

 AMERICAN  
**LEGION**

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**AUXILIARY**

Department of Florida's

**UNIT  
TREASURER'S  
GUIDE**

REVISED MAY 2023



# ALAFL'S UNIT TREASURER'S GUIDE

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# ALAFI'S UNIT TREASURER'S GUIDE

## **Introduction**

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Congratulations on being your Unit's Treasurer!

This year's guide is designed to instill the best practices for nonprofit organizations. With the increased scrutiny of the IRS, we, the Finance, Risk and Compliance committee chairs, and our Treasurer, have spent many hours researching the requirements that will reduce our exposure. This year we have chosen to incorporate our National Organization compliance information. Each year, National sends each department a listing of their state's units which are not in compliance. What was most alarming is the number of units that are facing revocation or have had their exempt status revoked due to the non-filing of their 990.

As each unit is a separate organization which operates independently, Department is in an advisory capacity only. Neither Department nor our National Organization can directly assist a unit that is in noncompliance with the IRS, Department of Revenue, Florida Division of Corporations, or the Department of Agriculture, as this is the responsibility of the unit.

To assist Department, on a go-forward basis, we have adopted a new requirement of our units. As each unit files/renews their respective reporting to the IRS, Division of Corporations, and the Agricultural Solicitation License, a copy of the confirmation page received is sent to Department to be included in the unit's file.

## **Tips**

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The accounts and presentation are suggested; at minimum the report should include General, Welfare and AEF headings; the Welfare and AEF are restricted accounts and only be used for the for the purpose which they were intended. If using the General column heading, include a sufficient description of the receipt i.e., Dues, Girls State, Bingo, etc. Note: use of other headings will assist when you are providing information for your units Chairman reports.

A copy of a Treasurer's Due Date List "Appendix A" is also included in this packet. This reference will assist you with being compliant on obligations, taxes, and licensing filing dates.

In the event of your absence, leave the checkbook with another Officer who is a signer on the account, this allows the unit to conduct business.

Blank checks with your signature should not be given to anyone. At minimum should it be necessary, the check should contain the payee information, only given to an Officer with signing authority. The receipts need to be furnished to the Treasurer in a reasonable amount of time.

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## Tips -Continued

Under no circumstances shall the Treasurer or officer sign a check that that is payable to themselves.

It is advised when signing checks, write your officer title next to your name to reduce your liability exposure. Due to space constraints on checks this is not always practical, however, if there is an issue contact your bank. The signature card is a legal document which contains the signature and position of authorized officers within the organization.

Online access should be established with your banking institution. This allows you to monitor the activity on your account. By doing so, particularly if using a debit card or allowing for ACH's debit and credit for receipts or disbursements, to quickly identify fraudulent activity.

The Treasurer should always perform all bank reconciliations monthly, upon receipt of statements.

If your unit, as a practice, distributes copies of your Treasurer Report at their monthly meetings, do not leave the reports lying around after the meeting.

Note: If you host bingo game as a fundraiser for a specific program or a fundraiser, review the Florida Charitable Gaming Laws and IRS Publication 3079, Tax Exempt Organizations and Gaming are accessible online. These guides provide information pertaining to requirements on licensing and whether or not they are subject to taxes.

## Unit Obligations

### **Poppy Orders and Poppy Proceeds**

All orders for Poppies must be ordered 90 days prior to the distribution event. The poppies **MUST** be ordered from Department and not Emblem Sales. Poppy Proceeds Report must be submitted for each distribution separately. 25% of proceeds (amount collected less any expenses) must be sent within 30 days of each distribution to Department Headquarters.

### **Quotas**

All quotas (Rehabilitation, Education, Girls State, and Undergarment) will be invoiced by Department and must be paid to Department within 30 days of receipt. Quotas are invoiced in July.

Unit Bonding Fee - \$6.00 will be included within the Unit quota invoice.

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## Unit Obligations -Continued

### **Girls State Registration**

Girls State registration fee for each delegate (# of delegates should be in your budget) will be paid to Department upon registration.

### **ACH Submission**

The unit is strongly encouraged to submit an ACH form to Department. Any monthly overages will be credited to the Unit's bank on file. It is the Unit's responsibility to submit a new form if the bank information changes.

## Treasurer's Reports

The Treasurer report contains a wealth of information. The accuracy of the information provided allows you and your unit a snapshot at any given time as to its financial status. It also will become a guide when preparing the budget, filing your 990 and annual report for your solicitation permit. The minutes of the Secretary support many of the disbursements made by the Treasurer and should be provided to you on a monthly basis.

Be prepared to present the Treasurer Report (page 24) at your regularly scheduled meeting. Once read, the President will ask the general membership for any corrections to the report. If there are no corrections the report is filed for audit. Note: Neither the Secretaries Minutes nor the Treasurer report require a motion to approve.

An Excel spreadsheet sample of a Receipts & Disbursement "Appendix B" journal which can be prepared in conjunction with your bank reconciliation. Dependent on the size and activities of your unit, a condensed report may be used for presentation purposes but should be supported by the journal should the membership have more specific questions. The Treasurer's report is given monthly at your Unit meetings and approved by the general membership. If you cannot attend, provide the report to the President for presentation to the Unit.

We are also attaching a sample Profit and Loss Statement "Appendix C" that can be used to track special events such as Bingo, dinners, or fundraisers.

## Preparing Your Budget

A budget is recommended to be established for the upcoming year. Depending on the size of your unit, the budget can be prepared by the President and the Treasurer, or a committee appointed by the President. Your budget should be prepared and approved at your first Unit meeting in the new fiscal year of July 1 through June 30. To prepare it, arrange a meeting with your incoming Executive Board and incoming Chairmen prior to your first fiscal general membership meeting. Having the Chairmen present

## **ALAFL'S UNIT TREASURER'S GUIDE**

allows them to request the amounts they feel they will need to carry out successful programs.

# ALAFI'S UNIT TREASURER'S GUIDE

## Preparing Your Budget -Continued

If preparing and getting approval is not possible in July, a motion should be made to allow paying of the usual bills until the budget is approved or motions will have to be made to pay each bill.

The sample budget "Appendix D" uses the actual year to date expenditures and the prior year budget which gives you a snapshot of how the unit operated. You will see areas that need attention due to overages/shortages in your units' revenues and expenses.

Certain line items will be based on the **close of books** published in the Unit Guide, such as dues and quotas. Other items will be the best estimate based on the activities that the unit has historically incurred, others will be based on the programs that the unit wants to participate in. If your unit hosts dinners or bingo, due to our economy, you may want to increase your budgeted expenses due to inflation.

## Auditing Your Treasurer's Records

This outline is provided for use in understanding the process of conducting an audit. As the audit committee may not include officers or chairmen who have more experience with the operations of the unit, we are outlining specific requirements for cash handling, disbursements, and accounting practices.

The audit can be performed quarterly or annually depending on your Standing Rules. If audits are not included in your Standing Rules, your unit may want to include them in a future revision.

The President appoints three (3) members to the Audit Committee who are not authorized signers on the bank account. The current Treasurer should be present to answer any questions. During year-end audits, the incoming Treasurer, if new to the position, should be invited to attend.

### Cash -

- All deposits must be made timely and match deposit slips. If a special event is held and the unit prepares a separate report, the total "revenue" should match the deposited amount.

### Check -

- All checks must have two signatures. Any time that a check is written to reimburse the Treasurer for expenses the Treasurer cannot sign the check. The same applies to an Officer that has check signing privileges.
- All disbursements should be made for only actual items purchased as approved by motion, invoice, or quotas for from Department; documentation must be provided.



# ALAFI'S UNIT TREASURER'S GUIDE

## Auditing Your Treasurer's Records -Continued

Debit/Credit Card –

- As more of the units are using debit cards, the receipt must be reviewed to insure the deposit agrees to the journal or event report.
- If cash was withdrawn or used for payment of an approved disbursement proper documentation is attached to the receipt.

A verbal report should be presented to the general membership at the next scheduled meeting.

See “Appendix E” for Audit Outline and Annual Audit Template.

## Compliance with both National Headquarters and Department Headquarters

All of our units must comply with our National Organization and operate as a tax-exempt non-profit corporation or tax-exempt association to be permitted to use the name and trademarks of the American Legion Auxiliary.

ALA units must file annually via the applicable series of IRS Form 990 as well as their respective state governments. The fiscal year is July 1 through June 30.

All units should have requested inclusion under the group ruling and have remained compliant with the IRS requirements will be recognized as being federally tax exempt and able to receive tax-deductible donations as a subordinate of the ALA National Organization Group Exemption ruling, number 0964.

The American Legion Auxiliary is recognized under the classification as a 501 c 19 – Veterans Organization.

Meet the requirements for the State of Florida include registering with the Florida Department of Revenue Sales Tax, Florida Department of Agriculture for a Solicitation License and with Florida Division of Corporations - registration of Incorporation.

Upon renewal, with the exception of remittance of sales tax, a copy of the receipt or confirmation must be forwarded to Department for inclusion in your unit file.

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## Registration and Tax Forms

### **State of FL - Department of Corporations**

Must be filed by May 1st of each year. The cost to the unit is \$61.25. Late filing can be subject to fines. The last day to file (before it's late) is May 1st, up until 11:59pm. Your Annual Report is due between January 1st and May 1st. This report can be filed electronically or on paper. As most units choose to file electronically you will have to provide a credit card. Most units have authorized the Treasurer to use their personal credit card and will be reimbursed by presentation of receipt provided by the State. There are two other ways which this can be paid; one is that you set up an account with the state (E-File account), which the unit would have to fund or when selecting method of payment, you can select check and the website will direct you to the form that you print and send with your check. Caution with this method is that you will have to provide sufficient time for the check to be received in a timely manner.

### **Florida Department of Revenue - Sales Tax**

Returns are due by the 20th of the month following the end of the quarter. See page 7.

### **Florida Department of Agriculture – Solicitation License**

The license is renewed annually based on original registration; renewal date is on the permit. Late filing fee is \$25.00 per month.

### **Information from National**

National has provided guidance in the areas of tax exemption, ALA group exemption number, IRS forms 990, 990-EZ, and 990-N, tax-exempt status revocation, recommendation reinstatement process, checking your IRS status.

**990 (IRS tax form)** File before November 15. This is done electronically only. (See National Guidelines)

## State and Government Forms and Taxes

### **State of Florida - Division of Corporations**

Your Unit is required to be incorporated in the State of Florida. Each year, you must file your annual report between January 1 and May 1. If not paid before the third Friday in September, the Department may issue an administrative dissolution for non-payment. If this should happen, the unit would have to complete the Reinstatement form and remit fee and penalties.

# ALAFI'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### State of Florida - Division of Corporations - Continued

To do so, access [www.sunbiz.org](http://www.sunbiz.org). In the center of the banner chose "Manage/Change Existing Business. From the drop-down box select "File Annual Report". You will need the following to complete the report:

- Your entity's document number was issued by the State of Florida. This can be found on your Annual Report filing notice or by searching the Division of Corporations' records at [www.sunbiz.org](http://www.sunbiz.org).
- Your entity's Federal Employer Identification number (EIN or FEIN or TIN)
- A current list of your officers and their addresses and registered agent.
- Confirmation will be sent to the email address on the account.

When the form is completed, take the opportunity to review the information provided. Should any information be incorrect or not updated before submitting, you can send an Amended Report and pay an additional fee.

Costs and payment types:

- The cost is \$61.25.
- Make all checks payable to the Florida Department of State. Check and money orders must be payable in U.S. currency drawn from a U.S. bank. If you choose this method, you will have the opportunity to print the form which must be included when mailed.
- Credit cards accepted for filing online are MasterCard, Visa, Discover and American Express or use of a prepaid Sunbiz E-File Account.

### Department of Revenue - Sales Tax

Notes: If you host more than two (2) dinners/events (including Bingo) per year, you must remit sales tax on these events. Raffles and 50/50 are not taxable. Qualified veterans' organizations may sell food or drink, including alcoholic beverages, tax exempt when sold in connection with customary veterans' organization activities to members of qualified veterans' organizations. Qualified veterans' organizations are nationally chartered or recognized veterans' organizations that hold current exemptions from federal income tax under section 501(c)(4) or (19) of the Internal Revenue Code. To qualify, the veterans' organization must hold a valid Florida Consumer's Certificate of Exemption.

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## State and Government Forms and Taxes - Continued

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### Department of Revenue – Sales Tax- Continued

All units should already be registered for a sales tax filing and remitting account. If not, here is a brief synopsis to follow: <https://FloridaRevenue.com>. On the left side of page select “Register to collect and remit sales tax”. Then you select “Florida Business Tax Application”; you will need to create an account. This site has an interactive application that you will have to follow. Make sure you mark “file electronically” option or you will file using a booklet they will provide. Once your application is accepted you will receive a “e-Services User Information” page. This will provide you with your user credentials and information on filing. This information page will need to be provided to future incoming Treasurers to allow for electronic filing. This method allows you to take a discount of 2.5% when filing. For 2024 returns are due by the 18<sup>th</sup> of the month following the end of the quarter. (This will change yearly.)

You will file based on the amount of your liability. It usually falls into the following limits.

Annual Sales Tax Collected	File/Payment Frequency
Over \$1,000	Monthly
\$500 - \$1,000	Quarterly
\$250 - \$500	Semi-Annually
Under \$250	Annually

If your unit holds a fundraiser that the price includes sales tax, the sales tax must be backed out to calculate gross tax owed. Example: \$5,000 was raised during an event. The tax rate is 7%. Calculation:  $\$5,000 / 1.07 = \$4,672.90$ .  $\$5,000 - \$4,672.90 = \$327.10$ . Overall, \$5,000 is gross sales, \$4,672.90 is net sales after taxes, and \$327.10 is sales tax.

To file your quarterly return, log on to [www.myflorida.com/taxes](http://www.myflorida.com/taxes)  
Select File and pay online/More services/Sales and Use Tax

Login User ID \_\_\_\_\_ Password \_\_\_\_\_

- Select the correct quarter you are reporting for
- Enter the information in the signature window
- Complete the form with the appropriate amounts
- Follow instructions to complete the transaction/payment
- Be sure to print returns for audit purposes and proof of filing; sent copy to Department of proof of filing only.

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## State and Government Forms and Taxes - Continued

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### Department of Revenue – Sales Tax- Continued

#### Florida Consumers Exemption Certificate

Each unit should have applied for the Application for Consumers Certificate of Exemption Form DR 5 when chartered. The FL Consumers Exemption Certificate is used to avoid having to pay sales tax on items you purchase and will consume while carrying out the purposes of the Auxiliary. Office supplies, school supplies or toys for Christmas presents can be purchased tax free. You can even use it to eliminate the sales tax from your hotel bill if you are paying with a check from your Unit. If you solicit items from local vendors for raffles or fundraisers, the vendor will request a copy of this form.

Sales tax exemption certificates expire after five years. The Department reviews each exemption certificate sixty (60) days before the current certificate expires. There is no renewal process.

For those nonprofit organizations located in Florida, the Department uses available public information to determine whether an organization continues to qualify for a sales tax exemption certificate. If an organization continues to meet the statutory exemption criteria, a new exemption certificate is issued. If additional information is needed, a letter requesting documentation is mailed to the organization.

#### Florida Department of Agriculture - Solicitation License

Chapter 496, F.S., the [Solicitation of Contributions Act](#), requires anyone who solicits donations from a location in Florida or from people in Florida to register with the Florida Department of Agriculture and Consumer Services (FDACS) and to renew annually. To register online, please visit [www.FDACS.gov](http://www.FDACS.gov). If you wish to speak with someone regarding registration, contact FDACS at 1-800-HELP-FLA (435-7352) or via email at [Charities@fdacs.gov](mailto:Charities@fdacs.gov).

In the previous version of the Compliance guide, a note stated (summarized) “that units were exempt under Title 36”. This is a misnomer. Only the American Legion was federally chartered by the Congress under Title 36 of the United States Code. The American Legion Auxiliary was independently chartered and is not a division, department, post, or chapter of the American Legion. The Department of Agriculture is aware of this and will not issue any further exemptions to the Auxiliary.

Registering for and renewing your annual license can be done online. There is no cost to the unit if you fall under the small charity category, however, if you have revenue of \$25,000.00 or more, you will need to pay a fee of \$75.00, or higher depending on your income, using a VISA or Master Card credit or debit card. You can print the completed form out and mail it with your check if you prefer not to use your personal credit card.

# ALAFI'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### Florida Department of Agriculture - Solicitation License - Continued

As a non-profit, soliciting is one of our streams of revenues. Many units say that they do not solicit but every time we are attending any event that we set up a booth, we are soliciting new members. Every year we have Poppy events we solicit donations. Membership is also considered soliciting.

The Solicitation of Contributions program has new registration forms available. Some of the changes included registration forms that have been simplified and streamlined. The Solicitation of Contribution Annual Financial Reporting form has been removed from the registration application is now a separate form.

Florida law now requires charities that do not fall into the small charity category (income over \$25,000.00) to adopt a conflict-of-interest policy. You do not need to submit the unit's policy to FDACS. However, you are required to submit a statement provided on the website certifying that all board members and directors have read and understand the policy. One signature certifying on behalf of all board members is sufficient.

Whether you are registering for the first time or renewing, you will need the following information to proceed:

- A copy of the Treasurer's reports for the most recent fiscal year just ended. From that report, you will need the beginning bank account balance as of July 1 and the ending balance as of June 30.
- Total of the amount of income collected and deposited into your bank account.
- Total of the amount of the expenses paid out for dues, your programs and the total amount paid for Management (office) supplies.
- The names of the current Unit officers and addresses.
- The Unit Corporate name and TIN (Taxpayer Identification Number).

When ready to file, log on to <https://www.fdacs.com>. On the main page, select "Pay/Register Online. This will direct you to a page that you can type in "Solicitation of Contribution" or select the letter "S", and it will bring you to a page where you can select the application. When complete, print a copy of the form for your records. Submit the form and when you receive the confirmation page, please print and email a copy to Department.

As a reminder, with the Department of Florida websites, *Under s.817.155*, F.S., a person may not knowingly falsify or conceal a material fact, make a false, fictitious, or fraudulent statement or representation, or make or use any false document.

Anyone violating these conditions is guilty of a third-degree felony and punishable by law. (s.[775.082](#), s.[775.083](#), or s.[775.084](#), F.S.

# ALAFL'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### **Information from National**

At this point in the guide, we will present information that our National Organization has prepared in the areas of tax exemption, ALA group exemption number IRS forms 990, 990-EZ, and 990-N. We also review information on change of address or responsible party, loss of exemption, and steps for reinstatement.

### **Federal Tax Identification Number (TIN) / Employer Identification Number (EIN)**

The federal TIN or the federal EIN (both terms are used by the IRS interchangeably) is a unique 9-digit identification number assigned to your organization by completing IRS Form SS-4. Each TIN/EIN assigned is on file with the IRS and should be used on all tax returns, correspondence, and a copy of the letter confirming the TIN/EIN assignment should be retained permanently in the records of the organization.

The American Legion Auxiliary Constitution, Bylaws and Standing Rules as adopted, revised, and updated, provides guidance as to the expectation that Departments and Units will operate as independent separate entities as affiliates of the ALA National Organization. If an ALA Unit discovers that they are currently operating with their American Legion Post as one entity, the ALA Unit needs to establish separate operations to conduct business. The organization can obtain a TIN/EIN by completing and submitting IRS Form SS-4 to the IRS. This form is where you initiate the entity type and structure of the classification as a 501(c)(19) - Veterans' Organization. An additional step is required for formal recognition in seeking exemption from federal taxation and the ability to receive tax-deductible donations by choosing to seek a unique determination from the IRS by submitting IRS Form 1024 or requesting inclusion under the ALA National Group Exemption ruling.

### **Nonprofit Organization Classification 501 (c) 19**

The American Legion Auxiliary National Organization is recognized as a 501(c)(19) - Veterans' Organization classification for federal tax-exempt purposes and is able to receive tax-deductible donations per the Internal Revenue Code (IRC) Title 26 §170(c)(3). In October of 1946 the individual ruling letter for the American Legion Auxiliary National Organization was changed to include the recognition of the subordinate ALA entities as being classified as 501(c)(19) organizations that meet the following criteria:

1. Organized in the United States or any of its possessions.
2. 75% of members are spouses of or within two degrees of kinship related to past or present members that served in the U.S. Armed Forces
3. No personal inurement benefit is received by an individual.
4. Affiliated and organized in accordance with the bylaws and regulations formulated by the parent organization.

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## State and Government Forms and Taxes - Continued

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### Information from National - Continued

#### **Nonprofit Organization Classification 501 (c) 19 - Continued**

Please see IRS Publication 557 and Publication 3386 for more detailed information).

The IRS affirmed the ALA National Organization's federal tax-exempt status and its ability to receive tax-deductible donations of the group ruling via its IRS Letter of Determination to the American Legion Auxiliary National Secretary dated March 26, 1973.

#### **Tax Exempt and Deductibility Status are Not Automatic**

An organization can be established as a nonprofit and have the required TIN/EIN but still NOT be tax- exempt or able to receive tax-deductible donations. It is at the discretion of the IRS to grant exemption from paying federal income taxes and the ability to receive tax-deductible donations - this is an entirely separate federal filing and determination process. For ALA entities, the ALA National Organization Group Exemption ruling provides federal tax-exemption and deductibility of donations unless the IRS has specifically revoked an ALA entity's status. See information about tax exempt status revocation that follows in this document.

Newly chartered ALA entities that have obtained a TIN/EIN to conduct business and operate, can seek federal tax-exempt recognition as a 501(c)(19) and the ability to receive tax-deductible donations per IRC § 170(c) by requesting inclusion under the ALA National Group Ruling. ALA entities seeking group ruling inclusion will need to complete an Inclusion Letter and provide verification of their TIN/EIN in the form of a copy of the IRS letter confirming the assignment of their TIN/EIN. A template of the Inclusion Request letter can be obtained by contacting ALA National Headquarters at [compliance@ALAforVeterans.org](mailto:compliance@ALAforVeterans.org).

***Note:** If your ALA entity indicated a classification as anything other than a 501(c)(19) on your IRS Form SS-4, the ALA National Organization will be unable to request your inclusion under the Group Exemption Ruling. Please contact the ALA Compliance Team at [Compliance@ALAforVeterans.org](mailto:Compliance@ALAforVeterans.org) for further guidance.*

ALA entities have the option to seek their own unique tax-exempt and deductibility status by electronically completing IRS Form 1024 and paying applicable fees.

***Note:** Inclusion under the ALA National Group Ruling is strongly recommended*



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## State and Government Forms and Taxes - Continued

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### Information from National - Continued

#### **Tax Deductible Donations and Gifts**

Per the IRS Determination Letter for the ALA National Group Ruling, donations and contributions to organizations included in the group ruling are tax deductible per Internal Revenue Code Section 170(c)(3).

#### **ALA Federal Group Exemption Number (GEN) 0964**

On October 31, 1946, the IRS granted a group ruling to the American Legion Auxiliary National Organization that allows the inclusion of ALA entities, by request, to be recognized as 501(c)(19) organizations for exemption from federal taxes with the ability to receive tax-deductible donations, as subordinates of a group exemption ruling. The IRS does not require separate applications of recognition from each individual subordinate for organizations like the ALA that have many affiliated organizations. However, the ALA National Organization does not file a group return. Subordinates of the group ruling are responsible for filing the appropriate 990 series of annual return for their ALA entity. The American Legion Auxiliary National Organization's group ruling is identified by the IRS Group Exemption Number (GEN) 0964. When proof of federal tax-exemption or the ability to receive tax-deductible donations is requested, a photocopy of the 1973 IRS Letter of Determination for ALA National Group Exemption ruling is generally sufficient.

Entities requesting a copy of the IRS Letter of Determination for the ALA National Group Exemption Ruling can contact the Compliance Team at [compliance@ALAforVeterans.org](mailto:compliance@ALAforVeterans.org). Verification that the entity is currently included under the Group Exemption ruling and compliant will be confirmed prior to sending a copy of the determination letter.

***Note:** The purpose of the IRS federal group exemption ruling is to exempt the American Legion Auxiliary National Organization and its ALA entities (subordinates) under the ALA's National Group Exemption ruling (GEN 0964) from federal income tax and with the ability to receive tax-deductible contributions. The Auxiliary at all levels is otherwise subject to other federal taxes such as payroll taxes and tax on unrelated business income. ALA entities may also be subject to certain state and local taxes, including hotel, hospitality, service, and sales taxes. Nonprofit tax requirements differ by state and locality; be sure to consult with a tax adviser knowledgeable about your state's nonprofit tax requirements to determine if nonprofit organizations in your state are afforded any state tax exemptions.*

# ALAFI'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### Information from National - Continued

#### **Tax-Exempt Status Revocation**

The Pension Protection Act of 2006 (Title XII; Subtitle B; Part I Sec. 1223) imposed certain reporting requirements on exempt organizations that were not previously required to file. Additionally, organizations that fail to file the required IRS Form 990 Series for three consecutive years automatically have their federal tax-exempt status and their ability to receive tax-deductible donations revoked. These requirements were implemented in the 2007 tax year.

Consequences of losing your federal tax-exemption may include but are not limited to the following:

1. Your ALA entity is no longer exempt from federal income tax, does not have the ability to receive tax-deductible donations, and will be subject to corporate income tax on annual revenue.

***Note:** Your ALA entity should proactively communicate with your donors explaining that the organization's tax-exempt status has been revoked. You should communicate the reason for the revocation, the consequences of the revocation, and that all steps are being taken to have the organization's tax-exempt status reinstated.*

2. State and local tax-exemptions, dependent on the organizations' federal tax-exempt status, may also be revoked. Please consult with the state and local regulatory agencies and/or a tax professional.
3. ALA entities that have had their tax-exempt status revoked are unlikely to be considered for grants.

***Note:** ALA entities that have lost federal (and/or state) tax-exempt status may still remain chartered entities with the American Legion Auxiliary. The ALA National Organization does not require chartered entities to be tax-exempt.*

# ALAFL'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### Information from National - Continued

#### **Recommended Reinstatement Process for Chartered ALA Entities**

To obtain any information on the status of the respective organization, the ALA entity should first consult the IRS resources of IRS Exempt Organization (EO) Tax Exempt Organization Search (f/k/a Select Check) website portal (<https://apps.irs.gov/app/eos/> ) and the IRS Business Master File (<https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-eo-bmf>).

1. If an ALA entity has had its exempt status revoked by the IRS, it is the ALA entity's responsibility to resolve the matter. ALA entities must deal directly with the IRS. Since each entity is separately organized and has its own TIN/EIN, the ALA National Organization is prohibited from acting on behalf of the ALA entity but can provide guidance as needed.
2. If tax-exempt status is desired, it is strongly recommended that you retain a legal and/or tax professional knowledgeable in nonprofit tax matters to assist in the reinstatement process.
  - ALA entities might be able to retain legal and/or tax professionals pro bono, or they may consider working with other ALA entities, or Posts, to retain legal and/or tax professionals at a discounted group rate.
  - Filing for reinstatement of recognition as a 501(c)(19) federally tax-exempt organization (including the ability to receive tax-deductible donations) requires the use of IRS Form 1024, which must be submitted electronically through [IRS Pay.gov](https://www.irs.gov/paygov). Completion of this form will include payment by ACH or credit/debit card of the reinstatement fee, which is currently set at \$600 (as of 1/24/2022, subject to change by the IRS).
    - i. When going to IRS Pay.gov, search '1024' in the search bar to fill out the correct form.
    - ii. Select 'Continue' on the option labeled: Application for Recognition for Exemption Under Section 501(a) or Section 521
    - iii. You'll have to create a **single PDF** file (not exceeding 15MB) that you will upload at the end of the application. This PDF must contain a copy of your:
      1. Organizing documents and any amendments (e.g., articles of incorporation, constitution, trust document, etc.)
      2. Bylaws, if adopted
      3. Signed and completed Form 2848 or Form 8821, if applicable
      4. Supplemental responses, if applicable, and
      5. Expedited handling request, if applicable

If your PDF file exceeds the 15MB limit, remove any items over the limit and contact IRS Customer Account Services at 877-829-5500 for assistance on how to submit the removed items.

# ALAFL'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### Information from National - Continued

#### **Recommended Reinstatement Process for Chartered ALA Entities - Continued**

- ALA entities who have met the IRS requirements of reinstatement and receive their own unique tax-exempt status and deductibility of contributions determination from the IRS can be reincluded to the ALA National Group Ruling, will need to contact [Compliance@ALAforVeterans.org](mailto:Compliance@ALAforVeterans.org) for further instructions.
  - Your organization is reinstated as of the date indicated on the IRS letter (retroactively or postmark). Delays may occur in the publication of updated information by the IRS to the EO Tax Exempt Organization Search (f/k/a Select Check) website portal.
3. ALA entities that have been revoked have the option of remaining a taxable entity.
    - If the ALA entity chooses to remain a taxable entity, they are responsible for filing the appropriate tax forms with the IRS relative to their organizational structure (e.g., 1120 Corporate Tax Return). While you can remain a chartered ALA entity, your 501(c)(19) classification is in jeopardy with the IRS should you remain a taxable entity.
  4. If a legal and/or tax professional's review of the details regarding your tax-exempt status revocation determines that the revocation was due to IRS error, the ALA entity may send documentation that supports the error to ALA National Headquarters, Attention: Membership Division. The ALA National Headquarters staff will forward the documentation disputing the IRS error to the National Judge Advocate for review and appeal assistance when appropriate.

#### **How to Check you IRS Status**

ALA entities can contact the IRS Exempt Organization Division at (877) 829-5500. This IRS group is specially trained in tax-exempt issues and may be able to help answer questions and give direction for ALA entities that have had their tax-exempt status revoked by the IRS.

Use the IRS EO Tax Exempt Organization Search (f/k/a Tax Exempt Organization Search (f/k/a Select Check) portal of the IRS website: <https://apps.irs.gov/app/eos/>

Use the assigned TIN/EIN to review the information reported to the public:

1. Is the organization able to receive tax-deductible contributions?
2. Has your Federal Tax-Exempt Status & Tax-Deductibility of Contributions been revoked?
3. Have you filed and met the requirements of the 990-N (e-Postcard)?

# ALAFI'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### Information from National - Continued

#### **How to Check you IRS Status- Continued**

*Note: Under the category "Are able to receive tax-deductible charitable contributions" - the IRS no longer includes the individual subordinates that are included in a group ruling, only the parent or central organization will appear. As a subordinate, this is verified per the IRS Determination Letter for the Group Ruling and is available upon confirmation through headquarters.*

If your organization is not reflected in all three categories listed above then a) the TIN/EIN may no longer be listed in the IRS database, or b) the TIN/EIN associated has not properly elected to be recognized as a nonprofit in section of 501 (a) of the IRS code and therefore may not be recognized by the IRS as meeting the requirements to file a 990-N.

ALA entities that have had no activity since the implementation of the Pension Protection Act of 2006 may have been removed from the IRS database. Call the IRS Exempt Organization Division at 1-877- 829-5500 for more information.

To stay current on federal tax-exemption matters, please go to the following link at IRS.gov to subscribe to "Exempt Organization Updates": <http://www.irs.gov/uac/e-News-Subscriptions-2>

#### **For More Information**

Visit [www.ALAforVeterans.org](http://www.ALAforVeterans.org) and [www.IRS.gov](http://www.IRS.gov) for resources, updates and more information or contact the American Legion Auxiliary at: [compliance@ALAforVeterans.org](mailto:compliance@ALAforVeterans.org)

### IRS Tax Forms

#### **IRS Form 990, 990-EZ, 990-N**

When annual gross receipts are \$50,000 or less, an ALA entity may file IRS Form 990-N (e-Postcard). For those with gross receipts of \$50,000 or less, please see instructions for filing the Form 990N (e- Postcard) that follow in this document.

When annual gross receipts are greater than \$50,000, an ALA entity must file IRS Form 990 or 990-EZ. When gross receipts are greater than or equal to \$200,000 or total assets are greater than or equal to \$500,000 the IRS Form 990 is required. The IRS Form 990-EZ may be used when the gross receipts are less than \$200,000 and total assets are less than \$500,000.

# ALAFI'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### IRS Tax Forms - Continued

#### **IRS Form 990, 990-EZ, 990-N - Continued**

The federal filing due date for the IRS Form 990, 990-EZ, or 990-N (e-Postcard) is the 15<sup>th</sup> day of the 5<sup>th</sup> month after the close of the organization's tax year. For example, if your fiscal year ends June 30<sup>th</sup>, your filing due date for whichever version of the IRS Form 990 you are required to complete is November 15<sup>th</sup>. If your fiscal year ends September 30<sup>th</sup>, your federal filing due date is February 15<sup>th</sup>. If your fiscal year ends December 31<sup>st</sup>, your federal filing due date is May 15<sup>th</sup>.

It is strongly recommended that ALA entities have written policies and procedures that document the organization's review process for their annual returns. Although a 990-review policy is not legally required, having one written reflects good management practices and good governance of the organization.

#### **IRS Form 990T - Unrelated Business Income Tax**

Not all receipts are exempt from Federal income tax. Gross income in excess of \$1,000 from business unrelated to the organization's exempt purpose must be reported on Form 990T. Form 990T must be completed in addition to Form 990. Please consult with a tax professional in determining if any part of the annual receipts should be considered to be unrelated to business income.

#### **IRS Form 8822-B Change of Address or Responsible Party**

IRS Form 8822-B is used to notify the IRS of a change of address or a change in the responsible party for your organization. A "Responsible Party" is typically the person that signs your IRS Form 990/990EZ/990-N. It is the responsibility of the officers who manage the organization to notify the IRS if there has been a change in the responsible party and/or the organization has changed its address to receive correspondence.

The IRS Form 8822-B and its instructions can be found at the following IRS link: <http://www.irs.gov/pub/irs-pdf/f8822b.pdf>. Going forward, Form 8822-B must be filed within 60 days of the date of change.

# ALAFL'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### IRS Tax Forms - Continued

#### Annual Electronic Filing Requirement for Small Exempt Organizations

**About filing** - Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ*, must be submitted electronically.

- The Form 990-N electronic-filing system is accessible via the IRS.gov website. **All filers** must register at IRS.gov (if not already registered) prior to filing their Form 990-N. This is a one-time registration; you won't be asked to register again when filing next year. Use the Form 990-N (e- Postcard) Electronic Filing System [User Guide](#) while registering and filing.
- Form 990-N must be completed and filed electronically. **There is no paper form.**
- Form 990-N filers **may choose** to file a complete Form 990 or Form 990-EZ instead.
- For filing system and website issues, see [How to File: Frequently Asked Questions](#). If site issues are unresolved, call IRS Exempt Organization Division at 1-877-829-5500.
- Organizations should continue efforts to file within one year of the due date of the applicable tax year, even if late. Due dates for filing are determined by the fiscal year of record with the IRS.

**Note:** To find the 990-N (e-Postcard) User Guide or the How to File: Frequently Asked Questions, visit [www.irs.gov](http://www.irs.gov) and type in "990 User Guide" and/or "990-N FAQ How to File" in the search box on the Home page.

Your IRS Form 990-N is due every year by the 15th day of the 5th month after the close of your [tax year](#). **You cannot file the e-Postcard until after your tax year ends.**

If your 990-N is late, the IRS will send a reminder notice to the last address that is on record. While there is no penalty assessment for filing Form 990-N late, organizations that fail to file required Forms 990, 990-EZ or 990-N for three consecutive years will [automatically lose their tax-exempt status](#). Revocation of the organization's tax-exempt status will happen on the filing due date of the third consecutively missed year.



# ALAFL'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### IRS Tax Forms - Continued

#### **Information you will need when filing Form 990-N:**

Form 990-N is easy to complete. You'll need only [eight items of basic information](#) about your organization:

1. TIN/EIN
2. Tax Year
3. Legal name and mailing address
4. Any other names the organization uses.
5. Name and address of a principal officer
6. Web site address if the organization has one.
7. Confirmation that the organization's annual gross receipts are \$50,000 or less.
8. If applicable, a statement that the organization has terminated or is terminating (going out of business)

After you have read the information above and the User Guide, use the [Form 990-N Electronic Filing System \(e-Postcard\)](#) page to start the process. When completed and submitted, you will receive a confirmation page; save for your records and forward a copy to Department.

**Note:** Visit [www.irs.gov](http://www.irs.gov) and type "990-N" into the search box on the home page.

Some of the units will be required to file one of the other 990 series dependent on their income. The IRS has detailed instructions for the preparation for each of the forms. The unit may prefer to engage a tax professional.

#### **New Unit Start Up Procedures**

When National Headquarters receives your documentation for your charter, they will forward a Form SS-4, application for Tax Identification Number (TIN, a unique 9-digit identification number). Submission of the Form SS-4 can be done online, fax or regular mail. Be sure to state your fiscal year as July 1 to June 30. When you receive the Determination Letter from the IRS verifying your TIN, you must send a copy to National Headquarters along with your letter to become included the ALA Federal Group Exemption Number (GEN) 0964. The Determination Letter should be kept as a permanent record.

To register the new entity, you will need to register with the Florida Department of Corporations. You may register as a non-profit organization but that does not automatically mean you are a tax-exempt entity. Go online to <https://dos.myflorida.com/sunbiz>, click on "Start a Business and then Non-Profit Corporation. Read through the instructions then complete the application. The cost will be \$35.00 filing fee, \$35.00 Registered Agent fee (person registering the corporation which can be the Unit member completing the information), \$8.75 for a certified copy.



# ALAFI'S UNIT TREASURER'S GUIDE

## State and Government Forms and Taxes - Continued

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### IRS Tax Forms - Continued

#### **New Unit Start Up Procedures - Continued**

To obtain exemption from federal income taxes, submit a completed "Inclusion Letter" "Appendix F" to be included under the umbrella of the American Legion Auxiliary National Group Identification Number 0964. Mail to:

American Legion Auxiliary  
Attn: Compliance  
3450 Founders Rd.  
Indianapolis IN 46268

You will receive verification from National or the IRS once processed. Be sure to maintain a copy as part of your permanent records. Once all of the above has been completed, you MUST file form 990-N each year as long as gross income before expenses is less than \$50,000.00 per year. It must be filed not later than November 15.

### Commonly Asked Questions

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#### **How can I get a copy of my organization's exemption letter?**

You can download copies of original determination letters (issued January 1, 2014 and later) using our on-line search tool [Tax Exempt Organization Search \(TEOS\)](#).

To otherwise request a copy of the original determination letter, submit [Form 4506-B, Request for a Copy of Exempt Organization IRS Application or Letter](#) using email feature on form. You can also fax Form 4506-B to 855-204-6184 or mail to:

Internal Revenue Service  
Attn: Correspondence Unit  
P.O. Box 2508, Room 6-403  
Cincinnati, OH 45201

It may take 60 days or longer to process your request.

You may also request an [affirmation letter](#) using Form 4506-B. The affirmation letter serves the same purpose for grantors and contributors as the original determination letter.

If you are a subordinate organization under group exemption ruling, contact the central organization that holds the group ruling to obtain confirmation of your status as a member of the group. See [Publication 4573, Group](#), for more information.

# ALAFL'S UNIT TREASURER'S GUIDE

## Commonly Asked Questions-Continued

### **How do I change my accounting period, and how does it affect when my returns are due?**

An organization may change its accounting period by filing a return for the short tax period that results from the change. A "short tax period" is an accounting period of less than 12 months, and usually occurs when an organization starts operations, changes its accounting period, or terminates.

For example: In the year it was created, "Organization EO" adopts a calendar year accounting period. In Year 4, it decides to change its accounting period to a fiscal year ending September 30. It may change its accounting period by filing a short tax period return for the year beginning January 1 and ending September 30, Year 4. It **must** write "Change in Accounting Period" at the top of this short Year 4 return. Organization EO's next return would cover the period beginning October 1, Year 4 and ending September 30, Year 5.

If the organization has already changed its accounting period within the last 10 calendar years, it must use [Form 1128, Application to Adopt, Change, or Retain a Tax Year](#), to change its accounting period. [Form 1128 instructions](#) explain how to complete and submit the request. A [user fee](#) no longer applies to a request for an accounting period change. The most up to date information may be found at [Revenue Procedure 2020-5](#) (updated annually; see Section 14 and Appendix A - Schedule of User Fees).

Please note that an organization may not change its accounting period by filing a Form 990-N for the short tax period. The organization must either file a Form 990-EZ or Form 990 or use Form 1128.

# ALAFI'S UNIT TREASURER'S GUIDE

## APPENDIX A: Treasurer's Important Dates

### **Federal and State Obligations:**

- FL Department of Corporations: Due between January and May 1<sup>st</sup> at 11:59pm.
- 990: November 15<sup>th</sup>
- Florida Sales Tax: For 2024 due the 18<sup>th</sup> of April, July, October. For 2025 dates, check the website.
- Florida Department of Agriculture (Solicitation License): Due date is on the permit. **The above items MUST BE EMAILED to [treasurer@alafi.org](mailto:treasurer@alafi.org) to be put in the Unit's file at Department. DO NOT MAIL THESE FORMS. They MUST BE in pdf format to be accepted.**

### **Department Obligations:**

- Quotas: Within 30 days of receipt.
- Poppy Purchase: With order
- Poppy Proceeds: Within 30 days of poppy distribution

**If banking information changes, a new ACH form MUST be submitted ASAP to ensure that unit does not incur a Return ACH Fee of \$15.00.**

# ALAFI'S UNIT TREASURER'S GUIDE

## APPENDIX B: Sample of Treasurer's Report - Receipts and Disbursements

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<b>ALA Unit XXX</b>									
<b>Sample Cash Receipts &amp; Disbursements 07/31/23</b>									
<b>Receipts</b>									
Description	Date	Amount	Dues	Bingo	Misc	Bingo	Welfare	AEF	Girls State
Dues	07/07/23	400.00	400.00						
Monthly Bingo	07/12/23	150.00		400.00					
Monthly meeting donations	07/20/23	10.00					10.00		
Dues	07/25/23	800.00	500.00						
		1,360.00	900.00	400.00	-	-	10.00	-	-
<b>Disbursements</b>									
Ck 1401 ALA Dept of FL	07/11/23	300.00							
Ck 1402 ALA Dept of FL	07/27/23	600.00							
		900.00	-	-	-	-	-	-	-
Opening bank balance		5,725.00							
Net change		460.00							
Ending bank balance *		6,185.00							
*Should balance to the bank statement									

# ALAFI'S UNIT TREASURER'S GUIDE

## APPENDIX C: Sample Report for Special Events

Sample Special Event P&L			
Bingo & basket raffles			<u>\$ 2,095.00</u>
Sodas & water	47.91		
Table clothes	25.75		
Chips	27.96		
Subs & paperware	176.83		
Desserts	35.13		
Gift cards & fees	<u>153.95</u>		
<b>Total expenses</b>			<u>\$ 467.53</u>
<b>Total profit</b>			<u><u>\$ 1,627.47</u></u>
Donations:			
Cash	30.00		
Gift cards @25.00	100.00		
Raffles items - 11 baskets*			
Door Prizes*			
Two floral yard decorations*			
*can assign value to each donated items			

# ALAFI'S UNIT TREASURER'S GUIDE

## APPENDIX D: Budget Worksheet

<b>American Legion Auxiliary</b>			
<b>Sample Operating Budget - 2024</b>			
<b>General Fund Income</b>	<b>ACUTUAL YTD</b>	<b>BUDGET 2023</b>	<b>BUDGET 2024</b>
Senior Dues 157 @ \$40	5,495.00	6,400.00	6,400.00
Junior Dues @ \$5	60.00	60.00	60.00
Bingo	1,250.00	1,500.00	1,500.00
Community Service	660.00	100.00	300.00
National Security	-	100.00	100.00
Girl's State	30.00	450.00	450.00
Children & Youth	743.00	500.00	700.00
Aux. Emergency Fund	100.00	30.00	100.00
Non Designated donations	-	100.00	150.00
	8,338.00	9,240.00	9,760.00
<b>Expenditures:</b>			
Senior Dues - 157 @ \$30.00	3,375.50	3,376.00	4,710.00
Junior Dues - 12 @ \$4.25	51.00	51.00	51.00
Honorary life members & PUFL	115.50	115.50	132.00
District Dues	10.00	10.00	15.00
Bond to Department	5.50	5.50	5.50
License Fees	61.25	61.25	61.25
Postage	200.45	300.00	200.00
Office Supplies (inc Box Rental)	444.76	500.00	450.00
Taxes & Fees	61.25	75.00	75.00
Miscellaneous	43.00	50.00	50.00
Bank Charges	61.00	50.00	50.00
Officers & Membership Installation Costs	54.26	100.00	50.00
Conference/Convention Lodging, Stipends & Dele	1,084.00	1,500.00	1,500.00
Presidents Project - Fall Conf	7.45	50.00	50.00
District 16 Project - Fall Conf	11.77	50.00	50.00
Dept President's gift	54.57	35.00	35.00
Past Unit President Pin/Gift	50.00	50.00	50.00
Nat'l/Dept Presidents Dinner	45.00	50.00	50.00
Commander/Post Gift	500.00	500.00	500.00
Americanism	25.00	50.00	50.00
Cavalcade of Memories/Past Presidents Parley	-	-	50.00
Chaplain	35.00	100.00	100.00
Community Service			
Education	125.44	350.00	200.00
Education Quota	47.85	47.85	48.00

# ALAFI'S UNIT TREASURER'S GUIDE

## APPENDIX D: BUDGET WORKSHEET -Continued

Girl's State					
Girl's State Quota @1.00 Senior	87.00		87.00		87.00
Registration @ \$400/girl	400.00		400.00		400.00
Transportation @ \$125	-		125.00		125.00
Spending Money @ \$25	75.00		50.00		50.00
Kit Bags	51.93		50.00		50.00
Historian	35.00		50.00		50.00
Junior's Programs	100.00		100.00		100.00
Leadership - School of Instruction	13.68		50.00		25.00
Legislative	-		25.00		25.00
Membership	10.00		10.00		10.00
National Security/USO	50.00		50.00		50.00
Donation Remittance Form	500.00		500.00		600.00
Non Designated expenses					
Total expenditures	7,792.16		8,974.10		10,104.75
<b>Net profit/(loss)</b>	<b>545.84</b>		<b>265.90</b>		<b>(344.75)</b>
<b>Rehab Fund Income</b>					
<b>Revenue:</b>		<b>YTD</b>	<b>BUDGET 2023</b>	<b>BUDGET 2022</b>	
Poppies		463.82	500.00	500.00	
		463.82	500.00	500.00	
<b>Expenditures:</b>					
Poppies		75.00	75.00	75.00	
25% Poppy Proceeds		115.95	125.00	125.00	
Veteran, Active Duty & Families			300.00	300.00	
Total Expenditures		190.95	500.00	500.00	
<b>Net profit/(loss)</b>		<b>272.87</b>	<b>-</b>	<b>-</b>	

# ALAFI'S UNIT TREASURER'S GUIDE

## APPENDIX E: Audit Outline

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1. The followings items will be needed to perform the audit:
  - Each of the monthly bank statements; July 1 - June 30 of fiscal year auditing.
  - Bank Statement Reconciliations for each month of the fiscal year or period audited.
  - Check book or check stubs.
  - Credit or debit card statements and receipts (if your Unit has one)
  - Minutes and/or Book of Motions
  - Approved Budget
  - Expense Receipts
  - Deposits information (Bank deposit receipts and cash receipts for amounts deposited)
  - Treasurer's Reports
  - Calculators
2. Schedule a date and time
3. Test that totals on the treasurer's reports are accurate. Verify the check book balance matches the check register balance.
4. Verify checks written have been signed by two authorized signers. **# of signers per your C&B**
5. Verifying expense checks (disbursements):
  - Does the name of the payee match the expense receipt/invoice?
  - Are expense receipt/receipts included for each check written?
  - Does the amount of the check match the receipt?
  - When verifying receipt amounts, look closely at debit card receipts, ensure that the person submitting receipts did not receive additional cash back.
  - Confirm the amount reimbursed was for authorized expenses only.
  - Are the expenses or checks written approved in the budget or by motion.
6. Verifying Deposits:
  - Do the recorded deposit amounts match the bank deposit slips?
  - Are there copies of cash receipts attached to the deposit slips or reports of an event showing the amount being submitted for deposit?
  - Do the reports and/or receipts match the amount deposited?
7. Complete the Audit report



# ALAFI'S UNIT TREASURER'S GUIDE

## APPENDIX E: Audit Online - Continued

### Annual Audit of the Treasurer's Books

Year Ended \_\_\_\_\_

American Legion Auxiliary Unit \_\_\_\_\_

The purpose of this audit is to review the financial activity as reported by the Treasurer. The Treasurer will make available for review all financial records and related data to include receipts, disbursements, bank statement reconciliations, minutes, or Book of Motions (if available.)

The Audit Committee is charged with reviewing and testing, that all receipts are correctly recorded noting posting on bank statements, disbursements are supported by either motion, receipts are remittance forms for dues and other required disbursements to District, Department or National.

The below is a checklist that will assist in the review:

Yes	No	
_____	_____	All bank statements are provided.
_____	_____	All checks have an invoice or receipts.
_____	_____	All checks are recorded in a journal with explanation.
_____	_____	All deposits are recorded in a journal with explanation.
_____	_____	If the unit has a debit/credit card, review receipts for "cash back" documentation.
_____	_____	Review copies of cancelled checks for payee and each include two (2) signatures.
_____	_____	Bank reconciliations are provided.
_____	_____	Monthly Treasurer reports are done summarizing all transactions.
_____	_____	Expenses are reasonable.

Note: This is a random selection from different months after a cursory review of the bank statements. Watch for reimbursements made to any member or payee that you are not familiar with for appropriate support. The number of selections is discretionary or as directed by the President.

Comments:

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\_\_\_\_\_ We feel the books are in order.

\_\_\_\_\_ We feel the books are in order except as noted above.

# ALAFL'S UNIT TREASURER'S GUIDE

## APPENDIX F: Letter From National



\_\_\_\_\_  
(Date)

The American Legion Aux.NHQ  
3450 Founders Road  
Indianapolis, IN 46268  
Fax: 317-569-4502

**ATTN: Membership Division**

Dear Madam:

The undersigned, a duly authorized officer of \_\_\_\_\_

\_\_\_\_\_  
Unit No \_\_\_\_\_

Department of \_\_\_\_\_, does hereby authorize the National Organization of the American Legion Auxiliary to include it in its application to the Department of Internal Revenue for a group exemption letter so that this Unit may be exempt from the payment of Federal Income Tax under the provisions of Section 501 (c) (19) of the Internal Revenue Code of 1954, as amended.

\_\_\_\_\_  
**UNIT EMPLOYER IDENTIFICATION NUMBER**

Sincerely,

\_\_\_\_\_  
Unit President

\_\_\_\_\_  
Unit Name

\_\_\_\_\_  
Address  
\_\_\_\_\_