

Sons of Union Veterans of The Civil War

Office of the Commander-in-Chief

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GENERAL ORDER #11

SERIES 2008– 2009

11 May 2009

1. We have been informed by the IRS, who is currently conducting an audit of the National Order, that we have been incorrectly reporting National Officer expense accounts to the IRS. We have been operating under a *“non-accountable system”*, where those receiving allotments were not required to provide any accounting. This is based on the presumption that the officer receiving expenses would actually be spending more than the allotment.
2. As it turns out, per the IRS, this type of scheme is a taxable event to those receiving an allotment requiring a W-2 be issued to the officer and report the allotment as income.
3. Under an *“accountable system”*, the allotment is not considered taxable income to the brother and therefore will not require a W-2 be issued. However, each brother receiving an allotment must account for the funds he received and to return any unused funds.
4. Based upon this discovery and upon the recommendation of a committee charged to investigate this issue, the Council Of Administration has approved a policy for National Officers using the *“accountable system”*
5. Therefore, in view of the above, I strongly encourage all Departments and Camps providing an allotment or expense accounts, to adopt a policy, or amend by-laws, similar to the one the Council of Administration approved. By doing this, unnecessary confusion, paperwork, investigation by IRS, etc., can be prevented.

Ordered this 11th Day of May, 2009.

David V. Medert
Commander-In-Chief
Sons of Union Veterans of the Civil War

Attest:

Donald Palmer
Secretary, National Order,
Sons of Union Veterans of the Civil War

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