



# Ohio Unit Plan of Action



## FINANCE

**Chairman**  
Alice Teynor

**2<sup>nd</sup> Member**  
Leeann Stan

**3<sup>rd</sup> Member**  
Christie Peeper

### What is this committee and why do we have it?

The Department **Finance** Committee is subject to the ratification of the Department Executive Committee and is charged with oversight of the general financial policy of the Department of Ohio including preparation of the annual budget, finance recommendations, and supervision of the expenditures under that budget.

### Get Involved

#### Unit Finance Committee

The Unit Finance Committee's Purpose:

- Oversight of the general financial policy of the organization
- Preparation of the annual budget
- Supervision of the expenditures under that budget

### What Units Should Do:

#### Plan for the Future

Realizing that Unit Treasurers are elected annually, it is a challenge to extend your Unit's focus beyond the current year budgeting process; however, Units should not neglect looking three to five years ahead. Units should reflect on trends of the recent past and their implications for the current and future on financial planning for the organization.

#### Set Financial Goals & Measure Progress

Each unit is strongly advised to define its own set of goals. The Unit needs to measure where it is now and set goals to strive to reach the benchmarks for expenses and to broaden the sources of potential income streams. Remember, this is normally a multi-year process, so members need to understand and be able to measure progress of the organization through financial reports.

- The IRS and nonprofit watchdog organizations' benchmarks.
  - **Program Services** (expenditures related to primary mission and purpose) 65-75%
  - **Management and Administrative** (expenditures spent on managing the operations) 5-10%
  - **Fundraising** (expenditures spent on raising additional funds) 10-15%

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## Pay Unit Bonding Fee

Each year every unit has a financial obligation to the department to pay a **MANDATORY** bonding fee. The national organization bills the department this bonding fee for all units in the department. Therefore, it is only fair that all units pay their obligation. The National Fidelity bond covers all members of the American Legion Auxiliary. The bond covers loss through larceny, embezzlement, theft, forgery, misappropriation, willful misapplication, or any other act of fraud. The yearly fee is \$6.00 due to department by December 31<sup>st</sup>. The units should think that this is a type of insurance. It is important to protect all unit funds.

## Financial Reporting

The Unit Treasurer must present a detailed report at each Unit meeting and file the IRS 990 Form. This filing must be reported at a Unit meeting and be included in the Secretary's Minutes.

Since 2008, the IRS began requiring small exempt organizations, many of which previously were not required to file tax returns, to submit an annual electronic report, known as a Form 990-N. **This has been a mandate for every unit.** The Form 990-N, entitled the *Electronic Notice Tax-Exempt Organizations Not Required to File 990 or 990-EZ* (and also known as the e-post card) is required of charities whose annual gross receipts are \$50,000 or less.

The Pension Protection Act also requires the IRS to ***revoke the tax-exempt status of any organization that fails to meet its annual filing requirement for three consecutive years.*** This requirement applies to small tax-exempt organizations and the e-Postcard.

## Audits

An Audit Committee should audit Unit records annually before installation of new officers. Records to be audited include check registers, receipts, ledgers, bank statements, reconciliations, and the Treasurer and Secretary books. The Audit Committee should also provide oversight to ensure the Unit has appropriate policies and internal and financial reporting controls that mitigate exposure to financial risks.

## In Summary

Additional information is attached for your convenience. Please remember, the Department Finance Committee is here to assist Units with financial questions.

## Attached Information:

- How to Complete the 990 Filing Process
- Unit Donation Form

**Additional Resources Available on the Ohio American Legion Auxiliary Website: [www.alaohio.org](http://www.alaohio.org)**

Programs: Finance

- ALA Tax and Fidelity Bond Information
- IRS Form 1024
- IRS Form 8822-B – Change of Address

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## HOW TO COMPLETE THE 990 FILING PROCESS

**Objective:** Provide for compliance with IRS regulations to maintain non-profit tax-exempt status annually

Note: If your Unit's annual gross receipts of \$50,000 or less, then your Unit qualifies to file the 990N e-Postcard. The Unit must designate a member responsible for filing online. You will need the Unit EIN, a username, and password. The procedure is very simple. Please remember to report the filing to the Unit for notation in the minutes. For Units with annual gross receipts over \$50,000, please proceed as follows:

### Step-by-Step Instructions:

- Appoint a three-member Finance Committee for your Unit
- Appoint a three-member Audit Committee for your Unit
- Obtain the Form 990, Form 990 EZ, or Form 990-N from the IRS website at [www.irs.gov](http://www.irs.gov)
- Have your Unit Treasurer attempt to complete as many forms as possible
- Have the Finance Committee work with Unit officers and an outside accountant to finalize the tax form
- If you have an outside auditing firm, get its approval of the tax form
- Have your Audit Committee review the completed tax form
- Have the Audit Committee vote to approve the Form 990, Form 990-EZ or Form 990-N and forward on to Unit membership
- Have Unit membership vote on the adoption of the Form 990, Form 990-EZ or Form 990-N
- Submit the form prior to the annual deadline, which is based on the Unit's fiscal year, not calendar year
- File the form 990 by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the close of your fiscal year.

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## 2025-2026 DONATION DESIGNATION FORM

*The following donations must be included in a separate check. Please specify the amount credited to each program. A copy of this form should be kept for your records. Indicate below where you would like your donation acknowledgement sent.*

**Poppy Funds (Restricted) may be used for those items with an \***

### AMERICANISM

\$ \_\_\_\_\_ Americanism/Government Test Trip (Dept)

### AUXILIARY EMERGENCY FUND

\$ \_\_\_\_\_ AEF – Financial Emergency Assistance for  
ALA Members (Natl)

### BUCKEYE GIRLS STATE

\$ \_\_\_\_\_ Buckeye Girls State Endowment Fund  
Scholarships

\$ \_\_\_\_\_ Buckeye Girls State Donation

### CHILDREN AND YOUTH

\$ \_\_\_\_\_ Children and Youth Fund (Dept)  
Foundation (Natl)

### COMMUNITY SERVICE

\$ \_\_\_\_\_ Ohio Community Service Disaster Fund  
(Dept)

### DEPARTMENT HEADQUARTERS

\$ \_\_\_\_\_ Capital Improvement Fund  
(Dept Headquarters Building)

\$ \_\_\_\_\_ National Leadership Fund (Dept)

### EDUCATION

\$ \_\_\_\_\_ Scholarships (Dept)

\$ \_\_\_\_\_ Nurses Scholarships (Dept)

\$ \_\_\_\_\_ Spirit of Youth Scholarship (Natl)

\$ \_\_\_\_\_ Women Veterans Scholarship\*  
(Ohio Veterans Only)

### DEPARTMENT PRESIDENT'S SPECIAL PROJECT

\$ \_\_\_\_\_ National Veterans Creative Arts Festival\*

### NATIONAL FUNDS

\$ \_\_\_\_\_ The American Legion Child Well-Being

\$ \_\_\_\_\_ ALA Foundation

\$ \_\_\_\_\_ National President's Special Project:  
Spirit of Youth Scholarship Fund\* (Natl)

### NATIONAL SECURITY

\$ \_\_\_\_\_ U.S.O. \*

\$ \_\_\_\_\_ Military Family Assistance Fund\*  
(Ohio Veterans Only)

### VETERANS AFFAIRS AND REHABILITATION

\$ \_\_\_\_\_ Chillicothe VAMC\*

\$ \_\_\_\_\_ Cincinnati VAMC\*

\$ \_\_\_\_\_ Cleveland VAMC\*

\$ \_\_\_\_\_ Dayton VAMC \*

\$ \_\_\_\_\_ Ohio Veterans Home\*

\$ \_\_\_\_\_ Columbus – ACC\*

\$ \_\_\_\_\_ Toledo – CBOC\*

\$ \_\_\_\_\_ Fisher Houses – Ohio\*

\$ \_\_\_\_\_ Veterans Creative Arts Festival\* (Natl)

\$ \_\_\_\_\_ Support for Women Veterans\* (Dept)

\$ \_\_\_\_\_ Marie Moore Fund\* - (Dept-Donations for  
purchase of items for Veterans in VA Hospitals)

**\* INDICATES PROGRAMS WHERE POPPY FUNDS MAY BE USED**

***Only VA Birthday Party contributions are to be sent directly to your District President***

\$ \_\_\_\_\_ TOTAL AMOUNT ENCLOSED      CHECK # \_\_\_\_\_      DATE \_\_\_\_/\_\_\_\_/\_\_\_\_

Personal Donation

Unit # \_\_\_\_\_ Donation

***Please enclose a check made payable to "American Legion Auxiliary Dept. of Ohio"  
and send to:***

**AMERICAN LEGION AUXILIARY, DEPARTMENT OF OHIO, 1100 BRANDYWINE BLVD. BLD. D, ZANESVILLE, OH 43701**

Acknowledgement/Receipt will be sent to the following:

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

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_