

# American Legion

## Department of Arizona

*“For God and Country”*



### DEPARTMENT FINANCE PROCEDURES

Effective: July 1<sup>st</sup>, 2025

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The American Legion  
Department of Arizona  
Finance Procedure Manual  
Effective July 1<sup>st</sup>, 2025

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## Intro

1. **Purpose:** This manual establishes a uniform method for managing the financial affairs of The American Legion Department of Arizona. It provides a comprehensive framework of rules, procedures, and regulations governing Department funds, enabling the Finance Committee (FC) and Department Executive Committee (DEC) to ensure financial integrity. As a nonprofit dedicated to serving veterans, we are committed to upholding transparency, accountability, and stewardship in all financial matters in support of our mission, "For God and Country," while fostering donor trust and ensuring compliance with applicable laws.
2. **Authority:** The authority for this manual is vested in the Department Finance Committee and derived from the Department Constitution and By-Laws.
  - A. **Finance Committee:** Oversees budgets, investments, and expenditures up to \$10,000; reviews quarterly reports; ensures corporate compliance; monitors financial performance; sets policies; authorizes credit card issuance; and makes recommendations to the DEC as appropriate.
  - B. **DEC:** Approves annual budgets, expenditures exceeding \$10,000, and resolves escalated disputes.
  - C. **Adjutant:** Executes policies, disburses funds, prepares financial reports, approves specific credit card and travel transactions, and ensures operational compliance.
3. **Changes:** The Finance Committee shall annually review financial risks (e.g., changes in funding, legal requirements, or program scope) and update policies by June 1 for the next fiscal year. All revisions to this manual require approval by a majority vote of the Finance Committee. Upon approval, this document will be updated accordingly.

## General Policies

1. **Segregation of Duties:** Authorization (FC/DEC), execution (Adjutant/Staff), and monitoring (Finance Officer/Bookkeeper/CPA) are separated to prevent fraud, ensuring no single individual controls all aspects of a transaction.
2. **Documentation:** All receipts for credit card transactions must be submitted digitally to the Adjutant at [receipts@azlegion.org](mailto:receipts@azlegion.org) within 7 days. Reimbursement claims must be submitted within 30 days; claims not received within this timeframe will be deemed invalid and will not be reimbursed.
3. **Non-Compliance:**
  - A. **Credit Card Transactions:**
    - 1) 1st instance: Request email from Adjutant.
    - 2) 2nd instance: 30-day card suspension; repayment required if undocumented charges exceed \$100.
    - 3) Repeated instances: Finance Committee review, potential permanent card termination.
  - B. **Reimbursements:**
    - 1) 1st instance: Request email from Adjutant.
    - 2) 2nd instance: Written warning from Adjutant.
    - 3) Repeated instances: Finance Committee review, potential suspension of reimbursement privileges.
4. **Transparency:** Annual finance summary and abbreviated audit posted on [azlegion.org](http://azlegion.org) by September 30.

## Budgeting

1. **Zero-Based Budgeting:** All income and expense projections start at zero each fiscal year (July 1–June 30), requiring full justification.
2. **Preparation:** The Adjutant prepares budget worksheets containing a year-to-date budget report, current account balances, and a draft of the next fiscal year's budget, by April 1, to be reviewed by the Finance Committee.
3. **Budget:** The Finance Committee shall approve a budget for the upcoming fiscal year for presentation to the DEC; the proposed budget will be presented to the DEC at the annual convention.
4. **Approval:** The DEC approves the final budget.
5. **Operations:** Program funds shall not be disbursed except as budgeted. Chairpersons needing funds for their programs shall request funds from the Finance Committee, providing details of expenses and purpose.
6. **Non-Budgeted Items:** Disbursements for non-budgeted items require prior Finance Committee approval. Expenditures, individually or grouped, exceeding \$10,000 require presentation of request to DEC upon Finance Committee recommendation.

## Program Funding

1. **Request Process:** Written proposal to Finance Committee detailing purpose, budget, and timeline.
2. **Approval:** Finance Committee approves requests up to \$10,000; DEC approves requests over \$10,000.
3. **Accountability:** Receipts and a summary (e.g., attendees, outcomes) due within 30 days.

## Accounting

1. **Responsibility:** The Adjutant is responsible for maintaining all books and financial records, with oversight from the Finance Committee.
2. **Reporting:** The Adjutant will prepare a quarterly income and expense report to be reviewed by the Finance Committee.
3. **Audit:** The Finance Committee is empowered, under Article VIII, Section 2a of the Department Constitution and Bylaws, shall direct an audit of the books of Department be made annually with results shared with the DEC. An abbreviated report will be posted online for transparency and donor accessibility.

## Restricted Funds

1. **Restricted Funds:** Funds with donor-specified uses are tracked separately in the financial reports. Disbursements occur at least annually by June 30, as directed by the Adjutant, with Finance Committee oversight to ensure compliance with donor intent and IRS rules.

## Investments

1. The Finance Committee is empowered, under Article VII, Section 2a of the Department Constitution and Bylaws, to authorize and direct investment of Department funds. Funds are invested for the responsible economic purpose of deriving investment income to supplement funds needed for administration and programs of The American Legion Department of Arizona.

## Financial Operations

1. **Responsibility:** All expenditures and disbursements of Department funds shall comply with the Constitution and By-Laws and approved by the Finance Committee. The Adjutant is responsible for the disbursing all funds, including credit card expenses.
2. **Disbursement:** All expenses shall be paid from the Operating Account, with checks bearing the Adjutant's signature. Invoices, expenses, and credit card or travel transactions must be coded and approved within the current year's budget. Credit card expenses shall align with budgeted items and permitted uses; transactions over \$1,500 or non-budgeted require Adjutant approval via Purchase Request (Exhibit C-2). Reimbursements that are not travel related require a Non-Travel Expense Report (<https://azlegion.org/department-non-travel-expense-report/>). Travel expenses require budgeted alignment or pre-approval; otherwise, Finance Committee approval is required.
3. **Major Expenditures:** Expenditures over \$10,000 (individually or grouped) require DEC approval, supported by Finance Committee recommendations and detailed justification.
4. **Emergencies:** Emergency disbursements may be authorized by the Finance Committee, supported by the Adjutant, with DEC ratification within 30 days.
5. **Authorized Signers:** The Adjutant is the primary authorized signer on all Department accounts and responsible for deposits, disbursements, transfers, electronic transactions and digital payment platforms. The Finance Officer and Finance Committee Chairperson shall be additional authorized signers on all accounts for oversight. All transactions must align with the approved budget and Finance Committee policies, with the Adjutant as the primary executor unless delegated.

## Credit Cards

1. **Issuance:** The Finance Committee authorizes cardholders; maximum of 6 cards may be issued under the Department's EIN.
  - Adjutant
  - Commander
  - L.I.T. Director
  - A.L.C. Chairman
  - S.A.L. Adjutant
  - S.A.L. Commander
2. **Usage Limits:** Single transactions are limited to \$1,500 and must align with budgeted items. Non-budgeted expenditures or transactions over \$1,500 require prior approval from the Adjutant.
3. **Prohibited Uses:** Personal charges (e.g., meals, movies, phone usage); cash advances, loans; entertainment (unless Commander/Adjutant-approved); items inconsistent with the Department's mission.
4. **Procedures:**
  - A. Sign Cardholder Agreement (Exhibit C-1) upon issuance, acknowledging liability for unauthorized charges.
  - B. All receipts for credit card transactions must be submitted digitally to the Adjutant at [receipts@azlegion.org](mailto:receipts@azlegion.org) within 7 days.
  - C. For meals submit Business Meals and Entertainment Form (Exhibit C-3) with attendees, business purpose, and itemized receipts (expenses + payment).
  - D. Report lost/stolen cards to bank and Adjutant immediately; submit a written report via email to Adjutant within 24 hours.



## Travel

1. **Purpose:** To govern travel expenses for official Department business, ensuring fiscal responsibility and compliance with IRS guidelines.
2. **Authorization:** Members traveling on official Department business must have travel budgeted or obtain prior authorization from the Adjutant. This applies to local events and functions but excludes routine local travel necessary for normal business operations.
3. **Members Authorized:** Reimbursement is generally authorized for:
  - A. **District Commanders** shall be reimbursed on official Post visits up to the budgeted amount based on a submitted travel voucher form and Adjutant approval.
  - B. **Department Vice Commanders** shall be reimbursed on official business up to the budgeted amount based on a submitted travel voucher form and Adjutant approval.
  - C. **Department Commander's** expenses shall align with the budget and be reimbursable during their term per the approved budget with a voucher.
  - D. **Department Adjutant's** expenses shall conform to the to the budgeted amounts.
  - E. **DEC** expenses shall be reimbursed when attending an officially called meeting.
  - F. **Candidates for Department Office:** Generally, candidates are not reimbursed after publicly announcing their candidacy, with the following exceptions:
    - 1) DEC members attending a regular or special called DEC meeting.
    - 2) When the Commander requests a candidate's attendance at a special meeting, deeming it in the Department's best interest, with expenses reimbursed per standard procedures. Suggestions or encouragement to attend does not constitute a request.
    - 3) If an exception is approved, the candidate may not campaign during the authorized travel.

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4. **National Events Authorized:** the following reimbursements are authorized by the Finance Committee.

**A. National Membership Workshop**

- 1) **Called by National:** Members called by National are not eligible for Department travel reimbursement, as National covers their expenses. While the members called by National is subject to change, it traditionally includes:
  - Incoming Commander
- 2) **Budgeted by Department:** Members not called by National but required to represent Department are eligible for reimbursement as authorized travelers, subject to budget approval:
  - Adjutant
  - Membership & Post Activities Chairperson
  - Vice Commanders
  - District Commanders

**B. National Convention**

- 1) **Called by National:** Members called by National are not eligible for Department travel reimbursement, as National covers their expenses. While the members called by National is subject to change, it traditionally includes:
  - National Executive Committeeman
- 2) **Budgeted by Department:** Members not called by National but required to represent Department are eligible for reimbursement as authorized travelers, subject to budget approval:
  - Outgoing Commander
  - Incoming Commander
  - Adjutant
- 3) **Delegates:** Delegates selected to attend who submit a written report to the Adjutant will receive a \$150 stipend following the conclusion of convention. Alternate Delegates are not eligible.

### C. National Americanism Conference

- 1) **Called by National:** Members called by National are not eligible for Department travel reimbursement, as National covers their expenses. While the members called by National is subject to change, it traditionally includes:
  - Boys State Chairperson
  - Junior Shooting Sports Chairperson
  - Oratorical Chairperson
  - Scouting Chairperson
- 2) **Budgeted by Department:** Members not called by National but required to represent Department are eligible for reimbursement as authorized travelers, subject to budget approval:
  - Americanism Chairperson
  - Baseball Chairperson (Americanism or World Series)
  - Children and Youth Chairperson
  - Chaplain

### D. National Fall Meetings

- 1) **Called by National:** Members called by National are not eligible for Department travel reimbursement, as National covers their expenses. While the members called by National is subject to change, it traditionally includes:
  - National Executive Committeeman
  - Commander
  - Adjutant
- 2) **Budgeted by Department:** Members not called by National but required to represent Department are eligible for reimbursement as authorized travelers, subject to budget approval:
  - Alternate National Executive Committeeman
  - National Internal Affairs Commission
  - National Convention Commission
  - Historian

#### E. Washington D.C. Conference

- 1) **Called by National:** Members called by National are not eligible for Department travel reimbursement, as National covers their expenses. While the members called by National is subject to change, it traditionally includes:
  - National Legislative Commission
  - National Veteran Affairs & Rehabilitation Commission
  - National Veteran Affairs & Education Commission
  - National Security Commission
- 2) **Budgeted by Department:** Members not called by National but required to represent Department are eligible for reimbursement as authorized travelers, subject to budget approval:
  - Commander
  - Adjutant
  - Legislative Committee Chairperson
  - Legislative Committee Co-Chairperson

#### F. National Spring Meetings

- 1) **Called by National:** Members called by National are not eligible for Department travel reimbursement, as National covers their expenses. While the members called by National is subject to change, it traditionally includes:
  - National Executive Committeeman
  - National Media and Communications Commission
- 2) **Budgeted by Department:** Members not called by National but required to represent Department are eligible for reimbursement as authorized travelers, subject to budget approval:
  - Alternate National Executive Committeeman
  - National Internal Affairs Commission
  - National Convention Commission
  - National A.L.R. Advisory Committee
  - Commander
  - Adjutant

## **5. Department Events Authorized**

**A. Department Organizational Meeting** the following may be reimbursed milage and per-diem as authorized by the Finance Committee:

### **1) Milage and One Day Per Diem:**

- Commander
- Adjutant
- Americanism Commission Chairperson
- Children and Youth Commission Chairperson
- Internal Affairs Commission Chairperson
- Legislative Commission Chairperson
- Media & Communications Commission Chairperson
- Marketing Commission Chairperson
- National Security Commission Chairperson
- Veteran Affairs & Rehabilitation Commission Chairperson
- A.L.R. Committee Chairperson
- S.A.L. Committee Liaison Advisor

**B. Department Fall Conference** the following may be reimbursed lodging, milage and per-diem as authorized by the Finance Committee:

### **1) Milage, Per Diem, and Lodging for Two Nights:**

- Executive Committee
- Chaplain
- Historian
- Sergeant-at-Arms

### **2) Milage, Per Diem, and Lodging for One Night:**

- Finance Committee
- Commission and Committee Chairpersons or other members officially called-in by the Department Commander.

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C. **Department Convention** the following may be reimbursed lodging, milage and per diem as authorized by the Finance Committee:

1) **Milage, Per Diem, and Lodging for Three Nights:**

- Executive Committee
- Chaplain
- Historian
- Sergeant-at-Arms

2) **Milage, Per Diem, and Lodging for One Night:**

- Finance Committee
- Commission and Committee Chairpersons or other members officially called-in by the Department Commander.

D. **Committee Meetings:**

- 1) When deemed appropriate, meals such as lunch or dinner may be paid for from Department Funds when a committee meeting is officially called. Such expense shall be charged to the account of that committee.

6. **Travel Minimum:** Reimbursement is not authorized for members residing within 25 miles of the official business travel destination (e.g. conventions, conferences, meetings, District and Post visits).

7. **Reimbursement Guidelines:**

- A. **Mileage:** IRS standard business rate based on odometer readings or standard miles (whichever is less), applicable to all authorized travelers.
- B. **Per Diem:** \$100 per day; full day if departure before 2 p.m. or return after 2 p.m., half day otherwise. Group meals limit attendees to per diem for uncovered meals/incidentals; non-attendees receive full daily per diem with receipts or certification, applicable to all authorized travelers.
- C. **Lodging:** If authorized, reimbursement will be at the GSA rate based on location, supported by receipts.

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- D. **Transportation:** If authorized, economy airfare, rental cars, ride shares, and/or public transit, supported by receipts.
- E. **Meals:** If authorized, meal expenses are limited to the GSA Meals and Incidental Expenses (M&IE) rate per person for food, with up to two drinks per person allowed in addition to the GSA rate. Large groups should be reasonably limited to avoid excessive distribution of meals and drinks.
- 1) Cardholder uses one corporate card, estimates costs pre-meal (attendees x GSA M&IE rate + drinks), and requests a group bill not to exceed the cap.
  - 2) Overages under 10% must be justified to Finance Chairperson and either repaid or approved.
  - 3) Overages of 10% and greater require Finance Committee review, with repayment required.
  - 4) Attendees are limited to authorized travelers unless Commander approves additional participants.
- F. **Non-Reimbursable:** Family expenses, personal travel extensions, candidate expenses post-public candidacy announcement.
- G. **Double Reimbursement:** Prohibited; claimants must certify no duplicate funding.
8. **Procedures:**
- A. **Booking Travel:** Travelers verify with Adjutant for pre-arranged accommodations and/or discount rates.
  - B. **Expense Reporting:** Submit Travel Voucher (<https://azlegion.org/department-travel-voucher/>) within 30 days of return, including receipts, mileage logs, and trip purpose. Credit card receipts due within 7 days to [receipts@azlegion.org](mailto:receipts@azlegion.org).
  - C. **Approval and Payment:** Adjutant reviews and approves travel voucher form; payment issued within 10 business days from the Operating Account.
9. **Exceptions:** Emergency travel may be approved post-trip by the Adjutant, with Finance Committee ratification within 30 days.

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## Exhibit C-1: Cardholder Agreement

### Department of Arizona Corporate Credit Card Agreement

- Cardholder's Name: \_\_\_\_\_
- Position/Title: \_\_\_\_\_
- Card Number (Last 4 Digits): XXXX-XXXX-XXXX-\_\_\_\_\_
- Date Issued: \_\_\_\_\_

**I acknowledge receipt of a corporate credit card from The American Legion Department of Arizona. I have read and understand the Credit Card SOP effective July 1<sup>st</sup> 2025. I agree to:**

1. Use the card solely for official Department business.
2. Refrain from personal purchases, cash advances, or prohibited transactions.
3. Submit receipts and expense reports within 7 days to [receipts@azlegion.org](mailto:receipts@azlegion.org)
4. Reimburse the Department for any unauthorized charges or exceeding approved budget limits.
5. Report loss or theft immediately to the Adjutant.

Failure to comply may result in card suspension, repayment, and disciplinary action.

- Cardholder Signature: \_\_\_\_\_ Date: \_\_\_\_\_
- Finance Committee Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Instructions: Sign and return to the Adjutant before card use. Retain a copy for your records.



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## Exhibit C-2: Purchase Request Form

### Department of Arizona Purchase Request

- Date of Request: \_\_\_\_\_
- Requested By: \_\_\_\_\_
- Position/Title: \_\_\_\_\_
- Program or Category: \_\_\_\_\_
- Purchase Description:

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- Vendor Name: \_\_\_\_\_
- Estimated Cost: \$ \_\_\_\_\_
- Justification/Business Need:

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- Budget Line Item / Code: \_\_\_\_\_
- Cardholder Signature: \_\_\_\_\_ Date: \_\_\_\_\_
- Adjutant Approval: \_\_\_\_\_ Date: \_\_\_\_\_
- Finance Committee Approval (if applicable): \_\_\_\_\_ Date: \_\_\_\_\_
  - Approved / Denied (Reason: \_\_\_\_\_)

Instructions: Submit to the Adjutant prior to purchase (unless a budgeted recurring expense). Approval required for transactions over \$1,500 or current authorized budget.

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## Exhibit C-3: Business Meals and Entertainment Form

Department of Arizona Purchase Request Form

### Cardholder Information

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Date of Submission: \_\_\_\_\_

### Transaction Details

Date of Transaction: \_\_\_\_\_

Amount Charged: \$ \_\_\_\_\_

Vendor Name (e.g., restaurant): \_\_\_\_\_

Location (City, State): \_\_\_\_\_

### Business Purpose

Describe the specific business purpose of the meal or entertainment expense (e.g., meeting to discuss ALR program planning, fundraising strategy session). Be clear and concise:

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### Receipt Submission

- Itemized receipt(s) attached (showing food/entertainment details and payment).
- Receipt(s) submitted digitally to [receipts@azlegion.org](mailto:receipts@azlegion.org)

### Approval (if applicable)

Was this expense pre-approved by the Adjutant (required for non-budgeted items or transactions over \$1,500)?

- Yes (attach approval or explain): \_\_\_\_\_
- No (explain): \_\_\_\_\_

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**Attendees**

List all individuals present, including their name, title/affiliation, and relationship to the American Legion (e.g., member, guest, vendor). Attach additional sheets if necessary.

**Name and Title / Affiliation:**

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**Cardholder Certification**

I certify that the above information is accurate, the expense was incurred for legitimate American Legion business purposes, and all required receipts have been submitted in accordance with the Department's credit card policies. I understand that unauthorized or personal charges may result in personal liability.

Cardholder Signature: \_\_\_\_\_

**For Adjutant Use Only**

Received Date: \_\_\_\_\_

Approved: ☐ Yes ☐ No

Comments:

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Adjutant Signature: \_\_\_\_\_