

FINANCE
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The American Legion Auxiliary Department of Nebraska Constitution and Bylaws and Standing Rules give direction and guidance regarding the Finance Committee.

The Bylaws state that this committee shall be composed of three members who have served on the Executive Committee at some time. At least one of the members must have served as Department President. One member is elected annually to a three-year term. The member having the shortest unexpired term serves as chairman.

Members of the 2009-2010 Finance Committee are Julie Totten, three-year member, Donna Hatfield, two-year member and Past Department President Luayne Weisgerber, one-year member and chairman.

The Department Finance Committee is charged with the preparation of the yearly budget and the handling of the funds under that budget and such other duties as shall be prescribed by the Department Executive Committee.

The Bylaws and Standing Rules also give direction regarding the expenses that are allowed and procedures that need to be followed.

The Department Finance Committee, along with the Department Secretary and Department President meet prior to Mid-Year Conference and Department Convention. The Committee will monitor revenues and expenses from the fiscal year 2009/2010 (FY09/10) budget and will prepare the FY10/11 budget for presentation to the Department Executive Committee for their approval.

Just like the department needs to have a budget and guidelines to work with, each unit needs to set up a yearly budget. A budget is developed using a variety of data sources. Historical data from the previous fiscal years is a good tool to develop an initial set of numbers. Information on anticipated expenses should be incorporated into the budget. Income projections should be cautiously optimistic. The budget needs to be balanced, which means total income equals total expenses. You cannot spend more than you take in unless you have reserves to take from. The recommended target amount for reserves/savings is 2.5 times the annual expenditure budget. You may need to decide which programs you want to pare back or you may plan a fundraiser for the shortage. At the end of the year, you need to review how you did with the budget and then start all over again for the next fiscal year!

Units need to be aware that in 2008, the Internal Revenue Service (IRS) began requiring small charities, many of which previously were not required to file tax returns, to submit an annual electronic notice. The new Form 990-N, entitled the Electronic Notice for Tax-Exempt Organizations not required to File Form 990 or 990-EX (and also know as the e-Postcard) is required of charities whose annual gross receipts are \$25,000 or less. (Those units who may have gross receipts of over \$25,000 should already be filing with the IRS.) If you need assistance, Department Secretary Jacki O'Neill will file the e-Postcard for you. The Pension Protection Act 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 new e-Postcard.

The American Legion Auxiliary National Finance Committee is chaired by Linda Boone. Committee members this year are Nicole Clapp, Linda Newsome and from Nebraska, Carol Van Kirk. One of several priorities of the National Finance Committee has been diversification of funding sources. Diversification means not relying on one primary funding source (like membership dues). This is a challenge for our department, districts, counties and units. Please continue to support all levels of the organization. Also share your ideas for diversifying department revenue sources.

You can help the American Legion Auxiliary by paying your dues early and asking your friends to join this great organization. For Units, remit dues on a timely basis and continue sending donations for the veterans and the children and youth programs.

Finance is the key ingredient that creates the ability for the American Legion Auxiliary to provide services to veterans and their families. Every member is an investor and needs to be an informed and active investor.