get Out the Vote, National Emergency Fund, National Security, Foreign Relations
AMERICANISM: Boys' State, Baseball, Scouting, Oratorical, Jr. Shooting Sports Program, ROTC

2. Assisting needy and disabled veterans and widows and orphans of deceased veterans.

Service Officers, Veterans' Legislative Representative (testify, propose and review legislation, inform veterans of pending legislation) to State and Federal legislative bodies, Sons of The American Legion, Emergency Veterans' Fund, firing squad and honor guard for funerals, Legislative Hill Day

3. Providing entertainment, care, and assistance to hospitalized veterans or members of the Armed Forces of the United States.

Gift to Yanks, Rehabilitation Program, Gift Shops, VAVS Program, Transportation, WINAL Rehabilitation, Bowling, Golf, Veterans' Cemeteries, Veterans' Preference

4. Perpetuating the memory of veterans and comforting their survivors.

Placing flags on veterans' graves, Veterans' Ceremonies and Parades on Memorial Day and Veterans' Day, (Mid-Winter Conference), Last Man Observance, Legion College

5. Conducting programs for religious, charitable, scientific, literary, or educational purposes.

Schoolmaster Recognition, School Award Program, Back to God, Education & Scholarship, Red Cross, United Fund, Cancer Research, Handicapped Children

6. Sponsoring or participating in patriotic activities.

Americanism, Veterans & Memorial Day Ceremonies and Parade, Four Chaplains Sunday Observances, Pearl Harbor Ceremonies

7. Providing insurance benefits to members or their dependents.

8. Providing social and recreational activities for members.

APPENDIX 4

Social and Recreational Activities are exempt if conducted by post members and none of the net earnings inures to the benefit of any private shareholder or individual.

1. Operation of a Bar or Restaurant

When congress enacted IRC 501(c)(19), which provides a specific exemption for war veterans' organizations; social and recreational activities for the members were permitted. Here the use by non-members is incidental to the use by members. The only way a non-member may gain admission to the bar or restaurant is if he or she is a bona fide guest of a member. In this case, such income is derived from providing social and recreational activities for members and would not be subject to unrelated business income tax.

2. Gambling provided for the pleasure and recreation of members and their bona fide guests furthers the social and recreational purposes of an IRC 501(c)(19) organization. Operation of gambling devices that are limited to members and their bona fide guests, even if illegal under state or local law, would be consistent with the requirements under IRC 501(c)(19).

3. Dinner and Dances

One of the purposes of an IRC 501(c)(19) organization is to provide social and recreational activities for its members. Therefore, dinner and dances provide the posts for its members and their bona fide guests (generally defined as individuals whom the member invites and for whom the member pays) would be related to the posts' exempt purposes.

NOTE: Whatever funds that are realized are dedicated to veterans' purposes or community activities. To avoid the unrelated business income tax from post activities (dinners, dances, breakfasts, special dinners) volunteer labor per IRC 513(a)(1) and income dedicated to veterans' purposes or community activities.

SUGGESTED HOUSE RULES*

1. The following shall be admitted:
 - a. All members of The American Legion showing current membership cards and spouse or escort.
 - b. All members of The American Legion Auxiliary showing current card and husband or escort.
 - c. All members of the Sons of The American Legion showing current card and wives or escort.
 - d. Out of town guests if accompanied by an American Legion or Auxiliary member with current card. Members are responsible for their guests and may not leave before guests.
2. People are expected to dress comfortably and neatly. Attire such as shorts, halters, peddle pushers, Bermudas, and sweat shirts are restricted after 6:00 PM.
3. Legionnaires and guests are kindly requested to help keep the post home clean and tidy. Please use proper receptacles for matches and cigarette butts.
4. All members must remove their hats when entering a Legion post. Wearing of Legion caps is encouraged.
5. The steward or employee in charge shall have full authority to enforce house rules while on duty and may eject any member for misconduct or violation of club rules. The members have the right of appeal to the executive committee.
6. No member shall reprimand an officer or an employee of The American Legion. Any suggestion or criticism of the lounge or Legion operation shall be submitted to the house or executive committee where it will be given due consideration.
7. The employees or attendants on duty may refuse service to anyone.
8. Any members who remove, damage, or destroy property of The American Legion shall pay to replace or repair same.
9. Cashing of checks (limit), credit, or lending of lounge funds is strictly prohibited.
10. No games may be played anywhere except in the game room.
11. Legion meetings start promptly at 8:00 PM at which time the lounge shall close and stay closed until the meeting is adjourned.
12. There shall be no drinking of any beverage during Legion meeting nor may drinks be brought into the meeting room.

13. If you receive a phone call while you are at the post, you must answer.
14. No intoxicated members will be tolerated in the lounge.
15. There shall be absolutely no drinks of any kind taken from the premises at any time.
16. Positively no alcoholic drinks are to be served to minors under any circumstances.
17. Dogs or other pets, with the exception of service dogs, are not allowed in the lounge.
18. Loud, boisterous, or profane language will not be tolerated in the post home.
19. The lounge will close no later than midnight. On special occasions, the House Committee may grant extensions by advance notice.
20. All forms of amusements shall stop 15 minutes prior to the stated closing time.
21. Social quarters shall be closed on Sundays, Christmas Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Election Day.

The American Legion, Department of New York recommends that all posts adhere to the "Suggested House Rules" to enable the post to better meet the needs of the future.

*National American Legion "Post Operations Manual"

POST COMPLIANCE OFFICER “DUTY”

“The American Legion Post is a living memorial dedicated to the veterans who have honorably served our country; in the past, in the present, and in the future.”

The duties of a Post Compliance Officer have been formulated to meet one of the basic tenants of The American Legion – “Law and Order” – thus assuring the “future” of an American Legion Post.

1. The Post Compliance Officer must be knowledgeable and understanding of the local, state, and federal government financial reporting requirements, as are noted in the Department’s Post Compliance Manual.
2. The PCO shall have the responsibility to ensure that the license requirements of the local, state, and federal governments are strictly adhered to, in the conduct and operation of the post’s business activities.
3. The PCO shall ensure that all necessary tax and financial reports, as required by local, state, and federal governments, are prepared and submitted on a timely basis.
4. The PCO shall regularly report to the post membership on the current status of the post compliance with the financial and operations requirements of the local, state, and federal governments.
5. It shall be the duty of the PCO to immediately notify the post officers and membership of any transgression by the post of the license (local, state, and federal) requirements governing the operation of the post’s business activities.
6. The PCO has a responsibility to ensure that any and all revisions/additions to this manual are entered into the post’s copy of the Post Compliance Manual and to inform the responsible post members (operation, regulation, finance, and audit) of the revision/addition to said manual.

NOTE: The local, state, and federal governments financial reporting and licensing regulations are timeless and it is the recommendation of the Department that the office of Post Compliance Officer be added to the post’s committee list.

INCORPORATION

“Every post that owns real estate or other substantial assets should be incorporated as a not-for-profit organization under the laws of their state.”*

As a general rule it is recommended that posts incorporated in the states in which they are located. Such an action helps to protect their individual members from liability and generally makes the holding of real estate a much easier matter.

The incorporation of a post is a simple matter. In general, the cost of incorporation is small. This is particularly true in the case of a non-profit corporation. As a general rule, the statutes in the several states govern the requirements for incorporating a non-profit corporation. As a general rule, the statutes in the several states govern the requirements for incorporating a non-profit entity. In most states, application is made to the Secretary of State of the state involved. Also, as a general rule, the application for incorporation is uncomplicated and not unduly burdensome.

In that connection, your department can assist your post in its desire to incorporate by offering assistance and guidance in the preparation of the necessary application for incorporation. Normally a post incorporated after it receives its permanent charter.

After incorporation has been effected, the post should apply to the National Organization, through its department, for a supplemental charter, which has the effect of extending recognition to the post as a component part of the National organization in its corporate status. This action was authorized by a resolution adopted by the National Executive Committee of The American Legion in May 1938, at which time a question was raised as to whether a post, upon incorporation, following receipt of its permanent charter from The American Legion, was or was not the same legal entity, and therefore, could or could not, operate as a corporation under its permanent charter. It was decided legally, since a post upon incorporation was first answerable to the state in which it was incorporated, rather than to the National Organization, that a supplemental charter be employed as a device to give due recognition to the status of a post following incorporation as a component part of the National Organization of The American Legion.

In this regard, before action is taken you should consult an attorney and/or the Department Judge Advocate. Some states have statutes for charitable or service organizations which provide a mechanism which leads to the same results. (One example, but by no means the only one, is New York's Benevolent Orders' Law which deems duly chartered American Legion Posts, Auxiliary Units, and 8 & 40 Chapeaus to be incorporation entities providing the post and members with protection similar to that provided by incorporation.)

*National American Legion “Post Operations Manual”

MUNICIPALITY

REAL PROPERTY TAX:

Per the laws of New York State, veteran organizations (not-for-profit) have been granted a tax exemption on their Post Memorial Home and the land upon which it sits. This Real Property tax exemption extends to school taxes as the school tax is based on land and buildings. (Chapter 452, 490)

MUNICIPAL SERVICES:

Although a post may have been granted a real property tax exemption (land and building), the post is not exempt from and must pay for the services the municipality provides, such as:

- Sewer and water
- Garbage removal
- Sign license
- Dance license

Chapter 452. VETERANS ORGANIZATIONS

1. The American Legion is exempt from taxation and exempt from special ad valorem levies and special assessments to the extent provided in section 429 of this chapter.
2. If an American Legion Post or property or portion thereof is used by another corporation or association whose real property would be exempt under specified articles of Chapter 452, such exemption shall remain in effect. Conversely, if said usage by the corporation, association or person would not be entitled to an exemption, then the portion they use would be subject to taxation, special ad valorem levies, and special assessments. The remaining portion only shall be exempt.

Chapter 490. EXEMPTION FROM SPECIAL AD VALOREM LEVIES AND SPECIAL ASSESSMENTS

1. Real property exempt from taxation pursuant to specified sections of Chapter 490 shall also be exempt from special ad valorem levies and special assessments against real property located outside cities and villages for special improvements or services by county or district corporations except:

those levied to pay for the costs, including interest and incidental and preliminary costs, or the acquisition, installation, construction, reconstruction, and enlargement of or additions to the following improvements, including original equipment, furnishings, machinery or apparatus, and the replacements thereof: water supply and distribution systems; sewer systems (either sanitary or surface drainage or both, including purification, treatment or disposal plants or buildings); waterways and drainage improvements; street, highway, road and parkway

improvements (including sidewalks, curbs, gutters, drainage, landscaping, grading or improving the right of way).

Chapter 82. SPECIAL UTILITY RATES VETERANS' POST HOMES

AN ACT to amend the public service law, in relation to utility rates charged to veteran organizations.

The bill amends section 76 of the Public Service Law to require that all gas and electric corporations, as well as municipal utilities in the State, charge not-for-profit veterans' organizations that own or lease a post or hall the same gas and electric rates paid by residential, religious, or community residence customers. Additionally, the bill prohibits utilities from recovering the resulting lost revenues from its other customers.

This bill became law on June 2, 1998 under Governor George E. Pataki.

GAMES OF CHANCE

No authorized organization can conduct games of chance more than 12 times per calendar year with the exception of bell jar ticket sales. No particular premise may be used to conduct games of chance on more than 24 license periods during any one calendar year. Games of chance can be conducted during the following hours:

- Between 12:00 noon and midnight on Monday through Thursday
- From 12:00 noon on Friday until 2 AM on Saturday
- From 12:00 noon on Saturday until 2 AM on Sunday

BINGO OPERATIONS

A post (corporation) must secure an "Identification Number" from New York State to apply for a license to operate a Bingo game. Upon receipt of the ID number, the post applies to the municipality for a license to conduct a Bingo game. The fee depends on the license period usually 13 weeks, 26 weeks, or 1 year.

A **BC-7** "Financial Statement of Bingo Operation" and a **BC-7B** "Cash Control Report" must be filed with the municipality within 7 days of each Bingo game.

The NYS Racing and Wagering Board requires each Bingo licensee to submit a quarterly report (**BC-7Q**) which is a compilation of the BC-7's for that quarter.

SALE OF BELL JAR TICKETS

No other form of lottery tickets other than New York State lottery tickets, licensed raffle tickets, and licensed bell jar tickets, where permitted to be sold by the organizations, shall be sold or offered for sale at any occasion when bingo is played.

BINGO EQUIPMENT

Chapter 337 (New York State Laws of 1998) authorizes not-for-profit organizations to lease Bingo equipment. It also permits the distributors of games of chance equipment

to explain games and service equipment upon the premises of games of chance licensees.

BINGO ADMISSION FEES

Chapter 524 of the Laws of 2000, amends Section 489 of the General Municipal Law in relation to bingo admission fees. This legislation repealed the Board's authority to establish a minimum fee for admission to bingo games.

EXPENDITURE

The General Municipal Law (GML) Article 9-A , section 186, subparagraph (6) provides the limitations on the uses of moneys derived from games of chance, which includes bell jars, was amended.

During the 1991 Legislative Session the NYS Legislature enacted, at the Department of New York's urging, Chapter 480 of the Laws of 1991:

AN ACT that determines the activities of veteran organizations to be a "lawful purpose" for the purpose of retaining the entire net proceeds for games of chance or bingo.

During the 1997 Legislative Session, the NYS Legislature enacted, at the Department of New York's urging, Chapter 190 of the Laws of 1997:

AN ACT to allow bona fide organizations of veterans to use proceeds from games of chance and bingo for purposes authorized by the organizations designated governing body (Post/Board of Director) or membership-at-large, without the approval of the NYS Racing and Wagering Board required.

NOTE: GML Article 9-A, section 189, paragraph (4) provides:

The entire net proceeds of any games of chance shall be exclusively devoted to the lawful purposes of the organization permitted to conduct the same and the net proceeds of any rental derived there from shall be exclusively devoted to the lawful purposes of the authorized games of chance lessor.

GENERAL MUNICIPAL LAW 476 Art. 14-H

7. "Net proceeds" shall mean (a) in relation to the gross receipts from one or more occasions of BINGO, the amount that shall remain after deducting the reasonable sums necessarily and actually expended for bingo supplies and equipment, prizes, stated rental, if any, bookkeeping or account services according to a schedule of compensation prescribed by the commission, janitorial services, and utility supplies, if any, license fees, and the cost of bus transportation, if authorized by the control commission, and (b) in relation to the gross rent received by an organization licensed to conduct bingo for the use of its premises by another licensee, the amount that shall remain after deducting the reasonable sums necessarily and actually expanded for janitorial services and utility supplies directly attributable thereto, if any.

BELL JAR OPERATIONS

A post must apply for, and receive, a Gaming (Bell Jar) "Identification Number" from the NYS Racing and Wagering Board. Upon receipt of the ID number, the post then submits an application (GC-2) for a yearly license to the municipality in which the post is located.

The NYS Racing and Wagering Board requires each licensee to submit a GC-7Q "Quarterly Statement of Bell Jar Operation" that requires the description/serial number/proceeds of each Bell Jar deal plus a detailed listing of Bell Jar expenditures.

Effective January 15, 1999, Chapter 337 of the NYS Laws of 1998 amends GML to allow not-for-profit and charitable organizations to deduct the cost of a Bell Jar deal when determining the Quarterly GC-7Q fee.

The NYS Racing and Wagering Board requires each Bell Jar licensee to:

1. Establish a Bell Jar checking account dedicated to the operation and expenditures of Bell Jar Funds.
2. Establish the rules and requirements under which Bell Jar funds can be spent. In actuality the Bell Jar funds are NYS funds and NYS "trusts" the Bell Jar licensee to abide by the NYS rules for the expenditure of funds.
3. Purchase of Bell Jar deals and equipment must be obtained from a list of "Suppliers" who have been approved by the NYS Racing and Wagering Board. Who, in turn, furnish the NYS Racing and Wagering Board with a copy of all purchase invoices.

Only bona fide members of an American Legion Post can handle (sell) Bell Jar tabs.

Commingling of funds prohibited

Income derived from games of chance must be placed in a separate bank account and cannot be mixed with any other funds of the Post.

POST FINANCIAL REPORT TO THE MEMBERSHIP

Bookkeeping system required

The Post shall keep a single-entry bookkeeping system in a columnar notebook for the purpose of recording receipts and expenditures in connection with conducting games of chance. The system shall be kept on a calendar or fiscal year basis. The person who performs the functions of bookkeeper cannot be the same person authorized to sign checks. A separate bookkeeping system must be kept for each game of chance conducted.

Books and records available for examination

All account books must be kept up-to-date. The account books, deposit books, savings account statements, cancelled checks, checkbooks, deposit slips, bank statements, copies of financial statements of games of chance operations (Forms GC-7 and GC-7Q) for the previous 18 months and any and all other pertinent information must be available at all times for examination by the board, clerk, or department and officer or their representative. All account books and subsequent information need to be kept on file for at least four years.

Financial report to membership

The following is required information that must be presented to the membership at regularly scheduled Post meetings:

- The number of games of chance license periods played
- The number of bell jar deals sold since the last report
- The net profit or loss from the operation of each game of chance license period and bell jar deal

The following items must be available at each meeting for review by the board and membership and the information contained therein must be recorded in the minutes:

- Monthly deposit slips
- Bank statements
- Checking account statements
- Bankbooks

When the license is issued to the Auxiliary or SAL, a copy of their written report must be filed with the Post and incorporated in its minutes.

It is the duty of the PCO to ensure that the monthly financial report is presented to the membership.

The NYS Racing and Wagering Board requires each Bell Jar licensee to:

- If the Auxiliary of The American Legion post has a NYS Identification Number, then said Auxiliary members are eligible to handle Bell Jar tabs. However, the names of the Auxiliary members who will handle Bell Jar activities must be listed on the post's Bell Jar license.
- Also, if an SAL Squadron of The American Legion post has a NYS Identification Number, then said SAL members (over the age of 21) are eligible to handle Bell Jar tabs.
- It is illegal for non-member bartenders of an American Legion post to handle Bell Jar tabs.

- Bell Jar tickets may only be sold on the premises of the licensed, authorized organization as well as during the organization's licensed bingo occasion and games of chance licensed period.
- The member in charge, and those assisting him, shall wear badges approved by the board containing the name, signature, and address of the wearer, the name of the organization for which he is working, the name of the organization of which he is a member, and his photograph. Each member shall also have, in his possession, valid identification containing his name and address, which must be exhibited upon the request of a representative of the board of municipality.
- No licensee shall permit any person who has participated or assisted in the management or conduct of the games of chance license period to participate as a player or purchase Bell Jar tickets at any time during such license period.

Duties of member in charge

The officers of each Post licensed to conduct games of chance must designate at least four bona fide members of the Post to be in charge and primarily responsible for the management of the games of chance during each license periods. These members will supervise all activities during the license period and are responsible for filing the required report (GC-7, GC-7Q, or GC-7R). These members must be familiar with the provisions of the Games of Chance Licensing Law, the applicable ordinances or local laws, the rules and regulations of the Post, and the terms of the license. A "member in charge" must be present at all times when the game(s) of chance are conducted except when bell jar and/or raffle are the only games of chance conducted. However, a "member in charge" has to be available and appear at the Post within one-half hour of being summoned by an agent of the board or an officer, agent, or employee of the municipal governing body or at the time set beyond thirty minutes by the board. For the game of chance known as raffle, a "member in charge" must be present during all raffle drawings. Licensed, authorized organizations who violate the provisions of section 5622.1 will:

1. ***on the first offense, a notice of violation will be issued informing the officers and members in charge that a second violation will require their presence at a compliance meeting conducted by board agents.***
2. ***on the second offense, the officers and members in charge shall participate at a compliance meeting conducted by agents of the board wherein those officers and members in charge shall propose corrective action; and***
3. ***on the third offense, the officers and members in charge shall participate at a hearing to be conducted by the board and surrender their license for such period as recommended by the board.***

GAMES OF CHANCE EQUIPMENT

- No authorized organization shall purchase or receive any supplies or equipment for use in the conduct of games of chance from other than a supplier licensed by the NYS Racing and Wagering Board (Chapter 309, NYS Laws of 1996).
- Chapter 337 of the NYS Laws of 1998 allows suppliers of games of chance equipment to lease equipment to not-for-profit organizations.

VENDING (BELL JAR) MACHINES

Chapter 386 of the NYS Laws of 1995, **ALLOWS** Bell Jar tickets to be drawn (sold) from vending machines.

- Vending machines must be purchased from a list of “suppliers” who have been approved by the NYS Racing and Wagering Board.
- Bell Jar ticket vending machines in possession of a licensed, authorized organization as of the effective date of these rules, but not prior to August 2, 1995, the effective date of Chapter 386, the NYS Laws of 1995; may be registered (GC-01BJ) with the board as a qualified Bell Jar ticket vending machine... provided... that the machine was obtained from a board licensed manufacturer who has been licensed by the NYS Racing and Wagering Board as a game of chance supplier. Bell Jar ticket vending machines that satisfy this paragraph may be registered subject to the following provisions:

Form GC-01BJ must be completed and submitted to the board within ninety days of the effective date.

If the Post fails to comply with the requirements, the bell jar ticket vending machine must be removed from the premises within one year

MERCHANDISE AND COIN BOARDS

Chapter 337 of the NYS Laws of 1998 includes merchandise boards and coin boards in the category of games of chance authorized for sale in New York State.

Merchandise and coin board (prizes) can not be redeemed for cash either directly or indirectly.

STAMP MACHINES

Coin operated mechanical, non-electrical dispensing machines manufactured prior to August 2, 1995 which were designed specifically to hold and dispense United States postage stamps, are allowed to be used as a Bell Jar ticket dispensing device as long as the machines were in possession of the licensed authorized organization as of the effective date of these rules (August 2, 1995). The machines may be registered with the board provided they were purchased from a board licensed manufacturer or supplier.

EXPENDITURE

The General Municipal Law (GML) Article 9-A, section 186, subparagraph (6) provides the limitations on the uses of moneys derived from games of chance which includes Bell Jars, was amended by Chapter 309 of the NYS Laws of 1996. The new requirements contained in chapter 309 are detailed on pages 20 - 24 of this compliance manual.

During the 1991 session, the NYS Legislature enacted, at the Department of New York's urging, Chapter 480 of the Laws of 1991:

AN ACT that determines the activities of veteran organizations to be a lawful purpose for the purpose of retaining the entire net proceeds for games of chance or bingo. During the 1997 session, the NYS Legislature enacted, at the Department of New York's urging, Chapter 190 of the NYS Laws of 1997:

AN ACT to amend the General Municipal Law (GML) in relation to games of chance operated by veterans' organizations.

Proceeds from games of chance may be used to initiate, perform, or foster the provisions of services to veterans by encouraging the gathering of such veterans and for the building or maintenance of facilities for use by these veterans for primarily charitable or patriotic purposes or those purposes authorized by Department or National Headquarters provided that the proceeds are disbursed in accordance with section 189 of GML Article 9-A, as follows:

- The entire net proceeds of any games of chance shall be exclusively devoted to the lawful purposes of the organization permitted to conduct the same and the net proceeds of any rental derived there from shall be exclusively devoted to the lawful purposes of the authorized games of chance lessor.

Chapter 309, NYS Laws of 1996 covers the following rules and regulations:

- Posts must purchase supplies and equipment specifically designed or adapted for use in games of chance and bell jar tickets or bell jar ticket deals from a supplier licensed by the NYS Racing and Wagering Board.
- A bona fide member of the Post, Auxiliary, or SAL squadron that is licensed is the only person allowed to operate any game of chance.
- No bell jar tickets can be transferred from on authorized organization to another – with or without payment.
- On bell jar sales, the licensee must file financial statements of bell jar operations and pay the board a sum of 5% of the net proceeds of the sales for the portion of the license period covered by the statement. Net proceeds is the amount of money left AFTER the prize money is paid out. A credit is permitted against the net proceeds fee tendered to the board for unsold tickets as long as the unsold tickets have the same serial number as the tickets for which the fee is tendered. These unsold tickets must be kept on file in the Post for inspection by the board for a period of one year following the date the relevant financial statement was received by the board.

- The poster included in each bell jar deal called a “Flare” must be displayed in a prominent place for all to see.

CASINO NIGHTS

A Post can use their bell jar identification number to obtain a “Casino Night” license. The Post must submit to the municipality a NYS Form GC2-2A-2B which described the games that are to be played and the names of the operator of each game. A fee is required.

The Post must submit a NYS Form GC-7 within 7 days of the Casino Night detailing the financial transactions of the occasion. A check representing 5% of the net proceeds must be included with Form GC-7.

It is recommended the Posts who wish to sponsor a “Casino Night” adhered to the NYS Racing and Wagering Board requirements as detailed in its Game of Chance booklet, chapters 5620, 5621, 5622, 5623, and 5624.

RAFFLES

The American Legion is an authorized organization under the General Municipal Law (GML) and, as such, can conduct raffles as permitted under the Games of Chance Laws.

The NYS Racing and Wagering Board requires the following:

- Conducting a raffle without a license is a violation of GML section 195-K and is punishable as a misdemeanor.
- A Post can use the bell jar identification number to hold a raffle. The raffle must be managed and operated by bona fide members of the Post as designated by the officers of the Post.
- Raffle tickets may not be sold more than 180 days prior to the date scheduled for the drawing.
- Winners do not need to be present to win.
- The maximum prize which can be awarded as a single or series of prizes is \$50,000 in cash or merchandise value. However, a single prize or series of prizes in cash and merchandise with a value up to \$100,000 may be awarded if the organization includes a statement in the application for a license of their intent to award prizes in excess of \$50,000.

- Proceeds from raffles, Casino Nights, etc, may be deposited into an existing bell jar account, however, a separate accounting system must be used to provide a written means to identify the income and expenditures of each bell jar, raffle, and Casino Night transaction.
- No games of chance may be conducted anywhere other than the Post.
- No commission, salary, reward, or any other form of compensation can be paid or given to any person for the sale or assisting with the sale of raffle tickets.

The NYS Racing and Wagering Board recognizes three separate category of raffles as follows:

RAFFLE CATEGORY "A"

When conducting raffles in which the cumulative net proceeds for all raffles conducted during the calendar year will meet or exceed \$30,000, the Post must:

- Apply for and obtain a Games of Chance Identification Number from the Board.
- File a Games of Chance License application with their municipal clerk using forms GC-2, GC-2A, and GC-2B along with an annual license fee.
- Obtain a Games of Chance License issued by the municipal clerk on Form GC-5.
- Maintain a special raffle checking account into which all raffle proceeds will be deposited and from which such funds will be lawfully disbursed in accordance with Section 5624 of the Board's Rules and Regulations.
- Ensure that no single prize awarded in a raffle shall exceed the sum or value of \$50,000 unless the Post has included a statement to that effect within its application for a license.
- File a financial statement of raffle operations on Form GC-7R with the municipal clerk and the Board by January 30th of the following year.
- Remit an additional license fee of 2% of the net profits of \$30,000 or more. (There is no additional license fee paid on the first \$29,999 derived in net profits.)
- Raffle tickets may be sold and drawings conducted on the Post's premises during its licensed casino nights or carnival games of chance events and during its licensed bingo occasions.
- Only people 18 years of age and older can purchase raffle tickets, sell raffle tickets, or conduct or assist in the conduct of a raffle drawing.
- Raffle tickets may be sold to the public, off the Post's premises, in municipalities which have passed a local law, ordinance, or resolution allowing such and in the counties which are contiguous to the county in which the municipality issuing the raffle license is located provided the licensee has received written approval from the Board and from each municipality to sell the tickets therein AND provided that

no tickets shall be sold more than 180 days prior to the date scheduled for the final drawing.

- Raffle tickets can be sold by any member of the licensed organization who is at least 18 years of age and may also be sold by any person who is at least 18 years of age with a blood relationship or affinity with a member of the license organization.
- All proceeds from Games of Chance must be deposited into a bank account and disbursed solely for lawful purposes in accordance with Section 5624 of the NYS Racing and Wagering Board's Rules and Regulations.

RAFFLE CATEGORY "B"

When conducting raffles in which the net proceeds derived from a single raffle will meet or exceed \$5,000 or the cumulative net proceeds for all raffles conducted during the calendar year will meet or exceed \$20,000 in a calendar year, but be less than \$30,000, the Post must:

- Apply for and obtain a Games of Chance Identification Number from the Board.
- File Form GCVS-1 with the municipal clerk and the Board attesting that the cumulative net proceeds for all raffles conducted during that calendar year will be less than \$30,000.
- Ensure that no single prize awarded will exceed the sum or value of \$50,000 unless prior notification has been given in the application for a license, in which case the value may be up to and include \$100,000.
- File Form GCVS-1 with the municipal clerk and the Board at the end of the calendar year attesting that the cumulative net proceeds for all raffles conducted during that calendar year were less than \$30,000 and that the proceeds have been deposited into a bank account to be disbursed on lawful expenditures.
- Raffle tickets may be sold and drawings conducted at the Post during its licensed casino nights or carnival games of chance events and during its licensed bingo occasions.
- Raffle tickets can be sold by any member of the licensed organization who is at least 18 years of age and may also be sold by any person who is at least 18 years of age with a blood relationship or affinity with a member of the license organization.
- Raffle tickets may be sold to the public, off the Post's premises, in municipalities which have passed a local law, ordinance, or resolution allowing such and in the counties which are contiguous to the county in which the municipality issuing the raffle license is located provided the licensee has received written approval from the Board and from each municipality to sell the tickets therein AND provided that no tickets shall be sold more than 180 days prior to the date scheduled for the final drawing.

- All proceeds from Games of Chance must be deposited into a bank account and disbursed solely for lawful purposes in accordance with Section 5624 of the NYS Racing and Wagering Board's Rules and Regulations.

RAFFLE CATEGORY "C"

When conducting raffle in which the net proceeds derived from a single raffle will be less than \$5,000 and the cumulative net proceeds from all raffles conducted during the calendar year will be less than \$20,000, the Post must:

- Meet the qualifications of an "authorized organization" as define in Section 190-a(2) of the General Municipal Law.
- Raffle tickets may be sold and drawings conducted on the Post's premises during its licensed casino nights or carnival games of chance events and during its licensed bingo occasions.
- Raffle tickets can be sold by any member of the licensed organization who is at least 18 years of age and may also be sold by any person who is at least 18 years of age with a blood relationship or affinity with a member of the license organization.
- Raffle tickets may be sold to the public, off the Post's premises, in municipalities which have passed a local law, ordinance, or resolution allowing such and in the counties which are contiguous to the county in which the municipality issuing the raffle license is located provided the licensee has received written approval from the Board and from each municipality to sell the tickets therein AND provided that no tickets shall be sold more than 180 days prior to the date scheduled for the final drawing.
- All proceeds from Games of Chance must be deposited into a bank account and disbursed solely for lawful purposes in accordance with Section 5624 of the NYS Racing and Wagering Board's Rules and Regulations.

If the proceeds for a single raffle reach or exceed \$5,000 or the cumulative net proceeds exceed \$20,000 during a calendar year, the Post must apply for and obtain a Games of Chance Identification Number from the Board and follow the licensing and filing requirements outlined in either Raffle Category A or B, as applicable, depending on the amount of net proceeds derived.

GENERAL EXPENDITURES

Chapter 480 of the NYS Laws of 1991 and Chapter 190 of the NYS Laws of 1997 negated the games of chance-bingo expenditure requirements/restrictions for veterans' organizations.

The Department of New York strongly recommends that Posts strictly adhere to the disbursement requirement of General Municipal Law Article 9-A, section 189, paragraph (4):

“Net proceeds from games of chance shall be exclusively devoted to the lawful purposes of the organization (veterans).”

The Department of New York defines “lawful purposes” of veterans’ organizations as:

Funds should be used solely for veterans, veterans’ rehabilitation, veterans’ memorial home, veterans’ activities, and veterans’ child welfare and community programs; which was, and is, the intent of the NYS Legislature in granting the games of chance/bingo funding exceptions only to veterans’ organizations.

POST EXPENDITURE

The removal of the expenditure restriction on games of chance/bingo funds places an added burden of responsibility on the Post to provide a good accounting system with strong internal controls that includes timely reporting and detailed record keeping to ensure that all municipal and state requirements are met.

BUILDING FUND

- A building fund may be established with net proceeds from games of chance. In lieu of Form GC-317, a Post need only submit a copy of the meeting minutes authorizing the establishment of a building fund. The funds must be re-deposited into the special games of chance checking account prior to distribution.

INTEREST BEARING ACCOUNT(S)

- Games of chance funds may be transferred from the special games of chance checking account into one or more interest bearing account such as savings accounts, money market accounts and certificates of deposit insured by the US Government, and US Treasury Bills. Monies transferred into these accounts continue to be games of chance funds and the titles of each account should include the words “special games of chance account.” A memo that covers each transfer should accompany the appropriate financial statement and indicate the date, check number, amount, and complete description of the account to which the money was transferred, e.g., bank name and account number.
- No expenditures may be paid directly from the interest bearing account. The money must be re-deposited into the special games of chance checking account prior to disbursement.
- All interest earned by interest-bearing accounts must be reported yearly on Form GC-7, part E-4; Form GC-7Q, part C-3; and Form GC-7R, part D-4.

DELEGATES

Chapter 190 of the NYS Laws of 1997 authorizes the expenditures of games of chance/bingo funds to reimburse a duly elected or appointed delegate their expenses to attend or participate in a conference, convention, seminar on veterans and veterans-related programs. Posts should reimburse at a rate consistent with Department and National schedules.

Delegates who attend Department programs are reimbursed at the rate of \$80.00 per day, roundtrip air or train travel, and \$.40/mile for personal automobile use.

Delegates who attend National programs are reimbursed at the rate of \$100.00 per day, roundtrip air or train travel, and \$.485/mile for personal automobile use. For meetings held in other cities (i.e., Washington, DC - \$150.00, National Convention - \$120.00).

If a delegate's travel expenses are being paid by Department or National, the delegate is ineligible for reimbursement by the Post. If a delegate's reimbursement is deemed excessive by the IRS, then it is possible that the reimbursement may be declared personal income.

The Department recommends the following procedures be observed by the Post in its selection of a delegate to represent the Post at a bona fide conference, convention, or seminar on veterans and veterans' related programs:

- The Post should pass a motion to authorize delegates to attend the conference, convention, or seminar at its regular meeting and appropriate money from games of chance special accounts to reimburse the delegates' expenses.
- The Post must complete NYS Form ST-119.5 and provide a copy of Form ST-119 to the delegate who, in turn, presents these forms to the hotel to be eligible for exemption from the room tax (within New York State only).
- The Post must provide a copy of the meeting minutes authorizing the delegates' expenses to the NYS Racing and Wagering Board.

(Copies of Forms ST-119 and ST-119.5 can be found in the back of this manual.)

The above procedures are applicable to all Post delegates who attend conferences, conventions, and seminars on bona fide Veterans and Veterans' Related Programs. (Please refer to following chart.)

VETERAN RELATED PROGRAMS		
AMERICANISM	ECONOMICS	Homeland Security &
Boys' State	Employment	Disaster Preparedness
American Legion Baseball	Veterans' Preference	
Education & Scholarship		REHABILITATION
Junior Shooting Sports	INTERNAL AFFAIRS	(Veterans' Affairs)
Oratorical	Woman in Military (WINAL)	Service Officers
Scouting	Membership &	Veterans Voluntary
	Post Activities	Services (VAVS)
CHILDREN & YOUTH	Protocol	Veterans' Cemeteries
Child Welfare Programs	Blood Donor	WINAL Rehabilitation
Temporary Financial Assist.		Homeless Veterans
	NATIONAL SECURITY	
COMPLIANCE OFFICER	MIA Liaison	
	Law & Order	
LEGISLATIVE	Energy & Conservation	

POST LOUNGE

- Games of chance funds may not be used for any expenses connected with bars and the dispensing of alcoholic beverages.
- All Posts who have lounge employees must meet the Federal and State wage reporting requirements.
- Receipts for a Posts lounge supplies should be maintained in a separate file.

Part (d) of Section 5624.21

NEW YORK STATE

TAX FILING

- **UNRELATED INCOME** – CT-13 Unrelated Business Income Tax Returns need to be filed yearly. This return uses the same data as IRS 990/990-T.
- **DOS-497** – NYS Annual Financial Report needs to be filed with CT-13
- **CT-247** – Exemption from Corporate Franchise Taxes by Not-for-Profit Organizations

EMPLOYMENT REQUIREMENTS

- **NYS DISABILITY INSURANCE**
 - Purchased through commercial insurance carrier
 - Yearly rate is based on wages and number of employees
- **WORKER'S COMPENSATION**
 - Purchased through commercial insurance carrier such as the State Insurance Fund
 - Yearly rate is established by New York State

Failure to have and pay insurance premium for workers as required by NYS Compensation Law is subject to fines of \$750/month. Post officers (Commander, Treasurer, Adjutant) can be held personally liable for all penalties incurred.

- **NYS UNEMPLOYMENT INSURANCE**
 - Paid quarterly using the same “total wage” figures as IRS 941
- **NYS QUARTERLY TAX WITHHOLDING REPORT**
 - WT-4 – AE2 NYS reports total wages paid and taxes withheld every quarter. A check for the withholding tax amount should be enclosed with this report.
 - WT-4B identifies employees and reports their wages and withholding amounts. Filed quarterly.

➤ **EMPLOYEES' TIPS**

- If a Post's policy allows tipping, the amount of gratuities must be added to the employees' taxable wages and reported on the quarterly NYS WT-4-AE-2 and NYS WT-4-B.
- If a Post has a "No Tipping" policy, it is suggested that "NO TIPPING" signs be prominently displayed in the bar, dining area, catering hall, etc.

CLUB (ALCOHOLIC BEVERAGE) LICENSE RULES

- A club license may be issued for the sale of liquor, wine, and beer; for wine and beer, or for beer only
- When an organization qualifies they are authorized to sell alcoholic beverages for on-premises consumption only to bona fide members and their guests. NO package sales of liquor, wine, or beer are allowed for off-premises consumption, including members of the public, members of the host organization or its employees.
- Chapter 259 of the Laws of 1997 requires all clubs to appoint a member to serve as the Alcoholic Beverage Control Officer (ABCO) who is responsible for filing all applications, renewals, and other documents required by the SLA. The ABCO is subject to the approval of the SLA and will act as the representative until such time as the club notifies the SLA that it has appointed a new ABC Officer
- A club is not required to serve food to hold a license. Clubs may, if they choose, contract for the sale of food in their premises on a concession basis, but the State Liquor Authority (SLA) warns that the person who holds the concession may not have an interest, either directly or indirectly, in the sale of alcoholic beverages on the club premises, nor may the food concessionaire manipulate his agreement with the club to avail himself of the club license.
- The Alcoholic Beverage Control Law enables licensed clubs to sell alcoholic beverages to non-members at special occasions, functions, or events held on the club premises upon compliance with specified conditions and after first obtaining a limited, on-premises caterer's permit from the SLA. This law is not intended to enable club licensees to compete with licensed restaurants, hotels, and other on-premises licensees in selling alcoholic beverages to the general public.
 - The event must not be advertised as open to the public and the alcoholic beverages can be sold only to people invited.
 - The event must be held by an auxiliary or other organization affiliated with the licensed club.
 - Another organization not affiliated with the licensed club may hold an event provided the event is in conjunction with the use of the primary athletic or sports facility of the licensed club.
 - The particular event is to be held by a particular charitable or non-profit organization wherein one or more members of the Post are also members or auxiliary members associated with the sponsoring organization.

- An off-premises caterer's permit can only be granted when the function to be held is restricted exclusively for the use and benefit of the club members only.
 - A club may file an application with the SLA for a one-day Temporary Beer and Wine Permit or a Caterer's Permit for a function or event to be held at the club premises or for a member event to be held off the club premise. Upon SLA approval, the club may serve alcoholic beverages to the attendees of the specific event.
- Clubs must conform to the hours of sale provided for on-premises licensees within the county in which they are located. The club will be held responsible for any violations which occur on any part of their premises.
 - Clubs are subject to the prohibition governing locations less than 200 feet on the same street as a school, church, synagogue or other house of worship.
 - A member of a club shall mean a person who is a bona fide member thereof who maintains his/her membership by the payment of annual dues in accordance with the by-laws and whose name and address are entered on the lists of members or who has in his or her possession an identification card indicating membership in the national veterans organization with which the club is affiliated. A guest is a person who is in the company of a member and enters the premises at the invitation of said member. Alcoholic beverages may be served to and paid for by the guest provided they are in the company of the member who invited them on premises. Alcoholic beverages may not be served to a guest when the member who invited them in has left the premises. The SLA does not consider a person who arrives at the club, uninvited, and is then made a guest, even if they sign a guest register, a valid guest for the purposes of serving alcoholic beverages.
 - Alcohol may not be sold or served to people under 21 years of age.

SALES TAX

Chapter 706 of the NYS Laws of 1993 allows duly authorized representatives of veterans' organizations to use credit cards and/or personal checks as payment when on authorized veterans' organization business and still be exempt from sales tax.

- **NYS LOCAL SALES AND USE TAX**
 - ST-102 - American Legion Posts who receive income from unrelated business, i.e. sale of alcoholic beverages, catering, sundries, bingo sundries (candy, nuts, etc.), vending machines, bowling, etc. must report this income on a quarterly basis.
- **SALES BY EXEMPT ORGANIZATION**
 - American Legion Posts may sell an otherwise taxable item to someone without charging sales tax. The purchaser must fill out form DTF-803 and write in "purchased from a tax exempt, not-for-profit organization" under section 15.

➤ **EXEMPTION FOR USA/NY FLAGS**

- Sales of official or once official flags of the United States of America and New York State are exempt from state and local sales and use taxes. This also includes accessories (such as a pole, rod, or staff; base or bracket; halyard, lanyard, or finial) if they are sold in the same package for a single charge.
- Sales of ALL other flags including confederate, colonial, and historic flags are subject to state and local sales and use taxes.

➤ **EXEMPTION FOR MILITARY DECORATIONS**

- As of December 1, 2006, active members or veterans of the United States Military are exempt from sales tax on the purchase of military decorations (ribbons, medals, mini-medals, lapel pins, etc.).
- The purchaser must provide the seller a completed copy of Form ST-121 Exempt Use Certificate.
- The purchaser must show his/her military ID or other documentation (discharge papers) as proof of current military service or veteran status.

FUND RAISING

- A Post must register with the NYS Office of Charities Registration when it sponsors an event (circus, show, etc) in conjunction with a commercial entity.
- New York State has ruled that “calendars” used for fund raising purposes constitutes a form of lottery and is, therefore, illegal.

FEDERAL ANNUAL FILING REQUIREMENTS

Failure to file appropriate forms may subject organizations to fines and penalties.

- **IRS FORM 990 – Exempt Organizations Conducting Gaming**
Return of Organization Exempt from Income Tax when annual gross receipts, whether related or unrelated, are generally more than \$25,000. Gross income is computed before any prizes, payouts, or expenses are deducted. The amount of prizes and expenses paid for gaming should be combined and reported on the Special Activities Section of Form 990.
- **IRS Form 990-T – Exempt Organizations Business Income Tax Return**
When gross unrelated business income from gaming activities is over \$1,000, any domestic organizations exempt under section 501(a) must file a Form 990-T which lists gross income minus gross receipts minus the costs of goods sold.
- **IRS Form 990-N – Electronic Filing Requirement for Small Tax-Exempt Organizations**
 - Beginning in 2008, small tax-exempt organizations whose gross receipts are normally \$25,000 or less that were not previously required to file returns may be required to file an annual electronic notice, Form 990-N (e-postcard). This filing requirement applies to tax periods after December 31, 2006. Failure to file this notice will result in the loss of an organization's tax-exempt status. The e-Postcard will be due every year by the 15th day of the 5th month following the close of your tax period. (i.e., if your tax period ends on December 31, 2007, the e-Postcard is due May 15, 2008).
 - Form 990-N must be filed electronically. There is no paper form. The IRS has an electronic filing system for the e-Postcard. (Information can be obtained on the IRS website www.irs.gov/eo or by calling 1-877-829-5500). If your Post does not have a computer, public libraries have computers available to the public.

UNRELATED BUSINESS INCOME

Unrelated business income, in general, is income generated from an activity the IRS views as a trade or business which is regularly conducted and is not related to the organization's exempt purposes. The IRS does not believe that fund-raising activities are necessarily exempt activities, even though the activity may raise funds for the operation of the organization. If the activity is not otherwise related to the exempt purpose, it may be unrelated business income which may create a tax liability.

FAQ

Listed below are responses by the IRS Exempt Organizations Division to questions posed by tax lawyers who specialize in tax laws and rules as they apply to tax-exempt organizations:

1. Who is a member of The American Legion?

The American Legion National Headquarters determines who is a member of The American Legion based on its Constitution and By-laws and as determined by the United States Congress. The IRS does not determine who is a member of The American Legion nor can it revoke the tax exemption of a Post if it is composed of valid members. Any Post with “associate” or “social” members category will likely have its tax exempt status revoked.

2. Can a member of an American Legion Post use the facilities of any Post and participate in its social and recreational activities without causing the Post to lose its tax exempt status?

Yes, members of The American Legion may use the facilities of and participate in the social and recreational activities of any American Legion Post. No Post will jeopardize its exempt status if it allows this use and participation.

3. Can members of The American Legion Auxiliary use a Post’s facilities and participate in the social and recreational activities of same?

Yes, members of The American Legion Auxiliary may use the facilities of a Post as permitted by the Post. They may also participate in joint social and recreational activities and other related activities without jeopardizing the tax exempt status of either group nor will such activity generate unrelated business income for the Post.

The IRS sought to revoke the exempt status of American Legion Posts and tax as unrelated business income the revenue generated from SAL and Auxiliary members and members of other Posts who used the facilities of another Post. Public Law 108-121 provides that the definition of “member” for the purpose of tax exempt status and unrelated business income is expanded to include ancestors and lineal descendants of a member who meet the Congressional Charter definition of Section 501(c)(19).

Furthermore, Auxiliary members (unless they are also members of The American Legion) are not to be considered members of the Post for purposes of the Post’s satisfaction of The American Legion’s “100% veteran membership” requirement. The American Legion Auxiliary National Headquarters has been recognized as a tax exempt organization under IRC section 501(c)(19) under Group Exemption #0964.

4. Is the operation of a bar and/or restaurant in a facility owned and operated by a Post a valid social and recreational activity for a veterans’ organization?

Yes, a bar/restaurant facility limited to the members of the organization and their bona fide guests is a valid social and recreational activity under IRC section 501(c)(19). A bona fide guest is a non-member of The American Legion and must register in the guest book. The guest may not make purchases in the bar/restaurant unless in the company of the member who invited them as a guest. If the member leaves, the guest may no longer make any purchases.

Any Post that is “open to the public” or permits guests to make purchases at the Posts is generating unrelated business income and endangering the tax exempt status of the Post.

5. Are the Sons of The American Legion a “society” or “auxiliary” under IRC section 501(c)(19)?

No, the SAL is not recognized as a tax exempt organization. The SAL is a committee of The American Legion and open to males under the age of 21 who are allowed to participate in all youth programs and those social and recreational activities related to the exempt purposes of The American Legion. For purposes of satisfaction of the membership requirement of IRC section 501(c)(19) veterans’ organization, members of the SAL should not be counted by the IRS as members of The American Legion. The IRS takes issue, however, with adult (over age 21) members of the SAL using Post facilities and participating in Post activities (i.e., using the bar/lounge). The American Legion National Headquarters is currently reviewing this issue.

6. Can a Post allow non-members to participate in: Post baseball teams, Post-sponsored Boy and Girl Scout groups, Boys’ State and Girls’ Nation, and the Sons of The American Legion?

Yes, all of these programs are valid youth activities. A Post can have youth programs for participants under the age of 21 who are not members of The American Legion. Such activities do not generate unrelated business income.

7. Can a Post conduct weekly dances, breakfasts, dinners without creating unrelated business income?

Yes as long as members perform the services connected with conducting the activity. If non-members conduct the activity on behalf of the Post, taxable income may be generated.

8. Can a member of a Post bring his/her family to a Post’s weekly functions without generating unrelated business income?

Yes as long as they are bona fide guests. This means that the member must pay for their participation in the function.

9. Can a member of the Post rent the Post’s hall for a personal occasion without generating unrelated business income for the Post?

Rental income from a member of the Post does not generate unrelated business income, however, rental income from a source unrelated to the Post’s exempt functions must be reported as unrelated business income on Part I of Form 990-T.

10. What kind of records must a Post keep to verify membership and the receipt of non-taxable income?

Each Post must have a record of the name, address, and ID number of each member.

Posts are required to keep records sufficient to establish the amount of their gross income and offsets to show that they operate in accordance with their

exempt purposes. Recognized accounting methods should be employed to provide the required financial information. Each Post should put in operation a methodology to determine whether the income is from members or non-members and whether a particular activity generating the income is related or unrelated to the organization's exempt purposes. When no records are kept, the IRS assumes the income is from non-members and will treat it as unrelated business income.

The above summary cannot be relied on in every situation. Each Post must evaluate its own situation and activities and make judgements based upon the facts of its particular situation. The Department suggests that Posts consult with qualified tax professionals, especially if notice of an IRS audit is received. This notice means an audit has commenced. A consultation with a qualified tax professional should precede any communication by a representative of the Post with an IRS agent.

The Post should maintain records that indicate monthly activities, individuals who participate in said activities (members, auxiliary, SAL, youth groups, etc.), and the number of people who participate in the activity. If the activity is a fundraiser, records should show who conducted the activity and whether or not volunteers provided services. Records of activities can include Post meeting minutes (minutes of all Legion meetings – county, district, department(Mid-Winter Conference, Membership, Hill Day, Department Convention), and National (Spring and Fall Conferences, Washington Conference, and National Convention), historian's records, activity books, commander's books, house committee reports, and reports to the parent organization. In addition to recording participation time, travel time to and from the activity should be included. This also applies to community activities (Memorial Day, Veterans' Day, etc.).

The IRS requires that an organization maintain such books and records that are sufficient to establish the amount of gross income, source of gross income, deductions, credits, expenses, or other matter by activity. Activities would include restaurant and bar sales, bingo, pull tabs, gaming devices, and fundraisers such as dinners, etc.

If a member of the general public occasionally uses the Post facilities, a separate record of the gross receipts from members and non-members must be maintained in order to determine what amount of income would be subject o unrelated business income. The Post should maintain a record of activities and the number of non-member hours involved in each activity. The Department suggests that the Post use the information from their copy of the Consolidated Post Report which is submitted to National annually to compile this information.

When an activity is conducted jointly with the auxiliary, a reasonable method must be used to determine how to allocate income and expenses. An acceptable accounting method should be used. If income and expenses are prorated, records should show that the allocation method used is reasonable.

IRC 6001 requires the maintenance of adequate records. If adequate records are not maintained, tax exempt status may be jeopardized. It is also necessary to maintain records that clearly identify revenue from each source and expenses related to same in order to determine what income is exempt function income and what income is unrelated business.

While tax exempt status under IRC 501(c) exempts an organization from income tax liability, it does not exempt such an organization from employment withholding taxes, Social Security taxes, or Medicare tax under the Federal Insurance Contributions act.

FEDERAL SPECIAL TAX STAMP

The ATF (Alcohol, Tobacco, and Firearms) requires that Posts who operate a bar as a retail liquor dealer must have their ATF F5630.5R tax stamp renewed on an annual basis.

FEDERAL FILING FOR EMPLOYERS REQUIREMENTS

➤ **IRS 1099 MISC.**

- If a Post pays \$600.00 or more to an individual for services (i.e., snow removal, band, disk jockeys, etc.), said payment must be reported on IRS Form 1099 – Miscellaneous Income. However, if the company the Post hired to perform services is incorporated, the Post does not have to issue a 1099.
- Any prize offered by a Post (raffle, casino night, etc.) that is worth \$600 or more must be reported to the IRS on Form 1099. When filing Form 1099, the Post must include the winner's name, address, social security number, and the total value of the prize.
- Failure to file IRS Form 1099 will subject the Post to a penalty and fines. (For example, on a prize of \$20,000.00, the penalty is 20% or \$4,000.00).

➤ **EMPLOYEE TIP REPORT**

If the Post allows employees to accept gratuities, then the Post needs to issue IRS Form 4070 so the employee can report this income. However, once the amount of tips received in a calendar month reaches \$20.00, the entire amount of tips received is included in wages, not just the amount over \$20.00.

➤ **IRS 941 – EMPLOYER'S QUARTERLY TAX RETURN**

Report of income tax withheld and employer and employee Social Security and Medicare taxes withheld,

➤ **ANNUAL W-2 WAGE AND TAX STATEMENT FOR EACH EMPLOYEE**

➤ **W3 TRANSMITTAL OF WAGE AND TAX STATEMENT TO IRS**

➤ **W4 EMPLOYEES WITHHOLDING ALLOWANCE CERTIFICATE**

➤ **940 EMPLOYER'S ANNUAL FEDERAL UNEMPLOYMENT (FUTA) TAX RETURN**

GAMING TAX FILING REQUIREMENTS

IRC 501(c)(19) provides for tax exempt status for qualifying veterans' organizations and their related auxiliaries. Under the Code a veterans' organization is permitted to conduct both social welfare and social and recreational activities for its members without adversely affecting its tax exempt status. Qualified veterans' organizations must

further the purposes as set forth in IRC Reg. 1.501(c)(19)-1 and NONE of its net earnings benefits any individual.

- IRC Reg.1.501(c)(19)-1(c) defines the purposes of veterans' organizations to:
 - Promote the social welfare of the community.
 - Assist needy and disabled veterans and the widows and orphans of deceased veterans.
 - Provide entertainment, care, and assistance to hospitalized veterans or members of the Armed Forces of the United States.
 - Perpetuate the memory of veterans and comfort their survivors.
 - Conduct programs for religious, charitable, scientific, literary, or educational purposes.
 - Sponsor or participate in patriotic activities.
 - Provide insurance benefits to members or members' dependents.
 - Provide social and recreational activities for members.

- The IRC also considers the following social and recreational activities exempt if conducted with Post members:
 - Operation of a bar or restaurant.
 - Gambling.
 - Dinners and dances.

A common misconception is that the conduct of gaming by a veterans' organization is a "charitable" activity. There is nothing inherently charitable about gaming. The conduct of gaming is no different than the conduct of any other trade or business carried on for profit. There are organizations whose exempt function includes providing social or recreational activities for its members and their bona fide guests, such as veterans organizations described in section 501(c)(19). Gaming activities involving members directly further the exempt social/recreational purposes. However, gaming open to the public may result in unrelated business income or adversely affect a Post's exempt status.

There is an exception in the unrelated business income tax rules for certain bingo games (sec. 513(f)) which applies ONLY if the game is legal under state and local law and not in direct commercial competition with similar games conducted by for-profit organizations. In order to qualify for the "bingo" exclusion, wagers must be placed, winners determined, and prizes distributed in the presence of all people placing wagers in that game.

Amounts wagered in drawings conducted by exempt organizations are not subject to wagering tax as long as no part of the net proceeds inures to the benefit of any private shareholder or individual. Raising substantial revenue from wagering activities open to the public for a long period of time to defray organizational operating expenses and to subsidize membership, recreational, and social activities constitutes private inurement. If the wagering activities are not open to the public, but are limited to members and bona fide guests, the use of the proceeds to defray operating expenses, etc. does not constitute inurement.

Records must be kept to show the source and disposition of the net proceeds from wagering. For example, if records show that wagers were accepted from non-

member/guest sources and that the wagering proceeds were commingled with other bar or bingo revenue and used, in part, for general operating expenses or to subsidize the bar and food operations and, in part, for charitable purposes, then a proportionate amount of the wagering proceeds could be deemed to have inured to the benefit of the members. However, if the net proceeds from wagers are separately accounted for and earmarked solely for charitable purposes, no inurement can be attributed to the wagering activities and no tax liability is incurred.

If a Post's exempt status is revoked, the exclusion from tax provided by section 4421(2)(B) of the Code would not apply to pull tab games during the period in question and could result in an additional tax liability on wagering activities from .25% to 2% of the tax.

➤ **FORM IRS 730 TAX ON WAGERING**

Due each month to report pull tab income. Form 730 must be filed whether or not there is income to report, simply report "NONE" on the form.

➤ **FORM W-2G – FORM 945**

When an individual wins a prize of \$1,200 or more at a gaming event, s/he must provide the game operator with proper identification including a social security number and two forms of identification on Form W9. The game operator must then complete Form W-2G. If the winner does not provide a social security number, the bingo operator must withhold tax at the rate of 31% and report to the IRS on Form 945 (annual return of gambling winnings and back-up withholding.)

The above procedure applies to any single pull-tab prize of \$600 or more. "Instant Bingo" or "Mini Bingo" are considered pull tab games, not regular bingo games.

Raffles are considered lotteries by the IRS for the purpose of withholding and backup withholding.

Withholding refers to the regular withholding of income tax from prizes paid at a rate of 28%.

Backup withholding refers to the withholding of tax on reportable prizes when the recipient fails to provide a social security number at a rate of 31%.

A trust fund recovery penalty may apply when income taxes that should be withheld are not withheld or are not paid to the IRS. Under this penalty certain officers or employees of the Post become **personally liable** for payment of the taxes and a penalty amount equal to the unpaid taxes.

For non-cash prizes, the fair market value of the item won is considered the amount of the winnings.

The Post is responsible for paying regular gambling withholding or back-up withholding whether or not it has collected the withholding from the prize recipient.

➤ **FORM IRS 11-C OCCUPATIONAL TAX AND REGISTRATION RETURN FOR WAGERING**

FEDERAL RELATED AND UNRELATED BUSINESS INCOME

- Donations to veterans' organizations whose membership consists of 90% war veterans are considered related income and exempt from income tax.

IRS REVENUE RULING 84-140

The fact that an organization of veterans qualifies as exempt from income tax under section 501(a) of the Code does not, of itself, mean that contributions to such organization are deductible under section 170(c)(3). For contributions to be deductible the organization must qualify as a war veterans organization within the meaning of section 170(c)(3). To qualify as a war veterans organization within the meaning of section 170(c)(3), the organization must satisfy both a membership requirement and a purposes requirement.

With respect to the membership requirement, the fact that a small percentage of the members of an organization formed as a war veterans organization have not served in the Armed Forces will not, of itself, preclude the organization from being classified as a war veterans organization under section 170(c)(3) of the Code, provided at least 90% of its members are war veterans and substantially all the other members are either veterans (but not war veterans), or are cadets, or are spouses, widows, or widowers of war veterans, veterans or cadets.

With respect to the purpose requirement, the organization must be organized and operated primarily for the purposes that are consistent with its status as a war veterans organization.

INTERNAL REVENUE CODE 170(C)(3)

IRC 170(c)(3) provides that contributions are deductible if made to a post or organization of war veterans, or an auxiliary unit or society of, or trust or foundation for, any such post or organization that is organized in the United States or any of its possessions, and has no part of its net earnings inuring to the benefit of any private shareholder or individual. These organizations are generally described in IRC 501(c)(19). The major difference between the requirements of IRC 170(c)(3) and IRC 501(c)(19) is that to qualify for exemption at least 75% of the members must be past or present members of the Armed Forces of the United States **whereas contributions will be deductible only if at least 90 percent of the members are war veterans of the Armed Forces.** Rev. Rul. 84-140, 1984-39 I.R.B. 5, which modified and superseded Rev. Rul. 59-151, 1959-1 C.B. 53, defines "war veterans" as person, whether or not present members of the United States Armed Forces, who have served in the Armed Forces of the United States during a period of war (including the Korean and Vietnam conflicts). Rev. Rul. 84-140 points out that if an organization is exempt under IRC 501(a) (some veterans organizations qualify for exemption under IRC 501(c)(4)) that does not, of itself, mean that contributions to it are deductible under 170(c)(3). The revenue ruling states that the fact that a small percentage of the members has not served in the Armed Forces will not preclude it from being classified as a war veterans organization under IRC 170(c)(3), provided at least 90% of its

members are war veterans and substantially all other members are either veterans (but not war veterans), or are cadets, or are spouses, widows or widowers of war veterans, veterans or cadets.

Useful Information:

New York State Racing and Wagering 518-395-5400

<http://www.racing.state.ny.us/charitable/char.home3.htm>

Annual Electronic Filing Requirement for Small Exempt Organizations — Form 990-N
(e-Postcard)

<http://www.irs.gov/charities/article/0,,id=169250,00.html>

CONTACT DIRECTORY

Enforcement

If you would like to make a complaint or have questions on enforcement issues, please call (212) 961-8378 in Zone 1, (518) 474-0385 in Zone 2, (716) 847-3039 in Zone 3 or send an email to: Enforcement@abc.state.ny.us

Office of the Secretary

If you have questions regarding the Full Board Calendar or questions on fines or penalties imposed by the Board please call (518) 402-4394 or send an email to: Secretarys_Office@abc.state.ny.us

Licensing

If you have questions concerning how to obtain a license or permit, please call (212) 961-8385 in Zone 1, (518) 474-3114 in Zone 2, (716) 847-3035 in Zone 3 or send an email to: LicensingInfo@abc.state.ny.us

Information Technology

If you have questions or suggestions regarding the Agency's use of technology please call (518) 486-4132, (518) 402-4070 or send an email to: Web_Master@abc.state.ny.us

Wholesale

If you are a manufacturer, wholesaler, retailer or other interested party with questions concerning trade practice, price schedules, brand label registrations or delinquent/credit statutes, please call (518) 474-6820 or send an email to: Wholesale@abc.state.ny.us

Communications Office

If you are a member of the media with questions regarding the State Liquor Authority, please call (518) 486-4767 or send an email to: PressOffice@abc.state.ny.us

FOIL

If you would like to make a Freedom of Information request, please call 518-408-2508 or send an email to: FOIL@abc.state.ny.us

Legal

If you have a legal question, please call (518) 474-6750 or send an email to: AlbanyCounsel@abc.state.ny.us

OFFICE LOCATIONS

The State Liquor Authority maintains three Zone Offices and one Satellite Office. Please contact the Zone office that supports the county where your business is located.

<p>Zone 1 317 Lenox Ave. New York, NY 10027</p>	<p>Zone 2 80 S. Swan St. Albany, NY 12210-8002</p>	<p>Syracuse District 333 E. Washington St. Syracuse, NY 13202</p>	<p>Zone 3 535 Washington St. Buffalo, NY 14203</p>
<p>Bronx Kings Nassau New York Queens Richmond Suffolk Westchester</p>	<p>Albany Clinton Columbia Dutchess Essex Franklin Fulton Greene Hamilton Montgomery Orange Putnam</p>	<p>Broome Cayuga Chenango Cortland Delaware Herkimer Jefferson Lewis Madison Oneida Onondaga Oswego</p>	<p>Allegany Cattaraugus Chautauqua Chemung Erie Genesee Livingston Monroe Niagara Ontario Orleans Schuyler</p>

	Rensselaer Rockland Saratoga Schenectady Schoharie Sullivan Ulster Washington Warren	Otsego St. Lawrence	Seneca Steuben Tioga Tompkins Wayne Wyoming Yates
Complaint Hotline (212) 961-8378	Complaint Hotline (518) 474-0385		Complaint Hotline (716) 847-3039