

## The American Legion, Department of Missouri

### Finance Commission

1. **PURPOSE:** To explain the function, duties, and responsibilities of the Finance Commission.
2. **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.
3. **AUTHORITY:** Department Constitution and By-laws, The American Legion, Department of Missouri.
4. **REFERENCES:** The Finance Commission annual budget, which is printed in the Missouri Legionnaire.
5. **MEMBERSHIP:**
  - a. The Finance Commission has a membership of nine members, including the Chairman.
  - b. Each year, the Department Commander recommends to the Department Executive Committee (DEC) three Legionnaires for appointment to a three-year term on the Finance Commission.
  - c. Each year, the Department Commander, with the approval of the DEC, appoints a member of the Finance Commission to serve as chairman.
  - d. The Department Finance Officer, Department Commander and Department Adjutant are ex-officio members of the Finance Commission without vote.
  - e. Recommendations made by the Finance Commission require a majority approval of the Commission membership.
6. **PROCEDURE:**
  - a. 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, if any, at least 20 days prior to the Department Convention, and if there be no such 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 a two-thirds vote of the entire Department Executive Committee.”

- 3) Duties of the Chairman of the Finance Commission.
  - a) Arrange for and Chair the meetings of the Finance Commission. Finance Commission meetings are conducted at the Spring Conference (4 hours), Department Convention (2 hours), and Fall Conference (2 hours).
  - b) 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.
    - 1) The following data should be available at the spring budget meeting:
      - aa. The prior year or years actual Department income and expenses.
      - bb. The current Department income and expenses.
      - cc. The prior year or years Department budget.
      - dd. The budget requests submitted by Department Officer's and Chairmen of the Department Committees and Commission.
  - c) Attend DEC meetings.
    - 1) Present the Budget.
    - 2) Present Finance Commission Recommendations.
    - 3) Answer questions about the budget that DEC members may ask.
  - d) Communicate with the Department Officers and Chairmen of various committees and commissions to find out what their budget needs are and ensure the needs are justified.
    - 1) Sends out a letter to each Department Officer and Committee/Commission Chairmen for their budget needs for the upcoming year.
    - 2) Invites Department Officers and Committee/Commission Chairmen to the special all day spring meeting of the Finance Commission to present and justify their budget requests.
  - e) Throughout the year review the Department financial statements to insure that the income and expenses are within the budget parameters.
  - f) Consider any special budget requests submitted between Finance Commission meetings. If the Finance Commission Chairman approves the special budget request, the Chairman of the DEC Sub-Committee shall be advised so he/she can obtain the DEC Sub-Committee approval changing the budget.
  - g) 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.
  - h) An outside auditor should present his/her results of the annual audit to the Finance Commission.
  - i) Delegate to members of the Finance Commission those duties that they can conduct.
- b. 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 150,000 miles before being traded in. Once the current Senior Vice Commander vehicle gets 150,000 miles, then it will be sold or traded in, and the Senior Vice Commander will not get a vehicle after that. Then the Department Commander and Department Adjutant will be the only ones to have a vehicle. 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 Service Officer will decide how the lump sum salary increase should be allocated to their respective employees.
  - 7) Old computers will be given to charity.
  - 8) Department employees will receive mileage and per diem based on the IRS travel rates.
  - 9) Color Guard Contest budget is allocated as follows: 1<sup>st</sup> place \$500 and \$500 if 1<sup>st</sup> place goes to National and if 1<sup>st</sup> place does not go, then the \$500 will be offered to 2<sup>nd</sup> place and then 3<sup>rd</sup> place.
  - 10) Travel policy is to only allow one way vehicle mileage reimbursement unless the recipient drives a Department vehicle or is an employee. Other than employees the Per Diem travel rates are \$30.00 for the first and last days and \$40.00 all other days. Use of a personal vehicle will be reimbursed at the rate of \$.40 cents per mile.
  - 11) Each year the Finance Commission will determine how much if any raise the Department Adjutant and Service Officer is to receive. This amount will be in the budget and the DEC will have to approve it.
  - 12) Capitalization Policy is \$500 or more in cost in order to capitalize.
- c. DEC 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.

7. RESOURCES: A budget will be set to pay for mileage and lunch for those attending the spring budget meeting.

This SOP was prepared by:

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Date