

THE AMERICAN LEGION, DEPARTMENT of MISSOURI  
STANDARD OPERATING PROCEDURE

## **Finance Commission**

January 22, 2014

**Purpose:** To explain the function, duties and responsibilities of the Finance Commission.

**Scope:** This SOP applies to the Finance Commission, Department of Missouri. The members of the Finance Commission and other Department officers can use this SOP to know and understand the duties of the Finance Commission.

**Authority:** Department Constitution and By-Laws, The American Legion, Department of Missouri.

**Membership:**

1. The Finance Commission has a membership of nine (9) members, including the Chairperson.
2. Each year the Department Commander recommends to the Department Executive Committee (DEC) three (3) legionnaires for appointment to a three(3) year term on the Finance Commission.
3. Each year, the Department Commander, with the approval of the Department Executive Committee, appoints a member of the Finance Commission to serve as Chairperson.
4. The Department Finance Officer, Department Commander and Department Adjutant are ex-officio members of the Finance Commission without vote.
5. Recommendations made by the Finance Commission require a majority approval of the Commission membership.

**Procedures**

**Responsibilities of the Finance Commission**

1. The American Legion, Department of Missouri Constitution and By-Laws, Article XV, Section 2 states the Finance Commission “shall prepare a proposed budget of anticipated income and proposed expenditures which will be printed in the Department newspaper, such Commission shall furnish each Post Commander, each Post Adjutant, and each officer and each member of each

Commission of the Department a printed copy of such proposed budget, which budget shall schedule anticipated income and proposed expenditures by the Department for the fiscal year beginning next after the close of such Department Convention. The Proposed budget shall be as specific and as detailed as reasonably possible and shall be based upon anticipated income and proposed expenditures.”

2. The American Legion, Department of Missouri Constitution and By-Laws, Article XV, Section 3 states the Finance Commission “shall prepare and present a proposed budget to the Department Executive Committee prior to the start of each fiscal year and the proposed budget, once it has been prepared and published in the Department newspaper, shall not be changed or altered without the consent of the Finance Commission or, in the absence of such consent, by two-thirds(2/3) vote of the entire Department Executive Committee.”

#### **Duties of the Chairperson of the Finance Commission**

1. Arrange for and Chair the meetings of the Finance Commission. Finance Commission meetings are conducted at the Spring Conference (4 hours), the Department Convention (2 hours), and the Fall Conference (2 hours).
2. A special all day spring meeting is conducted to prepare the budget for the upcoming fiscal year. The Department Senior Vice Commander should be invited to attend this meeting.
  - a. The following data should be available at the spring budget meeting
    - i. The prior year or years actual Department income and expenses.
    - ii. The current Department income and expenses.
    - iii. The prior year or years Department budget.
    - iv. The budget request submitted by Department Officers and Chairpersons of the Department Committee and Commission.
3. Attend Department Executive Meetings
  - a. Present the Budget
  - b. Present Finance Commission Recommendations.
  - c. Answer questions about the budget that DEC members may ask.
4. Communicate with the Department Officers and Chairpersons of various committees and commissions to find out what their budget needs are and insure the needs are justified.

- a. Send out a letter to each Department Officer and Committee/Commission Chairpersons for their budget needs for the upcoming year.
  - b. Invites Department Officers and Committee/Commission Chairpersons to the special all day spring meeting of the Finance Commission to present and justify their budget requests.
5. Throughout the year review the Department financial statements to insure that the income and expenses are within the budget parameters.
6. Consider any special budget requests submitted between Finance Commission meetings. If the Finance Commission Chairperson approves the special budget request, the Chairperson of the Dec Sub-Committee shall be advised so he/she can obtain the DEC sub-Committee approval changing the budget.
7. Prepare minutes of each Finance Commission meeting and distribute them to the Finance Commission members as well as the Department Finance Officer, Department Commander and Department Adjutant.
8. An outside auditor should present his/her results of the annual audit to the Finance Commission.
9. Delegate to members of the Finance Commission those duties they can conduct.

### **Finance Commission Policy**

1. Policy Decisions can be revised if approved by a majority of the Finance Commission members.
2. Each Commission or Committee that has an approved budget shall have charged against their budget the cost of plaques, printing, postage, travel expenses for award winners, luncheons and other Commission and Committee costs associated with said Commissions or Committees.
3. Travel costs are not reimbursed to members of any Commission or Committee for attendance at Department Conferences or Conventions.
4. If a special meeting of a Commission or Committee is conducted outside of the normal Conferences and Conventions for the purpose of conducting official business that is necessary for the fulfillment of their duties, mileage can be reimbursed to those members attending if it can be done without exceeding their Commission or Committee budget.
5. The Department will provide vehicles for use by the Department Commander, Department Senior Vice Commander and the Department Adjutant. Generally the Department Commander vehicle will be given to the Department Senior Vice Commander to use. Generally the vehicles will be kept for 100,000 miles before being traded in. The Department Commander vehicles may be traded in on a two-

year basis prior to mileage exceeding 100,000 miles for optimum trade-in value toward new vehicle, but vehicles being considered for trade-in should be evaluated as to condition and mileage. If a vehicle is in good condition and has low mileage, it may be beneficial to retain the vehicle for a third year. The Department adjutant should obtain competitive bids from several vehicle dealerships in order to obtain the best price available.

6. The Finance Commission approves a lump sum salary increase for the Headquarters employees and for the employees under the Department Service Officer. The Department Adjutant and the Department Service Officer will decide how the lump sum salary increase should be allocated to their respective employees.

### **Department Executive Committee Approved Policy**

The Department Adjutant and Service Officer are on a preset salary scale. Their pay increases each year based on the length of time on the job and includes a cost of living increase, as of December 31 of the year.

### **Resources**

\$800.00 is budgeted to pay for mileage and lunch for those attending the spring budget meeting.

Prepared by: Terry Lanning

Reviewed/Approved by: \_\_\_\_\_

Adopted: \_\_\_\_\_