



Veterans of Foreign Wars of the United States  
**DEPARTMENT OF SOUTH CAROLINA**



**POST POLICY FOR JOINT VENTURES & PARTNERSHIPS:**

**POST \_\_\_\_\_**

⇒ In compliance with Internal Revenue Service guidelines for approval and management of any joint venture entered into by the Department of South Carolina VFW, Post \_\_\_\_\_ adopts the following guidelines:

◆ **SECTION 1. ACTIVITIES SUBJECT TO THIS POLICY:**

- ◇ For the purposes of this policy, the term *Joint Venture* is defined as any arrangement, including contractual or more formal arrangements undertaken through a limited liability company (LLC), partnership, or other entity, through which the Department of South Carolina VFW, Post \_\_\_\_\_ and another entity jointly undertake any activity or business venture. A *Joint Venture* may include both taxable and tax-exempt activities.

◆ **SECTION 2. APPROVAL AND MANAGEMENT OF JOINT ACTIVITIES:**

- ◇ Before making any decision to participate in a *Joint Venture*, the Department of South Carolina VFW, Post \_\_\_\_\_ will ensure that the *Joint Venture* furthers the Department of South Carolina VFW's Post \_\_\_\_\_ exempt purposes and will negotiate at arms length contractual and other terms of participation that safeguards the Department of South Carolina VFW, Post \_\_\_\_\_ exemption from federal income tax. Such terms shall be in writing in the operating agreement of the *Joint Venture* and shall include the following minimum requirements:
  - With respect to any ancillary *Joint Venture* (that is, a joint venture to which a portion of the Department of South Carolina VFW, Post \_\_\_\_\_ resources are contributed), the Department of South Carolina VFW, Post \_\_\_\_\_ would, at a minimum, maintain sole control over the tax-exempt aspects of the *Joint Venture* that are consistent with the Department of South Carolina VFW, Post \_\_\_\_\_ capital contributions.
  - A requirement that any subsequent contract with the Department of South Carolina VFW, Post \_\_\_\_\_ partner in the *Joint Venture* be negotiated at arm's length and for a fair market value.
  - A requirement that the *Joint Venture* give priority to the Department of South Carolina VFW, Post \_\_\_\_\_ tax-exempt purposes over maximization of the participants of the *Joint Venture*; and í ..
  - A prohibition on activities that would jeopardize the Department of South Carolina VFW, Post \_\_\_\_\_ tax-exempt status.