

Transition to a 501(c)(3)



Understanding nonprofit status and organizational changes

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Veterans Command Tomorrow

PRESENTED BY
J.P.Morgan



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Entity Reorganization

Purpose of Transition

The transition reflects evolution in mission, programs, and impact aligning with a 501(c)(3) public charity status.

Member Engagement

Members are engaged through education and dialogue to understand the transition without surprises or pressure.

Phased Deliberate Process

The transition is phased and deliberate, based on governance best practices and legal requirements.

Commitment to Stability

The organization prioritizes continuity, stability, and trust throughout the transition process.





Rationale

Mission-Driven Focus

The transition reflects the organization's shift toward primarily educational and charitable activities benefiting veterans and partners.

Alignment with 501(c)(3)

The 501(c)(3) structure offers a clearer legal and operational framework that supports the organization's charitable purposes.

Enhanced Credibility and Funding

This status increases credibility with funders and opens new funding opportunities unavailable to 501(c)(6) organizations.

Proactive and Sustainable Growth

The change is a proactive step toward sustainability and long-term success without departing from core mission and values.

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What Is Not Changing

Continuity & Stability

Mission and Priorities Stability

The organization's mission, programs, and strategic priorities remain unchanged to ensure consistency throughout the transition.

Uninterrupted Operations

Day-to-day operations will proceed without disruption, maintaining familiar member engagement and service levels.

Leadership and Staff Continuity

Leadership and staff will remain consistent, preserving compensation, benefits, and tenure for organizational stability.

Ongoing Communication and Transparency

The organization commits to open communication and transparency to keep members informed and engaged.



Key Structural Updates



Governance and Legal Updates

Changes focus on updating governance documents like bylaws to comply with 501(c)(3) regulations, ensuring legal alignment.

Phased Implementation Approach

Changes are implemented gradually to reduce risk and maintain operational continuity throughout the transition.

Procedural, Not Mission Changes

Emphasizing that changes are procedural and compliance-driven, supporting long-term effectiveness without altering mission.



What Is Changing



Decision Making Framework



How Decisions Are Made

Board Authorized Preparations

Board can legally draft bylaws and set governance structures before member approval is required.

Member Approval Requirement

Critical actions like asset transfers and disestablishment require a membership vote for legal compliance.

Ensuring Transparency and Accountability

The decision framework promotes transparency and shared accountability throughout the transition process.

Member Education and Engagement

Education and engagement ensure members understand decisions and consent to no irreversible actions without approval.



Member Role & Authority



Why Member Approval Matters

Importance of Membership Vote

Member approval is essential for key legal decisions, ensuring collective agreement and legitimacy.

Transparency and Accountability

Critical actions like asset transfers and disestablishment require a membership vote for legal compliance. The vote acts as a safeguard promoting transparency and organizational accountability among members.

Encouraging Member Engagement

Members are urged to stay involved, ask questions, and participate fully during the voting process.

Shared Ownership and Trust

Highlighting shared ownership builds trust and emphasizes the collaborative nature of the organization's future.

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Timeline Overview

Transition Timeline

Preparation Phase

Spring and summer 2026 focus on preparation, governance alignment, and education to set the foundation.

Membership Vote

Fall 2026 targets an electronic membership vote following outreach and communication efforts.

Final Transition

Final steps continue into late 2026 aiming for full governance by the 501(c)(3) on January 1, 2027.

Engagement and Pacing

The timeline ensure a measured, deliberate process allowing ample time for engagement and decision-making.

