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TO: Department and Chapter Commanders and Adjutants
FROM: J. Marc Burgess, National Adjutant
DATE: July 23, 2020
SUBJECT: Bequest Reporting Program

One of DAV's unique strengths is its effective utilization of the tripartite structure of national, departments and chapters. Over a century, we've been able to develop an internal balance that permits and facilitates the execution of different aspects of our mission by the organization most equipped to meet a particular need of those we serve. That is why, for example, we can seamlessly offer help to a single local veteran through the LVAP program or to disabled veterans at large by effecting passage of a major law. In short, our organizational structure is a key part of what makes DAV great.

No benefit exists without a burden and the multiplicity of DAV "activity centers" is no exception. To many folks, our three-part structure is an insoluble mystery. For them, DAV is DAV. True as that may be, lack of attention to the differences between the organizational members of the DAV family can lead to significant problems. Nowhere is this more evident than in the area of bequests and other "testamentary" gifts like IRAs, bank accounts and life insurance policies.

For several years now, DAV national has been making great efforts to ensure that all bequests that we receive are actually intended for the national organization. We have hired professionals to track down missing wills, trusts and bank records to facilitate that goal. The result? Every single year for at least the past ten years, **national has redirected significant bequest funds to departments and chapters.** This happens, most frequently, like this: national receives a check for a \$25,000.00 bequest. There is no copy of the will. Even though the "easy" thing would be to deposit the check and forget it, we go the extra mile (sometimes ten miles) and obtain a copy of the will. If the will indicates that the bequest was actually intended for the Department of California, or a chapter in Alabama, the money is immediately remitted to that organization. Sometimes, we can catch the problem early and instruct the personal representative to redirect all payments to the correct DAV payee. Either way, the outcome is the same: the money goes where the donor intended.

How often does this happen and how much money is involved? It varies from year to year. The amount of money is always **at least** in the mid-six-figure range and, not infrequently, more than that. We've had a few years where we've sent well over a million dollars to departments and chapters. In short, roughly 20 bequests arrive on our doorstep every year that were intended for a department or chapter. **And in each and every case, we make sure the money gets there. DAV national NEVER keeps a bequest that belongs to a department or chapter.**

When it comes to administration of charitable bequests, there is no principle more sacred than **fidelity to the donor's wishes**. Ignoring those wishes by permitting a gift to go to the wrong party is not only unethical – it is dangerous. We are aware, for example, of a DAV chapter that has faced major litigation for accepting, and keeping, a bequest that clearly belonged to the department. In another recent case (not involving DAV), a nonprofit was required to repay a charitable gift after a court found that the donor's wishes had been ignored. The stunning fact in that case was that the gift had been made seventy years earlier and the repayment was calculated to include *seven decades of increase in the value of the money!*

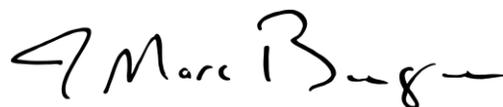
DAV has been in the forefront of charitable bequest management for several years. The care and attention that we have for all of our donors, living or deceased, plays an important role in our continued fundraising success. For that reason, it is imperative that we minimize the risk of misdirected bequests, which have the potential to frustrate a donor's purpose.

We are instituting a new practice by which departments and chapters will be required to inform the national organization whenever there is notification of a new bequest. The notification will be simple. We ask that you send an image of any paperwork that you have received to a special dedicated email address: giftintent@dav.org. If the paperwork contains a copy of the will, or trust, it will be a routine matter for our staff to confirm the correct recipient of the gift. If those documents are missing, our professional legal team will assume the burden of securing the documents and providing you with a copy. **Please remember that the only purpose of this undertaking is to ensure that the donor's wishes are honored. The national organization has no intention of claiming any interest in bequests to which it is not entitled.**

Occasionally, a bequest designation will be ambiguous. In those cases, the national organization will assist the affected parties in working out a compromise. For example, suppose that a gift is left to "the DAV location in CITY, STATE." Suppose further that in the city, there are two chapters and the department headquarters. Clearly, in such a circumstance, a rational division must occur.

Please remember that nothing in the policy changes anything in respect to the Annual Financial Report. Any bequest revenue received is still required to be reflected on that document.

This policy becomes effective on October 1, 2020. Well before that time, every chapter and department will receive instructions on a simple procedure for compliance. This will also be posted in a conspicuous place on the members-only section of the website.



J. Marc Burgess
National Adjutant