



Pod—Organizational Support

- Audit Committee
- Constitution & Bylaws
- Parliamentarian (How To sheets only; no Plan of Action)
- National Finance
- Cavalcade of Memories
- Past Presidents Parley
- National Historian

National Audit Committee

2011-2012 American Legion Auxiliary Plan of Action

Purpose: The American Legion Auxiliary's National Audit Committee meets the nonprofit governance expectations of the revolutionary IRS Form 990. The Audit Committee serves in a risk management role for the Auxiliary. The committee's main responsibility is to ensure that the ALA, as a corporate entity, has appropriate governance policies and internal and financial reporting controls in place that mitigate the organization's exposure to financial reporting risks and other corporate-level risks. In keeping with the vision, expectations and requirements of the IRS Form 990, the Audit Committee operates at arm's length from the ALA and reviews, evaluates and monitors the organization's policies, standards, compliance, and potential for risk. Audit Committee members should have a background and experience in financial reporting and auditing, risk management, corporate governance or management, have no conflicts of interest, and ideally have experience serving on an audit committee. Audit Committee members must be unbiased and should not currently serve in ALA leadership positions within the organization, nor serve on other ALA committees or be active in ALA programs.

Committee Contact Information

alahq@ALAforVeterans.org



National Chairman

Name: Virginia Hobbs, Past National President (1998-1999)
Department of Kentucky
hobbsvm@insightbb.com

Committee Member

Name: Paula M. Parker-Sawyers
Department of Maryland
301-920-0897
ppsawyers@thenc.org

Committee Member

Name: Anne Hathaway
Department of Indiana
317-931-1129
anne@athathaway.com

Committee Member

Name: Jan Pulvermacher-Ryan, Past National President (2007-2008)
National Finance Committee Liaison
Department of Wisconsin
608-246-9707
jlp004@charter.net

National Finance

2011-2012 American Legion Auxiliary Plan of Action

Purpose: The National Finance Committee is charged with oversight of the general financial policy of the national organization, subject to the ratification of the National Executive Committee; and, preparation of the annual budget and supervision of the expenditures under that budget.

Committee Contact Information



National Chairman (3)

Name: Nicole Clapp
Department of Iowa
608-723-6236
nclapp@grantregional.com

National Vice Chairman (4)

Desiree Stoy, Past National President (2008-2009)
Department of Ohio
419-606-5632
stoy1992@gmail.com

Linda Newsome, Past National President
(1994-1995)
Department of Maryland
301-843-8479
lindanewsome1995@gmail.com

Committee Member (2)

Jan Pulvermacher-Ryan, Past National President
(2007-2008)
Department of Wisconsin
608-246-9707
jlp004@charter.net

Committee Member (5)

Carlene Ashworth, Past National President
(2010-2011)
Department of Texas
713-419-9518
carlene@flash.net

Committee Member (1)

() = denotes number of terms left on committee

National Headquarters Contact (Staff Liaison)

Tim Bresnahan
National Headquarters
8945 N. Meridian Street
Indianapolis, IN 46260
317-569-4500
tbresnahan@ALAforVeterans.org

National Finance

Setting Financial Goals

The national organization has adopted a strategic plan that includes financial goals. Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue. Ideally, the plan should cover multiple years—which include targets for expected accomplishments—and propose specific performance measures used to evaluate progress toward those targets which are outlined in the annual budget development.

At times, Finance Committees often focus only on the current year budgeting process and neglect looking three to five years ahead. The committee should reflect on trends of the recent past and their implications for the current and future on financial planning for the organization. Each Department should be replicating this process of defining its own set of goals through a strategic plan. For the Finance Committee to advise the organization on how to acquire and spend resources, it must be tied to those goals.

The Department needs to measure where it is now and set goals in the strategic plan to strive to reach the benchmarks for expenses and to broaden the sources of potential income streams. So at each of your finance meetings, the strategic plan and progress toward those annual and multi-year goals should be reviewed. Remember: This is normally a multi-year process, so members need to understand and be able to measure progress of the organization through reports of the Finance Committee.

Expense

At a minimum, the Key Financial Indicators should include the benchmarks expected by the Internal Revenue Service (IRS) and nonprofit watchdog organizations. There are three key expense benchmarks:

1. Program Services (expenditures related to the organization's primary mission and purpose): the target should be 65-75 percent.
2. Management and General Administrative (expenditures spent on managing the operations of the organization): the target should be 5-10 percent.
3. Fundraising (expenditures spent on raising additional funds for the organization's purpose and mission expenses, i.e. grants, planned giving, endowments, direct mail campaigns, etc.): the target should be 10-20 percent.

Potential donors expect that the majority of the funds collected by a nonprofit organization are designated to supporting the mission of the organization through its programs.

Revenue

On the revenue side, setting targets is more difficult because there are no specific industry benchmarks other than to have a variety of revenue streams that reduce your dependence on any one source. Since the American Legion Auxiliary is a membership organization, we rely on member dues to cover our expenses. By bringing in other resources such as grants, donations (i.e. National Veterans Creative Arts Festival, Spirit of Youth, Children of Warriors National Presidents' Scholarships, Auxiliary Emergency Fund, ALA Foundation), corporate sponsorships, special events and bequests, we lower the dependence on dues and/or reserves alone to meet our obligations.

Reserves

The ability to build up financial reserves is vital for the future to ensure proper resources are available to maintain operations of the organization if necessary. The recommended amount of reserves/savings is 2.5 times the annual budget of the organization. So for example, an organization with a \$100,000 budget would try to maintain \$250,000 in reserves for emergencies and have a plan to replenish when withdrawals are made.

National Finance

Financial Reporting

The Finance Committee needs to share with the members who are the investors of the organization and have a legal right to know how their investments are being managed and what results are being obtained. The Finance Committee makes recommendations to the governing body, and that body is responsible for the actual policy decisions. The Department Executive Committee (DEC) should receive clear, timely and accurate information regarding the financial status of the organization at each of their meetings and at additional times as needed.

In partnership with the staff, the committee ensures that all tax reporting is completed within appropriate time frames for federal, state and local jurisdictions. Since 2008, the IRS began requiring small charities, many of which previously were not required to file tax returns, to submit an annual electronic report, known as a Form 990. This has been a mandate for every Unit. The Form 990-N, entitled the Electronic Notice for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ (and also known as the e-Postcard) is required of charities whose annual gross receipts are \$50,000 or less.

The Pension Protection Act also requires the IRS to revoke the tax-exempt status of any organization that fails to meet its annual filing requirement for three consecutive years. This requirement applies to small tax-exempt organizations and the e-Postcard.

Audits

The Finance Committee is responsible for hiring a professional outside auditing firm to conduct the annual audit. This responsibility transfers to the Audit Committee once this committee establishment is adopted. This cannot be a staff or management function because:

1. Auditor must provide the audited financials to the governing body and report on staff/management activities.
2. Management needs to report on the auditor's activities.

While Departments have a Finance Committee in place, it is important to remember that an Audit Committee has different responsibilities. While the Finance Committee reviews investment policies and monitors the funds of the organization on a regular basis, the Audit Committee provides independent oversight into the organization's accounting and financial reporting and oversees the organization's annual audits (both external and internal).

Resources

Association of Fundraising Professionals: www.afpnet.org

Fundraising Success (Periodical): www.fundraisingsuccessmag.com

Grassroots Fundraising Journal (Magazine): www.grassrootsfundraising.org

Donor Development Databases: www.wealthengine.com, www.kintera.com

Board Source: www.boardsource.org

National Council of Nonprofits: www.ncna.org

Internal Revenue Service: www.irs.gov

American Legion Auxiliary: www.ALForVeterans.org

In Summary

Please remember: The National Finance Committee is here to assist Departments as we strive to make National President Kris Nelson's theme of "In the spirit of God and Country we serve our veterans, military, and their families" a reality. If you have questions, please feel free to contact one of the National Finance Committee Members or ALA Controller. The contact information is on page one of this Plan of Action.



Committee:

National Finance

Submitted by:

Nicole Clapp, National Finance Chairman

Contact Information for Questions:

nclapp@grantregional.com, 608-778-0244, or your Department Finance Chairman

Objective:

Provide for compliance with IRS regulations to maintain nonprofit tax exempt status annually.

Step-by-Step Instructions:

- Create a three-member Finance Committee for your Unit.
- Create a three-member Audit Committee for your Unit which may be the Finance Committee.
- Obtain the Form 990 or Form 990-EZ or Form 990-N from the IRS website at www.irs.gov.
- Have your Unit Treasurer attempt to complete as many forms as possible.
- Have the Finance Committee work with Unit Officers and outside accountant to finalize the tax form.
- If you have an outside auditing firm, get their approval of the tax form.
- Have your Audit Committee (if different from your Finance Committee) review the completed tax form.
- Have the Finance/Audit Committee vote to approve the Form 990 or Form 990-EZ or Form 990-N and forward onto Unit membership.
- Have Unit membership vote on the adoption of the Form 990 or Form 990-EZ or Form 990-N.
- Submit the Form 990 or Form 990-EZ or Form 990-N prior to the annual deadline, which is based on the Unit's fiscal year, not calendar year.

**Committee:**

National Finance

Submitted by:

Nicole Clapp, National Finance Chairman

Contact Information for Questions:

nclapp@grantregional.com, 608-778-0244, or your Department Finance Chairman

Objective:

Provide for financial stability by setting goals through the annual budget process.

Step-by-Step Instructions:

- Create a three-member Finance Committee for your Unit.
- Conduct a budget planning meeting of the Finance Committee prior to the start of your fiscal year; make sure to invite Unit Officers at which time the agenda should include, but not limited to the following:
 - Review your current financials in comparison to the IRS Benchmarks outlined in the Plan of Action.
 - Review your progress status of your long-range goals (i.e., fundraising for new building).
 - Review your annual ALA obligations (VA&R, poppy promotion, ALA Girls State, etc.).
 - Review your annual operating expenses (i.e., rent, heat, bank fees and conference registrations, etc.).
 - Review your membership numbers and the related dues income.
 - Review other sources of revenue (donations, events, bequests, etc.).
 - On a 12-month calendar, plot out when you anticipate your revenue and expenditures will occur.
 - Compare your total estimated revenue versus your total estimated expenses.
 - Determine what areas need further consideration to accomplish your long-range goals, and obtain the IRS Expense Benchmarks:
 - § Program Services (expenditures related to the organization's primary mission and purpose): the target should be 65-75 percent.
 - § Management and General Administrative (expenditures spent on managing the operations of the organization): the target should be 5-10 percent.
 - § Fundraising (expenditures spent on raising additional funds for the organization's purpose and mission expenses--i.e. grants, planned giving, endowments, direct mail campaigns, etc.): the target should be 10-20 percent.
- Try to create a positive bottom line. Remember: Budgets are just a guide.
- Have the Finance Committee vote to approve the budget and forward onto Unit membership.
- Have Unit membership vote on the adoption of the annual budget.



Committee:

National Finance

Submitted by:

Nicole Clapp, National Finance Chairman

Contact Information for Questions:

nclapp@grantregional.com, 608-778-0244, or your Department Finance Chairman

Objective:

Provide support for the mission-based programs and activities of our National Organization.

Step-by-Step Instructions:

- Once your annual Unit budget has been approved, it is time to start supporting the mission-based programs and activities your Unit has budgeted for by completing the attached form and submitting donations directly to National Headquarters or via your Department.
- Please make this form available to individual Unit members who wish to donate to the National Organization.
- Children of Warriors National Presidents' Scholarship: Supports the children of our nation's heroes—our veterans. These scholarships are awarded to 15 students annually who excel in academics and volunteer in their communities.
- Auxiliary Emergency Fund: When a sudden financial crisis befalls an eligible Auxiliary member, the AEF may be able to provide temporary emergency assistance when no other source of help is available.
- National Veterans Creative Arts Festival: This annual event showcases the artistic achievements of veterans being treated at Veterans Administration (VA) facilities across the country. The American Legion Auxiliary is a national co-sponsor of the event.
- Spirit of Youth Fund: This fund is an umbrella that supports three separate academic scholarship opportunities. One is for American Legion Auxiliary Junior members; another is for the Honorary National Junior President; and one is for participants in the American Legion Auxiliary Girls Nation program.
- American Legion Auxiliary Foundation: As a 501(c)(3) public benefit corporation, the ALA Foundation provides a way for individuals and corporations to support the Auxiliary's charitable and educational outreach programs through endowed gifts, grants and sponsorships. It is a way to secure our legacy and heritage of *Service Not Self*—ultimately enhancing the quality of life for future generations of veterans, our military and their families.



AMERICAN LEGION AUXILIARY
enhancing the lives of our veterans, military, and their families

DONATION FORM

Please support the National American Legion Auxiliary as indicated below:

Unit/Individual's Name and Address _____

Unit # _____

Department _____

\$ _____ **Children of Warriors National Presidents' Scholarship** (make check payable to
ALA National Treasurer)

\$ _____ **Auxiliary Emergency Fund** (make check to ALA National Treasurer)

\$ _____ **National Veterans Creative Arts Festival** (make check to ALA National Treasurer)

\$ _____ **Spirit of Youth Fund** (make check to ALA National Treasurer)

\$ _____ **American Legion Auxiliary Foundation** (make check to ALA Foundation)

\$ _____ **TOTAL DONATION**

Donation will be paid by _____ check or _____ credit card:

Card type: _____ MasterCard _____ Visa Expiration Date: Month _____ Year _____

Card number _____

Name as it appears on card: _____

Signed: _____ **Date:** _____

If donation is given in memory/honor of, please complete the following:
Donation in memory/honor of _____
Honoree's or family address for memorials _____

Mail Donations to:

American Legion Auxiliary National Headquarters
ATTN: Development
8945 N. Meridian St.
Indianapolis, IN 46260
317-569-4500

For ALA NHQ Office Use Only:

Date Rec'd _____

Check # _____

Credit Card _____

**Please keep a copy of this form for your Unit records, and forward a copy to your Department.
Thank you for your generosity!**



Pod: Organizational Support

Committees included: Audit Committee, Constitution & Bylaws, Finance, Cavalcade of Memories, Past Presidents Parley, American Legion Auxiliary Foundation, Parliamentarian

Submitted by:

JoAnn Cronin, Nicole Clapp, Sharon Conatser

Contact Information for Questions:

JoAnn Cronin: croninjo@aol.com or 314-560-3923

Nicole Clapp: nclapp@grantregional.com or 608-778-0244

Sharon Conatser: sconatser44@live.com or 217-359-4211; cell 217-369-6211

Virginia Hobbs: hobbsvm@insightbb.com or 270-351-7327

Terry Porter: tporter21@juno.com or 970-242-5549

Elizabeth "Lib" Stewart: lib.kmherald@gmail.com or 704-739-2869

Objective:

Build and foster relationships with The American Legion Family - TAL, SAL, ALA, Riders

Step-by-Step Instructions:

- Contact the leaders of The American Legion Family in the community where you are located.
- Invite them to a meeting, and ask them bring their ideas and vision for their TAL Family.
- Outline objectives.
- Arrange for refreshments and meeting space.
- Provide round tables with chairs for easy communication.
- Assign seating so that representatives from each part of TAL Family are at each table.
- Have flip charts and markers available for each table to document ideas.
- Assign a spokesperson for each table.
- Each table should conduct a SWOT analysis, which entails identifying your internal strengths and weaknesses and your external opportunities and threats.
- The spokesperson at each table will share the findings of their group with the entire audience.
- After all findings are shared, the group as a whole will identify ways to take advantage of your strengths, improve upon your weaknesses, look for opportunities and decrease your external threats, which could result in utilizing the ALA membership calendar for program activities such as Americanism Month and Children & Youth Month.
- As an American Legion Family, we can build our internal relationships by planning activities to foster our relationship.
- On a quarterly basis, bring the committee back together to assess your progress.