

## FINANCE



It is common knowledge that fraud/embezzlement in Units, Districts, and Department happens too, too often. The national organization has reported that last year alone 23 Departments reported fraud or embezzlement. Your Unit needs to put up safeguards so this does not happen in your Unit or District. Here are some guidelines to implement.

The person writing the checks should never be the one to receive the cancelled checks.

Receipts should be required for everything, including for monies received.

The Treasurer should be required by your Constitution & Bylaws to give a monthly financial report.

Any event that brings in money – two persons should count this money before turning it over to the Treasurer.

Member dues payment should be processed and not held. If paid in cash, follow the safeguards listed above.

Your Unit should require a yearly audit – usually done before Department Convention. The Unit President should appoint an audit committee, usually two people within the Unit; the books never leave the Treasurer so they must also be there with bank statements, etc. to facilitate the audit. The results of the audit then becomes a permanent record in your Unit. As the American Legion Auxiliary is a not-for-profit organization, anyone can ask to see the Treasurer's books, but the Treasurer has to be present at all times.

Make sure your Unit is Bonded. This is a Citation requirement so make sure it is done in a timely manner.

Each Unit is required to file a 990-N annually, and a copy needs to be sent to the Finance Chair to verify compliance.

Have you filed your Virginia Tax Exemption yet? If not, do so and send a copy to the Finance Chair.

Your Finance Committee stands ready to help you in any way they can.

Peggy Thomas, Chair

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