

RICHARD H. STEWART, JR AMERICAN LEGION POST 543

FINANCE POLICIES AND PROCEDURES POLICY 005

The Richard H. Stewart Jr. American Legion Post 543 financial management activities include those designated committees and individuals whose duties and responsibilities are further defined within this policy. This policy also addresses the various financial processes and procedures required to execute the financial activities of American Legion Post 543.

The following committees and individuals are responsible for the various aspects of the post's financial management and oversight: Post Finance Officer, Executive Committee, Budget & Finance Committee, Audit Committee, appointed Budget Leads, Budget Officer, and individual(s) appointed as the St James Military Appreciation Day treasurer(s). These entities are responsible, as described herein, for aspects of the budget development, funds accountability, receipt, and disbursement of Post funds. The attached organization chart reflects only the financial relationships between these entities. This policy is not a part of our Constitution or By-Laws. Refer to our Post By-Laws and Constitution for further financial guidance with respect to the management of Post 543 financial affairs. This policy is applicable to all entities and individuals identified above.

RELATIONSHIP AND STRUCTURE

The Department of North Carolina notes the Department Finance Officer is custodian of the Department's funds and as such the Post Finance Officer is the custodian of the Post's funds. The members of the Budget & Finance Committee, Audit Committee, Budget Leads, and appointed treasurer(s) of the St. James Military Appreciation Day Committee report to and receive financial guidance and direction from the Finance Officer on financial matters only. The Executive Committee exercises the final internal approval authority for all financial matters. The General membership exercises the final approval authority regarding the annual budget and any approved major budget adjustments at the Budget Category level. Each member of Post 543 has the right to request a detailed review of the Post financial reports, upon submission of a written request to the Executive Committee.

GENERAL FINANCIAL GUIDELINES

All financial information relating to all post accounts is considered proprietary information; therefore, it shall be safe guarded and not releasable to the public. See the table below for sharing Post 543 financial data. The general membership will be provided with a Budget Category level financial update at each general membership meeting.

	DATA RECIPIENTS
A	Commander, Adjutant, Finance Officer
B	EXCOM
C	Budget Leads
D	Budget & Finance & Committee Chairs
E	Paid Membership
F	All the Above

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REPORT	FINANCIAL DOCUMENT TITLE	FREQUENCY	RECIPIENTS
1	Finance Report (EXCOM)	Monthly	A, B
2	Finance Report (Membership)	Monthly	F
3	Accounts Status (All Accounts & Investments)	Monthly	A,B,D
4	Budget	Monthly	F
5	Budget Lead Expenditures	Monthly	A, B, C, D
6	SJMAD Financials	Monthly	A, B, C, D
7	Scholarship Status	As Requested	A, B, D
8	Specific Financial Requests	As Requested	A

All expenditures should be approved, in advance, by the respective Budget Lead and the Executive Committee. Any post member that incurs an approved expense on behalf of our post shall prepare an expense reimbursement form detailing the expense and the budget account line number to which he or she recommends that the expense be charged. The Budget Lead for the respective budget account line number must sign the Expense Form. All expense reports should be delivered to the Finance Officer within fifteen (15) days of the expense being incurred. Every Post member is entitled to review the financial records. Such request must be in writing to the Post Commander and presented to the EXCOM for approval. Upon approval, the individual may review the financial records at a time and place determined by the Finance Officer. No copies of records will be provided to the requestor. Post 543 financial information is not releasable to the general public.

All expense reports must be signed by the Legionnaire requesting reimbursement and the appropriate Budget Lead. All expenses exceeding \$500.00 must be approved by the Executive Committee. The Budget Lead may approve any expense against their budget account line number not to exceed \$500.00.

The exceptions to this spending limitation is the St James Military Appreciation Fund (SJMAF). The SJMAF will have an EXCOM and membership approved budget for income and expenses. All SJMAF expense reimbursements must be submitted on an expense form with receipts. The Vice Commander, Resource Development or the duly appointed Chairman of SJMAD committee shall serve as the SJMAF Budget Lead with the authority to authorize valid and necessary expenses, identified by budget category line number, to facilitate the fund-raising efforts of the SJMAD Committee.

Post Debit Card utilization is limited to the Commander, Adjutant, and Finance Officer. All debit card-related payments and any debit card expenses must be approved by the Executive Committee in accordance with the Constitution and Bylaws. These transactions must be submitted on an expense report with receipts.

The General Membership, by simple majority vote, has the authority to approve and amend

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all policies and procedures adhered to by the Executive Committee, Budget & Finance Committee, Post Finance Officer, Audit Committee, and SJMAD treasurers according to our approved procedures outlined within our By-Laws and Constitution. The General Membership, by simple majority vote, shall approve/disapprove the annual budget and the revised annual budget at the Budget Category level.

With the exception of SJMAD fund raising activities donations, any post member in receipt of a donation or any other funds, checks and/or cash, which are contributed to the post are the property of the post and the member is responsible for delivering said funds to the Finance Officer. Donations received as part of SJMAD fund raising activities will be delivered to the SJMAD program Treasurer(s). All SJMAD deposits transactions will be forwarded to the Finance Officer and identified against a specific SJMAD campaign (e.g., Neighborhoods, Pickleball etc.)

DUTIES AND RESPONSIBILITIES

Finance Officer:

The Finance Officer provides financial management, oversight, recommendations, and guidance to the Executive Committee, Budget Leads, Budget & Finance Committee, Audit Committee, Budget Officer, and SJMAD treasurer(s), in accordance with the Department and Post's Constitution and Bylaws. The Finance Officer is responsible for the overall day-to-day financial transactions including receipts and disbursements from any of the various Post designated bank accounts and the preparation of a monthly bank account reconciliation of each bank account of our post. The Finance Officer will maintain timely and accurate records of the Posts' financial status, and report such to the Budget & Finance Committee and Executive Committee at their monthly meetings. The Finance Officer will also prepare and present the current financial status, in an abbreviated and concise manner, to the General Membership at each monthly meeting.

The Post Finance Officer, in conjunction with the Budget Leads and Budget & Finance Committee shall develop and coordinate an annual budget and present it for approval to the Executive Committee and subsequently to a General Membership meeting for the new fiscal year. The mid-year budget, if revised or amended, shall be approved by the Executive Committee and the General Membership.

The Post Finance Officer, in conjunction with the Budget & Finance Committee, shall monitor all Certificates of Deposit and investments instruments and make recommendations to the Executive Committee for any further investment initiatives. The Finance Office has the authority to reinvest matured funds at the most favorable rates. Investment instruments (CDs) may be purchased for any period not to exceed eighteen (18) months.

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The Finance Officer shall verify that the proper budget account number has been identified for the proper identification of income, expenses, and donations into the Post financial records. The Finance Officer, or designated individuals, will deposit all funds in the proper bank account, update financial records to reflect the nature of the receipt, and credit the receipt to the appropriate budget account line number and update our financial records.

The Finance Officer will maintain timely and accurate records of our financial status. The Finance Officer shall provide a monthly detailed transaction report to the Executive Committee no later than the 5th of the month. The Finance Officer shall resolve all potential discrepancies identified by the Budget Leads and/or the Budget and Finance Committee as soon as practicable. This information should be shared with the Budget and Finance Committee. The Finance Officer shall present the monthly financial status report to the Executive Committee at their monthly meeting. The Finance Officer will also prepare and present our current financial status in an abbreviated and concise manner to the General Membership at our monthly meeting.

The Finance Officer will review and approve the expense reimbursement in conjunction with the post Adjutant or Commander. The Finance Officer will prepare the check from the proper bank account, update the applicable records to reflect the nature of the expenditure, charge the payment to the appropriate budget category line number and update Post financial records. All checks must be counter-signed and contain two authorized signatures (Commander, Adjutant, and Finance Officer) and will be prepared and delivered in a timely manner. The Finance Officer shall retrieve, retain, and distribute monthly bank statement as required. All SJMAD Give Butter donations shall be deposited into the Post's General Fund. The Finance Officer shall transfer the designated amount into the SJMAD account and provide documentation to the SJMAD finance team. The SJMAD treasurer(s) shall pull the required Give Butter reports for neighborhood collections.

The exception to the above signature rule is the St. James Military Appreciation Day appointed Budget Lead/Committee Chair or Treasurer(s) are authorized to sign checks only from the St. James Military Appreciation Fund account. St. James Military Appreciation Fund checks must be countersigned by any of the following individuals: Commander, Adjutant, Finance Officer, or the designated SJMAD committee leads or Treasurer(s).

The Finance Officer may appoint a Budget Officer from within the Budget & Finance Committee to assist with the post's financial management activities. Those duties shall be determined by the Finance Officer.

In accordance with Department of North Carolina American Legion Baseball policy, the Post Finance Officer must be a signatory on the account.

The Finance Officer shall record and track all donated funds earmarked for specific programs/activities (e.g., scholarship fund). All other donated funds shall be deposited into

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the operating fund unless otherwise designated.

Budget Leads

Budget Leads shall be designated by the Post Commander for each budget category account line number. Budget Leads report financial information to the Finance Officer and shall submit an annual budget forecast for income, donations, and expenses to the Budget & Finance Committee by the date determined by the Finance Officer.

They will also submit any proposed budget adjustments, if applicable, for the mid-year budget review. Budget Leads are responsible for executing the approved/adjusted budget for their assigned budget account line number. Budget Leads must ensure that their approved/adjusted budget account line number is not exceeded, and they must approve all expenditures within their budget account line number(s) on the expense form.

Budget Leads have the authority, with Executive Committee approval, to redistribute funds within their respective budget category line number, provided it does not alter the total amount of the Budget Category.

Budget Leads should review the monthly financial status reports to verify all approved transactions are accurately recorded. The Budget Lead shall identify any discrepancies and notify the Finance Officer as soon as practicable.

Budget & Finance Committee:

The Budget & Finance Committee shall be appointed by the Post Commander under the approved post governance. The Finance Officer is the Chairman of the Budget & Finance Committee. The Budget & Finance Committee is responsible for the preparation of the budget, monitoring the budget, and recommending to the Executive Committee any changes or alterations to the approved budget. The Budget & Finance Committee shall receive budget requests/adjustments from each Budget Lead. The Budget & Finance Committee shall coordinate proposed budget requests and/or adjustments with the applicable Budget Lead prior to submitting the budget and mid-year adjustments to the Executive Committee for approval. The Budget & Finance Committee shall receive guidance for preparation (e.g., programs; level of detail; expenditure goals (admin. vs program) of the budget from the Budget Leads and the Executive Committee. The committee will also review and make recommendations on Certificates of Deposit and investments to the Finance Officer and Executive Committee. The committee shall also review the annual financial audit report for action, if required. The committee shall review, update, and recommend, as required, changes to the Post's financial management governance. The committee shall also review, vet, and make a recommendation on any prospective charitable organization with whom the post is considering for support.

The Finance Officer may designate a committee member to serve as the Budget Officer from

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within the Budget & Finance Committee. Those responsibilities shall be determined by the Finance Officer.

The duly appointed treasurer for the St. James Military Appreciation Day Committee shall serve as members of the Budget Committee.

Executive Committee:

The Executive Committee is responsible for reviewing and approving all budgets and financial reports, financial policies, and procedures which guide the functions of the Budget Leads, Budget & Finance Committee, Audit Committee, Post Finance Officer, and the SJMAD and treasurer(s). The Executive Committee shall provide guidance for preparation (e.g., programs; level of detail; expenditure goals (admin. vs program) of the budget to the Budget Leads and Budget & Finance Committee.

The Executive Committee is responsible for reviewing the monthly financial reports in the level of detail outlined in the budget preparation guidance. The Executive Committee shall prescribe the level of detail for abbreviated financial reporting for the general membership.

1st Vice Commander, Resource Development:

The Post 543 1st Vice Commander, Resource Development shall provide overall oversight/ direction of all Post fund raising initiatives. The Chairman, St. James Military Appreciation Day Committee, shall report to the Vice Commander, Resource Development. The Vice Commander, Resource Development may serve as the SJMAD Chairman.

The 1st Vice Commander, Resource Development, with concurrence of the Post Commander, shall appoint the following SJMAD Officers:

- a. SJMAD Chairman
- b. SJMAD Treasurer(s)
- c. Other subcommittee chairs as needed for the successful execution of the annual SJMAD fund raising campaign.

St James Military Appreciation Day Treasurer(s):

The designated and appointed individual(s) shall collect, verify amounts, deposit the funds in the St James Military Appreciation Fund (SJMAF) bank account, update financial records to reflect the nature of the income, receipt, or disbursement of funds and shall report financial information to the Post Finance Officer monthly.

Funds shall be deposited to the SJMAF account and shall be disbursed by the SJMAD Treasurer upon authorization of the SJMAD Chairman. Adequate records of accounts and financial records shall be maintained by the SJMAD Treasurer.

The designated and appointed individual(s) shall collect, verify amounts, deposit the funds in the SJMAD bank account, update financial records to reflect the nature of the income,

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receipt, or disbursement of funds and shall report financial information to the Post Finance Officer monthly. The Post Finance Office shall provide a copy of the monthly bank statement to the SJMAD treasurer for their records. The SJMAD treasurer shall pull all give butter reports reflecting neighborhood cumulative donations.

Audit Committee:

The Audit Committee shall be appointed by the Post Commander under the approved post governance. They are charged to review all financial records (Post financials, investments, scholarships, and real property) for the previous fiscal year and report the same to the Post Commander. The Audit Report shall be delivered to the Post Commander by the designated date. All requested Post 543 financial records and documents shall be provided to the Audit Committee by the Post Finance Officer.

The American Legions fiscal year runs from 1 July to 30 June. Due to the timing of the Posts resource development initiatives, it is difficult to complete an audit of financial records in a timely fashion. The SJMAF program crosses fiscal years. As all income and expenses are accounted for and recorded against the approved budget, the SJMAF Treasure will provide monthly financial records to the Finance Officer as necessary. To simplify the audit procedures, all financial records must be submitted to the Post Finance Officer for submission to the Audit Committee to facilitate a completed audit not later than 30 days from fiscal year close out date of 30 June.

The Commander, Adjutant, and Finance Officer are not eligible to serve on the Audit Committee.

Restricted Fund Accounts:

The Post currently has seven different bank accounts. These accounts are delineated as the General Fund and General Fund Savings, two Memorial accounts, Scholarship, SJMAF Account, and Reserve Funds. The Finance Officer oversees and manages these accounts as either open or fenced accounts.

- The General Fund Savings and Reserve accounts are fenced accounts and require EXCOM notification to move funds into or out of these accounts.
- The two Memorial accounts are fenced and utilized for Memorial and Memorial Brick activities.
- The Scholarship account is restricted to scholarship distribution only upon receipt of the distribution request.
- The SJMAF account is restricted to income and expenses for fund-raising activities.
- The General Fund is utilized for day-to-day Post operations.

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St. James Military Appreciation Week:

The annual fund-raising event provides operating funds supporting the Post's programs. The post receives funds from the SJMAD events, and the Finance Officer may deposit not less than ten percent (10%) of the total received into a Restricted account. The Finance officer shall round the amount to the next whole number (e.g, \$8,700 = \$9000 transferred). This ensures future funds are available in the event fundraising efforts are cancelled. At the end of each Fiscal Year, there are funds residing in the general operating fund which roll over to the next fiscal year. Historically, the post spends approximately 75% of the budgeted amount; thus, we have funds which can be placed into the Reserve or Saving account to support any future shortfall. At the beginning of each new fiscal year, the Finance Officer may transfer not more thirty percent (30%) of the end-of-year funds, less any obligated amounts, into the Post Savings account. The amount transferred shall not exceed ten thousand dollars.

APPROVAL AND REVIEW DETAILS

Approval and Amendment History	Details
Original Approval Authority	Post Commander
Original Approval Date	10/02/2019
Policy Administrator	Post Finance Officer
Amendment Cycle	Bi Annual
Amendment Date	3-30-2022
Amendment Date	6-22-22
Amendment Date	10-24-22
Amendment Date	2-25-26
Amendment Date	