

**2018-2019 American Legion Auxiliary Program Action Plan
FINANCE COMMITTEE**

The Department Finance Committee is charged with oversight of the general financial policy of the Department organization, subject to the ratification of the Department Executive Committee; and, preparation of the annual budget and supervision of the expenditures under that budget.

Objective:

As a Department we adopted a strategic plan that includes financial goals. We measure where we are now and set goals in the strategic plan to strive to reach the benchmarks for expenses and to broaden the sources for potential income streams. At each finance meeting we will review the strategic plan and the progress toward the annual and multi-year goals.

Financial Reporting: The Finance Committee needs to share with members who are the stakeholders of the organization and have a legal right to know how the organization is being managed and what results are being obtained. The Finance Committee makes recommendations to the governing body (DEC), and that body is responsible for the actual policy decisions. The Department Executive Committee (DEC) should receive clear, timely and accurate information regarding the financial status of the organization at each of their meetings and at additional times as needed.

Revenue: On the revenue side, setting targets is more difficult because there are no specific industry benchmarks other than to have a variety of revenue streams that reduce your dependence on any one source. Since the American Legion Auxiliary is a membership organization, we rely on member dues to cover our expenses. By promoting and bringing in other resources such as special events, corporate sponsorships, direct mailing, or bequests, we lower the dependence on dues and/or reserves alone to meet our obligations.

Potential donors expect that the majority of the funds collected by a nonprofit organization be designated to supporting the mission of the organization through its programs.

Reserves: The ability to build up financial reserves is vital for the future to ensure proper resources are available to maintain operations of the organization if necessary. The recommended amount of reserves/savings is 2.5 times the annual budget of the organization. So, for an example, an organization with a \$100,000 budget would try to maintain \$250,000 in reserves for emergencies and have a plan to replenish when withdrawals are made.

Annual Unit Obligations: Every Unit must remit the bond fee, Veterans Affairs & Rehabilitation Christmas Assessments (See VA&R Program Action Plan) and one third of funds from distribution of poppies (See Poppy Program Action Plan) after expenses, to the Department office. These obligations are mandatory and do not require a vote of the members.

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How to Financially Support ALA Mission Based Programs

Donations can be made to support the American Legion Auxiliary Department of Texas as follows:

Department of Texas funds supporting the ALA Mission:

- A. ALA Texas Cancer Research Fellowships (Grants of \$5000 each to Graduate students doing cancer research at the UT Health Science Center in Houston, Texas.)
- B. Education Scholarship Fund (supports education scholarships for Texas students \$500 each)
- C. ALA Department of Texas General Fund (supports the operations of our Department Headquarters office related expenses (postage, printing, rent, telephone, internet, etc.)
- D. Past President's Parley Scholarship Fund (supports medical scholarships of \$1000 each)
- E. VA&R General Operating Fund (supports our veterans through our VA Medical Centers and CBOC's) (Community based Outpatient Clinics)
- F. ALA Girls State (instruct our youth in the duties, privileges and rights of American Citizenship, along with increased knowledge of government activities and patriotism)

The Finance Committee requires No Annual Report. However, any Unit wishing to provide a report is welcome to do so.

The Department Finance Committee is available to assist Units, Districts and Divisions as we strive to carry out the Vision of the American Legion Auxiliary and Department President Shay Kuehner's theme of Stepping Across Texas for Our Veterans.

More financial information and support will be provided via bulletins, emails, and on the website during this administrative year of 2018-2019.

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