

THE AMERICAN LEGION, DEPARTMENT OF IOWA

AMERICAN LEGION OF IOWA BOYS STATE

THE AMERICAN LEGION OF IOWA FOUNDATION



FINANCIAL PROCEDURES MANUAL

Revised, June 19, 2020

OVERVIEW

This finance manual has been written to provide an overview of the basic fiduciary procedures and operations used within The American Legion of Iowa and subsidiary corporations. It is impossible to construct a manual that is other than a basic outline of general procedures; therefore, this manual addresses general areas that have an impact on the daily operational accounting.

All references and policies outlined in this manual which refer to The American Legion of Iowa, unless specifically outlined otherwise, shall be considered to include American Legion of Iowa Boys State, and The American Legion of Iowa Foundation.

Should you have questions concerning any procedure addressed within this manual, or should you encounter new or unique situations not addressed, please contact me for assistance.

John A. Derner
Department Adjutant

PAYMENT AUTHORIZATION

1. All payments will be approved by the Department Adjutant.
2. **Signatures need to be originals.** Stamped signatures are not acceptable.
3. Any checks issued by The American Legion of Iowa shall bear the original signature of both the Department Adjutant and Department Finance Officer.
4. All checks for American Legion of Iowa Boys State shall bear the original signature of the Boys State Secretary or Boys State Finance Officer.
5. Checks for The American Legion of Iowa Foundation shall be issued by the manager of the Trust after approval by the Foundation Board of Directors for grant awards or the Foundation Secretary (Department Adjutant) for administrative expenses.
6. The Department Payroll shall be paid by direct deposit through the Automated Clearing House (ACH). Payroll shall be processed by the Business Manager and released for payment by the Department Adjutant.
7. Payments made by Department Credit Cards are the responsibility of the cardholder until approved by the Department Adjutant.
8. Credit Card purchases on any Department Credit Card must be authorized in advance by the cardholder.

PURCHASES

REQUEST FOR PURCHASE & PURCHASE ORDERS

1. All purchases made by The American Legion, Department of Iowa, require completion of a Request for Purchase prior to initiation of the transaction.
2. The Request for Purchase shall be submitted to the Business Manager for the issuance of a Purchase Order Number.
3. A Purchase Order Number is necessary not only for materials, but also for services. **Any commitment of monies requires issuance of a Purchase Order Number.**
4. All orders from Emblem Sales require a Request for Purchase and the issuance of a Purchase Order Number.
5. The Business Manager and the Department Adjutant are the sole agents authorized to issue a Purchase Order Number.

6. For any purchase clearly outlined in the Department Operating Structure or the Department Budget, the approved Purchase Order may be approved by the Business Manager.
7. Any purchase not specifically outlined in the Department Budget requires approval of the Department Adjutant before a Purchase Order will be issued.
8. **If a staff member authorizes a purchase for The American Legion without prior approval, that individual can and/or will be held responsible for the charges involved in that purchase.**
9. The Purchase Order Number must be used when making any purchase and should appear on the corresponding invoice or statement.
10. Once the Purchase Order has been approved and a Purchase Order Number has been issued, the purchase can be made.
11. **Signatures need to be originals.** Stamped signatures are not acceptable.

CHECK REQUEST

1. All purchases which require prepayment or payment upon receipt of goods or services require completion of a Check Request Form.
2. The Check Request Form will be used to generate a Purchase Order prior to initiation of the transaction.
3. Check Requests must fully describe the reason for the expenditure.
4. All Check Requests must be approved by the Department Adjutant.
5. **Signatures need to be originals.** Stamped signatures are not acceptable.

ACCOUNTS PAYABLE

1. All accounts payable documentation must be coded with a valid account number, approved by the Department Adjutant.
2. Any materials that need to be sent with checks should be attached to the invoice or check request.
3. **Signatures need to be originals.** Stamped signatures are not acceptable.

PROCESS AND DELIVERY OF CHECKS

1. The issuance of checks requires the coordination of the schedules of the Business Manager, the Department Adjutant, and the Department Finance Officer. Therefore, Check Requests must be received at least two weeks prior to the date on which the check needs to be delivered.
2. Employees requiring a check on a certain day should so indicate on their Check Request or other source document.
3. Emergency situations are determined by the Department Adjutant. When a check is required in an emergency that precludes the use of normal procedures, the request should be presented to the Department Adjutant. ***Approval to issue emergency checks will be granted only in cases of genuine emergency. Situations caused by improper planning are not thought to be emergencies.***
4. All questions relating to process and delivery of checks should be directed to the Business Manager, Department Adjutant, or Department Finance Officer.
5. Related documents that should be mailed with the checks should be attached to the invoice or check request in such a way that the Business Manager will know to send with the check. If a check is to be hand delivered, the appropriate staff member may indicate so on the Check Request that the check be delivered directly to his or her office.

DEPARTMENT CREDIT CARDS

1. Credit Cards are issued to the Department Commander, Department Adjutant, and Department Service Officer.
2. These cards are to be used for official business expense only.
3. Credit Card purchases must be authorized in advance by the cardholder.
4. Payments made by Department Credit Cards are the responsibility of the cardholder until approved by the Department Adjutant.
5. At the time of charge, retain the customer copy and write on the receipt the pertinent information regarding the expenditure.
6. If personal charges are mistakenly charged to the Department Credit Card, notify the Business Manager to make payment arrangements for the charges.

INVOICES

1. All incoming invoices received must be routed to the Business Manager.
2. The Business Manager will match the invoice to the Purchase Order and verify with the person originating the purchase the following information:
 - a. Accuracy of the invoice
 - b. Receipt of merchandise or service
 - c. Department Adjutant's approval

TRAVEL

1. Travel authorization and reimbursement procedures are outlined in the Personnel Policy and the Department Operating Structure.
2. All Department staff members are responsible for following proper procedures for requesting travel and/or reimbursement.

DISPOSALS

1. Disposals of American Legion assets require authorization from the Department Adjutant. Following is a list of conditions which necessitate disposal of an asset.
 - a. Asset is broken beyond repair
 - b. Asset is broken and repair is costlier than purchase of new item
 - c. Asset is broken and decision is made not to repair nor replace
 - d. Asset is stolen or lost
 - e. Asset is to be donated to another organization
 - f. Asset is to be sold, abandoned or retired
 - g. Asset is to be disassembled and used for spare parts
2. The Department Adjutant and Business Manager shall be responsible for ensuring that the asset is removed from the Depreciation List.

CONTRACTS, LEASES, AND MAINTENANCE AGREEMENTS

1. Original documents of all contracts, leases, and maintenance agreements must be sent to the Business Manager for safekeeping.
2. All contracts, leases, and maintenance/service agreements with The American Legion must be executed and signed by the Department Adjutant.

RECEIVABLES

1. All receivables will be deposited within 14 days of receipt. This includes membership processing, fundraising, National Convention deposits, donations, Boys State registration fees, baseball fees, accounts receivable, and any other receivables.
2. Deposits will be prepared by individual processing the information related to the deposit and deposits will be submitted to the financial institution by the Business Manager.
3. All receipts will be deposited intact. No disbursements will be made from cash or check receipts prior to deposit.

PETTY CASH

1. The Business Manager and the Department Adjutant are the sole agents authorized to disburse Petty Cash for The American Legion.
2. For any purchase clearly authorized in the Department Budget, the approved Purchase Order may be approved by the Business Manager.
3. Any purchase not specifically outlined in the Department Budget requires approval of the Department Adjutant before a Purchase Order will be issued.
4. Receipts must accompany all requests for Petty Cash.
5. A Petty Cash voucher must be completed before cash will be issued.
6. The Boys State Director shall appoint annually Boys State counselors to be responsible for Petty Cash receipts and disbursements. A daily review of Boys State Petty Cash disbursements shall be conducted by the Boys State Director or Deputy Director.

**THE AMERICAN LEGION OF IOWA
FINANCIAL PROCEDURES MANUAL ACKNOWLEDGMENT**

I acknowledge that I have received a copy of The American Legion's Financial Procedures Manual.

I understand that it is my responsibility to read the Legion's policies and procedures, and understand the content. I understand that, upon request, I may meet with the Department Adjutant to review the Legion's financial policies and procedures.

I understand that this manual and its policies and procedures supersede any previous manual, policies or procedures that I have received in the past.

I further understand that failure to adhere to the policies outlined in the manual will result in disciplinary action which may include termination of employment.

Employee Name

Position

Employee Signature

Date