



## COMMONWEALTH of VIRGINIA

### *Veterans Services Foundation*

**Subject: Foundation IRS Tax Exemption/Deduction under Code sections 115 and 170 (c) (1) and Virginia Code Status Statement, Federal Employer Identification Number 46-2744762**

US Code: Title 26, Subtitle A, Chapter 1, Subchapter B, Part III, Section 115 Income of States, municipalities, etc. Gross income does not include (2) income accruing to the government of any possession of the United States, or any political subdivision thereof.

US Code: Title 26, Subtitle A, Chapter 1, Subchapter B, Part VI, Section 170 Charitable, etc., contributions and gifts, Subsection (c) Charitable contribution defined. **The term "charitable contribution" means a contribution or gift to or for use of – Subsection (1); A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.**

**The Veterans Services Foundation is a state agency established by section 2.2-2715 of the Code of Virginia and is authorized to accept charitable gifts by section 2.2-2716 of the Code of Virginia.**

According to the Internal Revenue Service and the Office of the Virginia Attorney General, a state agency such as the Veterans Services Foundation, designated to receive contributions for public purposes would be analogous to a 501 type organization (specifically a 501 (c) (3) organization) as a 170 (c) (1) organization.

Further, subsection 170 (b) (1) (A) (v) limits individual contributions as follows; "Any charitable contribution to – a governmental unit referred to in subsection (c) (1) shall be allowed to the extent that the aggregate of such contributions does not exceed 50 percent of the taxpayer's contribution base for the taxable year."

Subsection 170 (b) (2) (A) states that for corporations, "The total shall not exceed 10 percent of the taxpayer's taxable income." The foregoing is a determination made by the taxpayer and not by the receiving charitable organization.

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**Code of Virginia section 2.2-2719. Gifts and bequests; exemption from taxation.**

Gifts and bequests of money, securities, or other property to the Fund, and the interest or income therefrom, shall be deemed gifts to the Commonwealth, and the Fund shall be exempt from all state and local taxes. "The Fund" referred to in the Code of Virginia is the Virginia Veterans Services Foundation trust fund called the "Veterans Services Fund."

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In accordance with **Code of Virginia subsection 2.2-2718 (D)**. "All money, securities, or other property designated for the Fund and any interest or income therefrom shall remain in the Fund and shall not revert to the general fund."

**It should be noted on review of the Foundation's Financial Statements posted on the Foundation website, [www.virginiaveteransservicesfoundation.org](http://www.virginiaveteransservicesfoundation.org), that virtually 100% of donations received go the direct support of veterans. In effect, no contributions are used for administrative overhead or fundraising which are financed by the Commonwealth of Virginia.**

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Karla Boughey, Executive Director

7-1-17  
Date