

Veterans Service Organizations (VSOs): Frequently Asked Questions

Updated August 5, 2022

Congressional Research Service

<https://crsreports.congress.gov>

R46412



Veterans Service Organizations (VSOs): Frequently Asked Questions

Veterans Service Organizations (VSOs) offer a range of services for veterans, servicemembers, dependents, and survivors. Some VSOs may provide programming for veterans in their communities, such as job fairs; others may organize events to raise money for a subset of veterans, such as housing for homeless veterans. Some VSOs train individuals to meet federal regulatory requirements to become accredited representatives who can represent claimants before the Department of Veterans Affairs' (VA's) regional offices and its Board of Veterans' Appeals. This report answers frequently asked questions to clarify how VSOs are funded, administered, and connected to the federal government.

R46412

August 5, 2022

Tamar B. Breslau

Senior Research Librarian

Carol D. Davis

Senior Research Librarian

Contents

What Are Veterans Service Organizations?.....	1
What Services and Activities Are Supported by Veterans Service Organizations?	1
Are Veterans Service Organizations Federal Agencies?	2
What Are Congressionally Chartered Veterans Service Organizations?	2
What Are Recognized Veterans Service Organizations?	2
Do Veterans Service Organizations Provide Access to Accredited Representatives?	3
How Are Veterans Service Organizations Funded?.....	3
Do Veterans Service Organizations Provide Reports to the Federal Government?.....	4
Does the Department of Veterans Affairs Provide Grants Specifically for Veterans Service Organizations?.....	4
Do Other Federal Agencies Offer Grants for Veterans Service Organizations?.....	4
Where Can I Find a Directory of All Veterans Service Organizations?	4

Contacts

Author Information.....	5
-------------------------	---

What Are Veterans Service Organizations?

Veterans Service Organizations (VSOs) are organizations that aid and serve veterans, servicemembers, dependents, and survivors. Descriptions of different types of VSOs appear in the Department of Veterans Affairs' (VA's) *2019 Directory: Veterans and Military Service Organizations and State Directors of Veterans Affairs (Directory of VSOs)*.¹

According to the directory, VSOs may fall into one or more of the following categories:

- congressionally chartered organizations;²
- organizations recognized by VA;³
- organizations recognized by VA to prepare, present, and prosecute claims;⁴
- national organizations;⁵
- state, county, or tribal governmental organizations;⁶
- regional or local organizations;⁷ or
- nonprofit organizations.

There is no uniformly applied statutory definition of the term *VSO*, but certain laws use the term more narrowly than the *Directory of VSOs*. For example, the Veterans Appeals Improvement and Modernization Act of 2017 (P.L. 115-55) stated: "The term 'veterans service organization' means any organization recognized by the Secretary for the representation of veterans under section 5902 of title 38, *United States Code*." Also, the Internal Revenue Code (IRC) defines veterans organizations for the purpose of determining tax status in the IRC section 501(c). More information on this topic can be accessed from the Internal Revenue Service website on its "Veterans Organizations" page, at <https://www.irs.gov/charities-non-profits/other-non-profits/veterans-organizations>.

What Services and Activities Are Supported by Veterans Service Organizations?

VSOs serve veterans, and their activities may encompass a range of services, such as

- providing programming for veterans in their communities, such as job fairs;

¹ Department of Veterans Affairs (VA), *2019 Directory: Veterans and Military Service Organizations and State Directors of Veterans Affairs*, at <https://www.va.gov/vso/VSO-Directory.pdf> (hereinafter cited as *Directory of VSOs*).

² According to Title 36 of the *United States Code*, congressionally chartered organizations are those that have as their purpose the promotion of patriotic, charitable, historical, educational, or similar activities.

³ 38 C.F.R. §14.628 (Recognition of Organizations).

⁴ According to VA's Office of General Counsel,

Under the authority granted in section 5902 of title 38, *United States Code*, VA may recognize organizations for the purpose of assisting claimants for VA benefits in the preparation, presentation, and prosecution of their claims. VA has implemented this authority in section 14.628 of title 38, *Code of Federal Regulations*, which prescribes the application requirements for national, state, and regional or local organizations.

⁵ 38 C.F.R. §14.628(a).

⁶ 38 C.F.R. §14.628(b)(1) (State organizations); 38 C.F.R. §14.628(b)(2) (Tribal organizations).

⁷ 38 C.F.R. §14.628(c).

- organizing events to raise money for a subset of veterans, such as housing for homeless veterans; or
- providing access to accredited veterans service representatives who can help veterans when they apply for VA benefits.

Are Veterans Service Organizations Federal Agencies?

VSOs are not federal agencies. VSOs may be nonprofit organizations or state, county, tribal, or local government agencies. Employees who work for VSOs are not federal employees.

The VA Secretary may make space available in departmental facilities for individuals who work for national VSOs that have been recognized by the Secretary. According to 38 U.S.C. §5902(a)(2), “the Secretary may, in the discretion of the Secretary, furnish, if available, space and office facilities for the use of paid full-time representatives of national organizations so recognized.” Thus, while employees of some VSOs may be physically working at VA federal facilities, they are not federal workers. The VSO employees are positioned in these facilities to conveniently assist veterans, their spouses, and their beneficiaries.

What Are Congressionally Chartered Veterans Service Organizations?

Congressionally chartered VSOs are organizations that have been granted charters by Congress through the enactment of public laws. Each congressionally chartered VSO is listed in 36 U.S.C. Subtitle II: Patriotic and National Organizations.

A VSO is “congressionally chartered” if Congress has passed a law that chartered the organization. Provisions related to congressional charters are codified in 36 U.S.C. Subtitle II. According to the *Directory of VSOs*,⁸ the last VSO chartered by Congress was the Military Officers Association of America in 2009.⁹ Congress may amend existing charters, which often include conditions for membership, mission, or other characteristics of the particular VSO. Among the congressionally chartered VSOs are the American Legion,¹⁰ which was chartered in 1919, and Disabled American Veterans (DAV),¹¹ which was chartered in 1932.

What Are Recognized Veterans Service Organizations?

A recognized VSO is one that has been recognized by VA,¹² which means that the organization has satisfied multiple requirements outlined in 38 C.F.R. §14.628. Recognized VSOs may be national organizations, state organizations, regional or local organizations, or tribal organizations.¹³

Recognized VSOs are not individually named in the *U.S. Code*. Authority to determine that a VSO is “recognized” is granted to the VA Secretary in 38 U.S.C. §5902 (Recognition of

⁸ See *Directory of VSOs*, at <https://www.va.gov/vso/VSO-Directory.pdf>.

⁹ See 36 U.S.C. §§140401-140412.

¹⁰ See 36 U.S.C. §§21701-21708.

¹¹ See 36 U.S.C. §§50301-50309.

¹² 38 C.F.R. §14.628(d) describes the requirements that must be met for recognition.

¹³ See VA, “Recognition of Tribal Organizations for Representation of VA Claimants,” 82 *Federal Register* 6265, January 19, 2017.

representatives of organizations). The specific regulations that apply to recognized VSOs appear in 38 C.F.R. §14.628 (Recognition of organizations).

The requirements to become a recognized VSO include, but are not limited to

- having a primary purpose to serve veterans;
- demonstrating commitment to veterans through a sizeable organizational membership or performance of veterans services;
- committing a significant portion of the organization's assets to veterans services; and
- submitting evidence that the organization will represent claimants or that it will inform claimants on how to find accredited representation.

VSOs provide evidence to the VA Secretary that they meet these criteria through documentation (e.g., membership data, bylaws, description of services provided, and copies of their financial statements). In cases where the organization provides VA claims services, evidence must be provided that the group has the capability to represent claimants before VA regional offices and VA's Board of Veterans' Appeals.

Do Veterans Service Organizations Provide Access to Accredited Representatives?

Recognized VSOs may provide access to accredited representatives, who assist claimants with their affairs before VA. Not all recognized VSOs provide accredited representatives to represent claimants. The recognized VSOs that do not represent claimants must illustrate how they will inform veterans of the limited services they can provide, as well as how they will advise veterans on how to find accredited representation.

Recognized VSOs submit applications of individuals seeking to become accredited representatives to VA's Office of General Counsel for accreditation. These applications include evidence that the individuals have been trained and meet specific qualifications.¹⁴ Recognized VSOs that provide access to accredited representatives often also provide the required continuing learning credits that representatives must periodically complete.

Accredited representatives who work for VSOs may not charge their clients fees. For more information on accredited representatives, see CRS Report R46428, *Veterans Accredited Representatives: Frequently Asked Questions*.

How Are Veterans Service Organizations Funded?

VSOs may receive funding from state, county, or private funding sources. They may also receive federal grants to support specific activities.

¹⁴ See 38 U.S.C. §§5901-5905; 38 C.F.R. §§14.626-14.637.

Do Veterans Service Organizations Provide Reports to the Federal Government?

Certain VSOs have varying federal reporting requirements. Some may be required to file with the Internal Revenue Service (IRS);¹⁵ others may be required to submit reports as a result of provisions in their congressional charters.¹⁶ There is no uniform requirement for all VSOs or all congressionally chartered VSOs to submit reports.

Does the Department of Veterans Affairs Provide Grants Specifically for Veterans Service Organizations?

Most VA support is designed to aid individual veterans rather than organizations that serve veterans. On occasion, Congress has authorized VA to administer grants for which applications may be solicited from VSOs. For example, the Veterans Transportation Program notes the following requirement for applicants for its Highly Rural Transportation Grants:

Only a Veterans Service Organization (VSO) or a State Veterans Service Agency can apply, according to paragraphs (a)(2)(A)-(B) of section 307 of the 2010 Act. VSO must be recognized by the Secretary of Veterans Affairs for the representation of Veterans under section 5902 of Title 38, *United States Code*.¹⁷

Do Other Federal Agencies Offer Grants for Veterans Service Organizations?

VSOs may be eligible for federal support based on the services they provide or the community needs they fill. They may also be eligible for funding if their IRS tax-exempt status category is among those deemed eligible for a particular grant.¹⁸ For more information on funding, congressional offices may consult the CRS “Grants and Federal Assistance” page, available at <https://www.crs.gov/Resources/Grants>.

Where Can I Find a Directory of All Veterans Service Organizations?

No single resource provides a comprehensive list of all VSOs. The following resources provide lists of selected VSOs:

- VA, “E-Benefits: Manage your representative for VA Claims,”¹⁹

¹⁵ See CRS Report R40919, *An Overview of the Nonprofit and Charitable Sector* for filing information.

¹⁶ See, for example, 36 U.S.C. §§120101-120112, requiring an annual report to be submitted to Congress.

¹⁷ See VA, “Health Benefits,” at https://www.va.gov/healthbenefits/vtp/grant_applicants.asp.

¹⁸ For example, the Department of the Treasury issued a Final Rule on January 27, 2022, making 501(c)(19) organizations among the nonprofits eligible for funding from allocations from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund that were established under the American Rescue Plan Act (see 87 *Federal Register* 4338, January 27, 2022). More information on the Internal Revenue Code classifications for VSOs can be accessed from the Internal Revenue Service (IRS) website’s “Veterans’ Organizations” page at <https://www.irs.gov/charities-non-profits/other-non-profits/veterans-organizations>, as well as from IRS Publication 3386, “Tax Guide for Veterans’ Organizations,” at <https://www.irs.gov/pub/irs-pdf/p3386.pdf>.

¹⁹ See VA, eBenefits, “Manage Your Representative for VA Claims,” at <https://www.ebenefits.va.gov/ebenefits/vso-search>. Includes search for recognized VSO, accredited attorneys, and accredited claims agents.

- VA, “VSOs in Regional VA Offices,”²⁰
- *Directory of VSOs*, at <https://www.va.gov/vso/VSO-Directory.pdf>,²¹
- VA, “Directory of State Veterans Affairs Offices,”²² and
- 36 U.S.C. Subtitle II: Patriotic and National Organizations.

Author Information

Tamar B. Breslauer
Senior Research Librarian

Carol D. Davis
Senior Research Librarian

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS’s institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

²⁰ See VA, “VSOs at Regional Benefit Offices,” at <https://www.benefits.va.gov/vso/varo.asp>.

²¹ See *Directory of VSOs*, at <https://www.va.gov/vso/VSO-Directory.pdf>.

²² See VA, “State Veteran Affairs Offices,” at <https://www.va.gov/statedva.htm>.