

AMERICAN LEGION AUXILIARY  
DEPARTMENT OF FLORIDA

***WHISTLEBLOWER POLICY***

**General**

The American Legion Auxiliary, Department of Florida requires staff, officers and volunteers to: (1) observe high standards of business and personal ethics in the conduct of their duties and responsibilities; (2) encourages staff, officers and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Organization; (3) specifies that the American Legion Auxiliary, Department of Florida will protect such person from retaliation; and (4) identifies where such information can be reported.

1. ***Standards*** - All staff, officers and volunteers of the American Legion Auxiliary must practice honesty and integrity in fulfilling all their responsibilities. All staff, officers and volunteers must observe high ethical standards regarding the American Legion Auxiliary, both personally and in all business activities. All staff, officers and volunteers must comply with all governing documents (Constitution, Bylaws and Standing Rules) and all applicable laws and regulations.
2. ***Reporting Responsibility*** - It is the responsibility of all staff, officers and volunteers to report ethics violations or suspected violations in accordance with this Whistleblower Policy. The American Legion Auxiliary, Department of Florida encourages complaints, reports or inquires about illegal practices or serious violations of the Organization's policies, including illegal or improper conduct by the Organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the American Legion Auxiliary, Department of Florida has existing complaint mechanism should be addressed under those mechanisms. This would include but not be limited to raising matters of alleged discrimination or harassment via the Department Finance Committee, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.
3. ***Protection from Retaliation*** – The American Legion Auxiliary, Department of Florida prohibits retaliation by or on behalf of the Organization against staff, officers or volunteers for making good faith complaints, reports or inquires under this policy, or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but proved to be mistaken. The American Legion Auxiliary, Department of Florida reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries, or who otherwise abuse this policy. This Whistleblower Policy is intended to encourage and enable staff, officers and volunteers to raise serious concerns within the American Legion Auxiliary, Department of Florida prior to seeking resolution outside the American Legion Auxiliary.
4. ***Reporting Violations*** – Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the highest elected officer. If so, the Department President, unless this is the person implicated in the complaint, report or inquiry, it should be directed to next highest elected officer, the Department Vice President. Complaints, reports or inquiries pertaining to paid staff should be directed to the Chairman of the Finance Committee, who in turn will notify the Department President of her action. The Organization will conduct a prompt, discreet, and objective review or investigation. It must be recognized that the Organization may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

***This Policy was approved by the Department Executive Committee on June 25, 2009.***

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***DOCUMENT RETENTION AND DESTRUCTION POLICY***

**General**

The Sarbanes-Oxley Act addresses the destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored.

Nonprofit organizations are required to have a written, mandatory document retention and periodic destruction policy. Policies such as this are meant to eliminate accidental or innocent destruction. In addition, it is important for staff, officers and volunteers to know the length of time records should be retained to be in compliance.

**The following table provides the minimum requirements.** This information is provided as guidance in determining your organization's document retention policy.

<b>Type of Document</b>	<b>Minimum Requirement</b>
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank Statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal Audit Reports	3 years
Inventories of products, materials and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

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***PROCESS FOR DETERMINING COMPENSATION POLICY***

This Policy on the Process for Determining Compensation of the American Legion Auxiliary applies to the compensation of the following persons employed by the Organization:

The Organization's chief employed executive by title: Secretary-Treasurer.

The Department employees and Hospital Representatives.

(Check if Applicable)

The process includes all of these elements: (1) review and approval by a compensation committee to include review and approval by the governing body of the Organization; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

1. ***Review and Approval.*** Compensation for all employees and Hospital Representatives of the American Legion Auxiliary, Department of Florida are to be reviewed and recommended by the Department Finance Committee to the body assembled at the Annual Department Convention. Persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
2. ***Use of data as to comparable compensation.*** The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
3. ***Contemporaneous documentation and recordkeeping.*** There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

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***JOINT VENTURE POLICY***

This Joint Venture Policy of the American Legion Auxiliary, Department of Florida, requires that the Organization evaluate its participation in joint venture arrangements under Federal tax law and take steps to safeguard the Organization's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

1. **Joint ventures or similar arrangements with taxable entities.** For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the Organization controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or an association or corporation for federal income tax purposes.

A venture or arrangement is disregarded if it meets both of the following conditions:

- (a) 95% or more of the venture's or arrangement's income for its tax year ending within the organization's tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and
  - (b) The primary purpose of the Organization's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.
2. **Safeguards to ensure exempt status protection.** The Organization will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Organization's exempt status is protected; and (b) take steps to safeguard the Organization's exempt status with respect to the venture or arrangement. Some examples of safeguards include:
    - (i) Control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the organization;
    - (ii) Requirements that the venture or arrangement give priority to exempt purposes over maximizing profits for the other participants;
    - (iii) That the venture or arrangement not engage in activities that would jeopardize the Organization's exemption; and
    - (iv) That all contracts entered into with the organization be on terms that are arm's length or more favorable to the Organization.

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***CONFLICT OF INTEREST POLICY***

This Conflict of Interest Policy of the American Legion Auxiliary: (1) defines conflicts of interest; (2) identifies classes of individuals within the Organization covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.

1. **Definition of conflicts of interest.** A conflict of interest arises when a person in a position of authority over the American Legion Auxiliary may benefit financially from a decision she could make in that capacity, including indirect benefits, such as a family member or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.
2. **Individuals covered.** Persons covered by this policy are the Organization's officers, chief employed executive and all employees.
3. **Facilitation of disclosure.** Persons covered by this policy will annually disclose or update to the Chairman of the Finance Committee on a form provided by the Organization their interests that could give rise to conflicts of interest. This would include a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members.
4. **Procedures to manage conflicts.** For interest disclosed to the Chairman of the Finance Committee, the Chairman will determine whether to: (a) take no action; (b) assure full disclosure to the Department Executive Committee and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions with the Organization; or (d) ask the person to resign from her position in the Organization or, if the person refuses to resign, become subject to possible removal in accordance with the Organization's removal procedures. The Organization's Finance Committee will monitor proposed or ongoing transactions for conflicts of interest, and the Finance Chairman will disclose them to the Department Executive Committee in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

*This Policy was approved by the Department Executive Committee on June 25, 2009*