

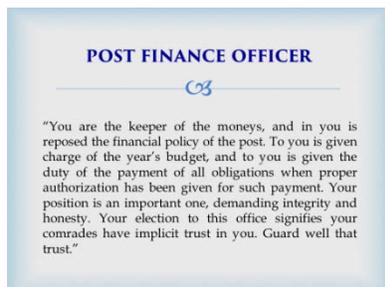
POST FINANCE



OATH OF OFFICE

Read out loud to the class.

This is the charge of a Post Finance Officer from the Post Officers Guide:



“You are the keeper of the moneys, and in you is reposed the financial policy of the post. To you is given charge of the year’s budget, and to you is given the duty of the payment of all obligations when proper authorization has been given for such payment. Your position is an important one, demanding integrity and honesty. Your election to this office signifies your comrades have implicit trust in you. Guard well that trust.”

A very important job within the American Legion for sure.

Let's discuss the roles and responsibilities of a Post Finance Officer.

ROLE AND RESPONSIBILITIES



The Post Finance Officer must be a person of proven integrity and experience in handling financial affairs. The Post depends on finance, just as any other organization, and will do well to accept expert advice in formulating and administering its financial policy. The Post Finance Officer usually serves as the chair of the finance committee and is in charge of all receiving and disbursing of Post funds. The Post Adjutant, in all matters relating to finance, should carry on the work in close correlation with the Post Finance Officer. Both officers must

be covered by adequate bond. Department headquarters should be consulted for blanket bond arrangement. Post accounting forms are designed to meet the requirements of American Legion posts in maintaining a correct and permanent membership and finance record. Because of their simplicity, they require no special knowledge of bookkeeping or accounting. Every Post Adjutant and Post Finance Officer should insist upon being provided with a set of forms to save time and money for the post. Consult the Emblem Sales catalog for prices and detailed descriptions, or go online to emblem.legion.org. Be prompt in remitting national and department dues, along with the department record card, to department headquarters. Note all payments and other transactions on the post membership register.

When you officially take office as Post Finance Officer you should already be familiar with the Post finances. Your responsibilities include:

- Managing funds
- Collecting and submitting dues and per capita dues
- Preparing and submitting a monthly, quarterly and annual finance report
- Developing a budget
- Mentoring your successor

To prepare for your term, learn what will be expected of you by the Post Commander, Post Executive Committee and Post Members. It is recommended that you assist the outgoing Post Finance Officer before taking office to enable you to better understand your role. Ask questions such as:

- How are the bank accounts set up?
- How do Post members pay dues?
- Does the Post have any outstanding debt?
- What is the budget for the coming year? How was it established?
- How are funds allocated for Post committees?
- What kind of accounting system is in place for bookkeeping?
- How are financial records kept?
- What paperwork needs to be filed within the Post, County, District and Department?

Your Post Constitution and/or Bylaws should call for the establishment of a Finance Committee. This committee supervises the receiving, disbursement and accounting of all post funds, prepares annual budget recommendations, and advises the Post on all financial policies. The Post Finance Officer usually chairs the finance committee.

MANAGING FUNDS



When you begin your term, you will be responsible for adhering to the budget created in the previous year. This duty will involve managing and tracking incoming and outgoing funds.

Note: Point out to your students that Post Budgets are generally completed and approved before the installation of new officers.

Incoming funds include but are not limited to:

- Membership dues payments
- Donations
- Money raised from Post activities
- Investments
- Sponsorships
- Rents, etc.

Outgoing funds include but are not limited to:

- County and District per capita dues
- Department & National membership dues
- Charitable expenses
- Office supply and equipment costs
- Meeting expenses (e.g., facilities, meals)
- Promotional expenses
- Committee activity costs
- Miscellaneous fees

Ensure that all collected funds and expenses are accurately documented. Provide members with receipts for their dues and donations, and record any transactions, including Post purchases, in a ledger. If exceeding the budget is unavoidable, be sure to request the Post Executive Committee's approval.

An electronic accounting program will automate many of the tasks associated with your position. Consult your Post's outgoing treasurer to find out which software is used, if any. If you're selecting a new program, choose one that you're comfortable with and that meets your Post's needs.

Collecting and Submitting Dues and Fees. Legionnaires are required to pay dues to their Post. As Post Finance Officer, it is important that you understand what you need to collect from members and what you must pay on behalf of your Post, Department and National per capita. Annual dues are set by the delegates to the respective convention each year.

These dues, which vary by Post, generally fund operating expenses such as meetings, programs, events, and supplies.

REPORTING ON YOUR POST'S FINANCES

Stress the importance of providing a copy of the Bank Statement with every monthly report.



Your duties include issuing monthly reports to your Post's Executive Committee, regular financial updates and a detailed annual report to Post members. At Post Executive Committee meetings, present the Post's Statement of Revenue and Expense, and indicate the status of any fundraising efforts and the overall budget. Though the exact nature of Executive Committee reports will vary depending on Post size and activity, a sample Finance Report is provided in your handouts.

As Post Finance Officer, you have primary responsibility for the accuracy of your Post's financial records. It is important that Post Executive Committee and Post meeting minutes list account balances and disbursements that match actual financial activity. All records should be preserved in case the Post has to account for the use of funds during a specific period. Consult with local authorities on laws pertaining to document retention. Your Post's financial activity should be reviewed annually by a qualified accountant. In some cases, Post Finance Officers may be responsible for filing taxes on behalf of the Post. Be sure to learn the state and federal tax laws. There may be special requirements if your Post has separate funds for scholarships or foundations, or if it is incorporated. Consult an expert in your Post or community about specific tax questions.

DEVELOPING A BUDGET



As a member of your Post's Finance Committee, you will help develop a Post budget for the coming year. Before creating the budget, review the Post's financial history to determine the likely sources of income and areas of expense, and meet with incoming officers to discuss their plans for the year. The income and expenses included in the budget should be broken into two parts: Post operations and charitable funds.

Additionally, establishing a reserve fund can help your Post handle unexpected expenses; some Posts base this fund on their annual operating costs. The final budget must be approved by the Post Executive Committee or Post Membership.

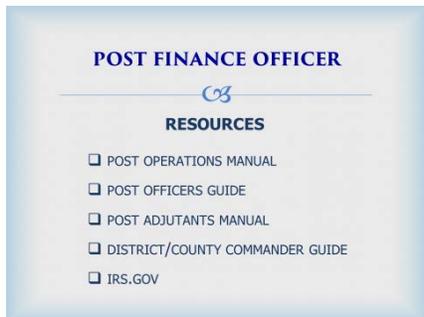
Refer your students to the Post Operations Manual for a suggested chart of accounts.

MENTORING YOUR SUCCESSOR



Once your successor is chosen, discuss the role so that he or she is prepared to assume office. Review recording and reporting procedures, and share tips on budgeting and managing Post funds. If practical, allow the incoming treasurer to assist with your regular responsibilities. After the Post election, turn over all funds, accounting records, and any other related materials to your successor.

RESOURCES



The following resources can help you fulfill your role as Post Finance Officer/Post Treasurer:

- www.legion.org - Site of our National Headquarters with information and manuals covering Post Operations Manual, Post Officers Guide, Post Adjutants Manual, District Commander, County Commander Manual, etc.
- www.irs.gov - Advice and resources for you Post and its tax liability

POST AUDITS



APPOINTMENT OF THE POST AUDITING COMMITTEE. This committee is one of the most important committees of the Post. Its function is to oversee the accounting procedures and methods of internal control as a means of conserving the financial interest of the Post at every level. This committee should be thoroughly familiar with the accounting system.

Much care should be taken by the officers of the Post in the appointment of a chairman for the Auditing Committee. The chairman should be either appointed by the Executive Committee or be a member of the Executive Committee. It is possible that the Post Officers might want the Auditing Committee to function as a sub-committee of the Executive Committee during the entire year. The Post Finance Officer should serve as an advisor and consultant to this committee since he handles the financial records of the Post.

The members of this committee should be qualified individuals with knowledge of accounting and the procedures inherent to the knowledge. Experience has shown, where qualified members are appointed to this committee and their duties and assignments are fulfilled, that they can be of immeasurable assistance to those in charge of the administrative affairs of the Post.

FINANCIAL CONTROLS



Financial controls help Posts function smoothly, ensure that funds are managed properly, and help protect you and your Post from allegations of fund misuse. Establishing standard procedures for ongoing duties will also simplify your job as Post Finance Officer. Consider following these procedures if your Post doesn't already do so:

- Email reports to the Executive Committee members for review to ensure accuracy.
- Include time for questions after presenting the monthly finance report.
- Ask the Post Commander to review all bank statements before giving them to you.
- Review monthly bank statements, and reconcile transactions with Post records.
- Attach a copy of the monthly bank statement to the monthly finance report.
- Require more than one signature on all checks and withdrawals.
- Update signature requirements as officer positions and other roles change.
- Ask that the chair of an event sign for charitable expenses.
- Require board approval for operating expenditures over a certain amount.
- Establish a term limit for your Post's Finance Officer position.
- Create a process to ensure a smooth transition for an incoming Post's Finance Officer
- Stay current on local tax requirements and laws.
- Appoint a finance committee to provide oversight and help with succession planning.



HAN

APPENDIX 1

BEST PRACTICES CHECKLIST FOR POST FINANCIAL OFFICERS/TREASURERS

Completing the items on this checklist can help ensure transparent and professional financial practices.

Monthly

- Collect and record dues from Post members
- Perform basic account maintenance - including reconciling bank statements, making deposits, and paying bills in a timely manner.
- Work with Post committees to ensure that their expenses are within budget.
- Report on the status of Post finances in relation to the budget at monthly Post Executive meetings with a copy of the Bank Statement.
- Pay Per Capita dues to County, District, Department and National.

Annually

- Manage the current budget
- Prepare a budget for the following year.
- Assign two signatories to each account.
- Make sure the Post has a procedure for sending per capita dues to County, District and Department.
- Be aware of local laws regarding donated funds, and make sure those laws are followed.
- Submit Post tax documentation, if required by the local or national tax code.
- Have the yearly financial report reviewed by a qualified accountant who is not involved with the regular management of Post funds.
- Ensure that if your Post has a foundation, it is managed in accordance with local laws.
- Review all paper and electronic files at the end of your term. Retain all necessary records for your successor, and dispose of others.

HAN

APPENDIX 2

SAMPLE BUDGET DOU

American Legion Post _____
Budget for fiscal year beginning _____

T

OPERATIONS

* Membership dues	\$16,000.00
Bequests	28,500.00
Dividends	1,150.00
Interest	448.56
Contributions	<u>15,784.00</u>
Subtotal	<u>\$61,882.56</u>

CHARITABLE

Donations to Post for activities

Bowling	\$1,892.35
Baseball	4,589.14
New Year's Eve	2,845.55

Post fundraisers

Gun Raffle	\$15,000.00
50/50 Raffle	750.00
Bake Sale	355.00

Other income

Subtotal

TOTAL INCOME.....\$96,945.81

** To be based on the estimated number of new members for the year.*

OPERATIONS

Accounting	\$500.00
Audit	300.00
Bulletin	900.00
Convention Expenses	900.00
National Dues	5,400.00
Department Dues	4,600.00
Insurance	1,200.00
Janitorial Expense	2,500.00
Supplies	500.00
Loss on Bad Checks	25.00
Maintenance & Repairs	5,000.00

Office Expenses	2,500.00
Postage.....	600.00
Stationery & Printing.....	500.00
Officers Expenses.....	4,000.00
Per Capita Dues.....	200.00
Photographs & Publicity.....	300.00
Rent	14,400.00
Ritual Expenses.....	300.00
Salaries.....	12,000.00
Subscriptions.....	300.00
Taxes.....	7,900.00
Utilities	2,800.00
Meeting expenses	1,200.00
Subtotal.....	<u>\$92,225.00</u>

CHARITABLE

Community Donations.....	\$1,000.00
Post projects (list each individually)	2,500.00
Committee expenses.....	1,000.00
Service projects	52,945.81
Child Welfare Foundation	5,000.00
Other charitable expenses	5,000.00
Subtotal.....	<u>19,500.00</u>

TOTAL EXPENSES **\$96,945.81**

HAN

APPENDIX 3

SAMPLE FINANCE REPORT DOU POST 12 THE AMERICAN LEGION STATEMENT OF REVENUE AND EXPENSE FOR THE 12 MONTH PERIOD ENDING JULY 31, 20XX

	POST	CLUB	OTHER	TOTAL
REVENUE:			Bldg. Assn.	
Dues	8,500.00			
Other Revenue – Schedule 1	65,873.22	5,230.35	2,937.88	
Rent			18,000.00	
TOTAL REVENUE	74,373.22		20,937.88	
ADD CLUB OPERATIONS:				
Gross Profit – Schedule 1		71,735.11		
TOTAL GROSS PROFIT		76,965.46		
LESS EXPENSES:				
Salaries and Wages	9,397.42		210.00	
Employees Meals				
Rent	4,500.00	13,500.00		
Utilities	3,195.56	3,717.41		
Supplies	1,567.83	3,563.48		
Repairs and Maintenance	2,924.85	3,685.05		
Taxes and Licenses	655.53	6,838.53	7,988.49	
Professional Services	1,150.00	2,300.00	100.00	
Interest				
Insurance	1,495.63	4,021.77	1,388.00	
Depreciation	1,681.48	2,044.68	10,264.96	
Other Operating Expenses	7,956.62	22,762.64		
National and State Dues	4,462.50			
Publicity and Public Relations	1,553.02			
Bulletins and Notices	1,130.38			
Committee Activities	22,216.42			
Convention Expense	2,400.00			
Commanders Expense				
Buffets and Dinners				
Other Post Expenses	1,301.28			
TOTAL EXPENSES	67,588.52	62,433.62	19,951.45	
EQUITY INCREASE OR DECREASE	6,784.70	14,531.84	986.43	

Point out Exempt Status and Tax Return information in the Post Operations Manual (page 14).

Thank you for your time and attention. I hope this brings clarification to the proper handling of American Legion Finances and a standard for "best practices" in your Post.

Are there any questions?

Thank you!

