

THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION

FISCAL CODE

ADOPTED AT THE 21ST ANNUAL CONVENTION, 1939
AMENDED AT THE 29TH ANNUAL CONVENTION, 1962
AMENDED AT THE 45TH ANNUAL CONVENTION, 1963
AMENDED AT THE 47TH ANNUAL CONVENTION, 1965
AMENDED AT THE 58TH ANNUAL CONVENTION, 1976
AMENDED AT THE 60TH ANNUAL CONVENTION, 1978
AMENDED AT THE 61ST ANNUAL CONVENTION, 1979
AMENDED AT THE 64TH ANNUAL CONVENTION, 1982
AMENDED AT THE 98TH ANNUAL CONVENTION, 1986
AMENDED AT THE 70TH ANNUAL CONVENTION, 1988
AMENDED AT THE 76TH ANNUAL CONVENTION, 1994
AMENDED AT THE 84TH ANNUAL CONVENTION, 2002
AMENDED AT THE 88TH ANNUAL CONVENTION, 2006
AMENDED AT THE 89TH ANNUAL CONVENTION, 2007

SECTION 1 DEPARTMENT AND BUDGET

THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION dues and *proposed* budget will be fixed at each Department Convention for the ensuing fiscal year.

THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION dues for each fiscal year shall be remitted by each Post together with correct National Dues per capita member and shall accompany cards at time of forwarding to THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION Headquarters before credit will be issued.

THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION dues shall be set up and used for the operation and maintenance of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION Headquarters and The American Legion Programs. *The per capita dues per member paid by each member of the Department of Louisiana is fixed at (\$14.00) Dollars beginning with the annual membership*

dues due January 1, 2007.

Portions of dues for the Louisiana Legionnaire commencing with the dues collected for the year 1981 shall be set aside in a special fund to be used exclusively for the administration and publication of ***The Louisiana Legionnaire***. The amount set aside shall be One Dollar Seventy-five Cents (\$1.75) per member as approved by the 2008 Department Convention. At the end of each fiscal year and after all expenses of ***The Louisiana Legionnaire*** have been paid by the Commission on Public Information and with the consent of its Chairman, the unexpended balance in ***The Louisiana Legionnaire*** account shall be transferred to the Contingency Account.

Portions of dues in the amount of Seventy-Five Cents (75¢) per member shall be dedicated to the exclusive use for the administration and operation of the Boys and Girls State program. Upon receipt of authorized vouchers, disbursement will be made by the Department Finance Officer, which will be limited to available credits.

Dues for the District Revolving Funds shall be set up and used exclusively for the District of the respective member. No unexpended surplus in any of these District Revolving Funds shall ever revert to the General Sinking Fund of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION.

It will be the duty of the Commission on Finance to fix the limit of available income for the proposed budget for the ensuing year by adoption of the Finance Commission to the Convention. The revenue for the budget may not be predicated on a membership greater than that of the previous year, except that the amount of the budget as adopted by the Department Convention shall include any supplementary funds that have been earned the previous year. Earned supplementary funds shall be interest from investments, recurring programs and other activities. The amount of supplementary funds used shall not be greater than that of the previous year *however*; the use of nonrecurring income must be approved and recommended by the Commission on Finance in accordance with Section 12 of this Code.

It will be the duty of the Commission on Finance to prepare and present the budget to the Department Executive Committee at its regular meeting subsequent to the Department Convention for final adoption and

approval. The *limit of available revenue for the proposed* the budget as adopted by the convention shall be and is the maximum amount to be expended for the fiscal year except as herein provided in Section 12 of this Code. The budget for THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION shall be based on the budget items as set up in the Fiscal Code.

Income shall be the amount collected from yearly dues, interest earned from the investment account, from recurring programs and other income producing activity of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION.

BUDGET ITEMS

ADMINISTRATIVE EXPENSES

- Item 1 Salaries
- Item 2 Traveling Expense - Department Adjutant Office
- Item 3 Utilities & Maintenance
- Item 4 Telephone & Telegraph
- Item 5 Postage
- Item 6 Stationery, Printing, and Office Supplies
- Item 7 Depreciation Reserves
- Item 8 Employees Retirement Fund
- Item 9 Miscellaneous Expenses
- Item 10 Expenses - Department Commander
- Item 11 Traveling Expenses Department Vice Commanders
- Item 12 Convention Expense
- Item 13 Department Executive Committee Meeting Expenses
- Item 14 Department Commander Official Travel & Emergency Fund

LEGION PROGRAMS

- Item 15 Membership Expense
- Item 16 Commission on Americanism
- Item 17 Commission on Veterans Affairs & Rehabilitation

- Item 18 Commission on National Security & Governmental Affairs
- Item 19 Commission on Internal Affairs
- Item 20 Commission on Public Information
- Item 21 Commission on Department Convention
- Item 22 Commission on Children & Youth
- Item 23 Commission on Ways & Means
- Item 24 Unallocated Budget Reserve

The Department Finance Officer (Department Adjutant) shall be held responsible that no item of the budget be over expended, or that a balance in one item be transferred to another, except as provided in Section 12. Any expenditure under the budget item "Unallocated Budget Reserve" shall be made only upon the recommendation of the Commission on Finance and the approval of the Department Executive Committee.

SECTION 2 DEPARTMENT FINANCE OFFICER

The Department Adjutant shall serve as Finance Officer under the direct supervision of the Department Commander and the Commission on Finance. The Finance Officer shall be bonded by THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION for not less than Three Hundred Thousand Dollars (\$300,000.00), said surety examined by the employed auditor at the time of annual audit. The authority and duties of the Finance Officer shall include:

1. Power of Attorney for all bank accounts maintained by THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION.
2. Power of Approval of all accounts payable as authorized by the budget or for Capital Investments as approved by the Commission on Finance and excepting those items payable to the Finance

Officer which shall be approved by the Commander.

3. Custody, subject to provisions as hereinafter, of all stocks, bonds or any and all negotiable instruments and physical assets of any value that is or may become the property of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION.
4. Responsibility for the proper maintenance of all records pertaining to the finances of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION.
5. The strict adherence to all sections of the Fiscal Code of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION.

SECTION 3 COMMISSION ON FINANCE

The Commission on Finance shall be composed of eight (8) members, four (4) members of which are to be appointed by the Department Commander, to serve for a term of two (2) years, subject to confirmation by the Department Executive Committee and no district shall be represented by more than one (1) member on the Commission on Finance. The Chairman of the Commission on Finance shall be appointed by the Department Commander. In the absence of the Chairman, the Department Commander shall have the power to appoint an Acting Chairman.

The duties of the Commission on Finance shall include:

1. Preparation of the budget
2. Proper investment of funds allocated to Investments-Securities, Land and Buildings.
3. Power to veto any appropriations in excess or contrary to the budget. They shall have no power of appropriation.
4. Account to the Department Executive Committee and Department

Convention on all matters relative to Department Finances.

SECTION 4

FISCAL YEAR AND AUDIT

The fiscal year of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION shall end June 30.

The Finance Officer, with the approval of the Commission on Finance, shall employ a recognized firm of public accountants to make a Test Audit of all THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION books and records for each fiscal year. The cost of the annual audit shall be included in the administrative items of the budget.

SECTION 5

BALANCE SHEET AND WORKING CAPITAL

The Auditor shall prepare and submit to THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION Headquarters, a Balance Sheet, a Statement of Operation covering Budgeted Items and any other reports necessary for the information of those concerned. The Cash in Bank Account on the Balance Sheet shall be subdivided to show all liabilities payable, such as District Revolving Funds, Accounts Payable, etc. The balance in this account after deducting all committed funds, shall be known as the duty and responsibility of the Commission on Finance and the Department Executive Committee to make certain that at the end of each fiscal year, there shall remain in the General Fund sufficient funds necessary to operate THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION during the beginning of each fiscal year, and in no case shall this amount be less than fifteen thousand dollars (\$15,000.00).

SECTION 6

BANK ACCOUNTS

There shall be established and maintained by THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION one or more current bank accounts to serve the purpose of depositories of current receipts and

disbursements. These accounts shall be established and maintained by the Finance Officer under the supervision of the Commission on Finance.

There shall be established and maintained one special savings bank account in which shall be deposited available cash allocated to the Investment Account (Investments-Securities, Land and Buildings), and earnings from the Investment Account Investments, until such time as these funds may be vested. Any interest earned from this savings account shall automatically revert to the account of the Investments-Securities, Land and Buildings.

SECTION 7

INVESTMENTS-SECURITIES, LAND AND BUILDINGS AND SAFE GUARDING SECURITIES

The Commission on Finance shall be responsible for the proper investment of all monies due the account of Investments-Securities, Land and Buildings, and at such time as these amounts can be withdrawn from the general fund. These investments shall be limited to Government Bonds; the State of Louisiana and State Municipal Bonds; National and State Bank Savings; Building and Loan Associations; amounts not to exceed the insured limitations of the depository under the Federal Depository Insurance Corporation in any one depository. Department Investments-Securities, Land and Buildings cannot be liquidated for any use or purpose unless such action has been mandated by a Department Convention. The reinvestment of matured securities and the transfer of funds from one investment to another will be the responsibility of the Commission on Finance.

All securities presently owned by THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION or that may come into the ownership of the same shall be deposited in a safety deposit box. This safety deposit box shall be opened only in the presence of the bonded Finance Officer and one member of the Commission on Finance. Definite arrangements shall be made by those authorized to open the safety deposit box to see that the employed auditor will annually check all securities owned by THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION and so report them in the audit.

The Finance Officer shall see that the bank in which said safety box is maintained is currently furnished with the proper specimen signatures authorized to enter this safety box.

SECTION 8

CAPITAL INVESTMENTS

The purchase of office furniture and equipment and of automobiles and other items will be classified under Fixed Assets and shall be purchased only upon the approval of the Department Executive Committee. These items shall be classified as Capital Investments and shall be purchased out of available funds from not otherwise allocated monies.

All capital investments shall be set up on the books of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION; trade-in adjustments made at the time of purchase and depreciation reserve set up as may be recommended by the Commission on Finance.

SECTION 9

UNALLOCATED RESERVES

Unallocated Reserves shall be carried in the general fund. Receipts and disbursements of these Unallocated Reserves shall be administered by the Department Finance Officer subject to the rules and regulations under which these reserves have been established.

SECTION 10

DISTRICT 3 FUNDS

Upon receipt of Department dues, Two Dollars (\$2.00) per capita allocated to the District Revolving Funds shall be automatically credited to each District. Upon receipt of authorized vouchers, disbursements will be made by the Department Finance Officer, which disbursement will be limited to available credits.

A quarterly statement of accounts will be rendered to each District

Commander and District Finance Chairman by the Department Finance Officer.

SECTION 11 LOUISIANA LEGIONNAIRE ALLOCATION

The Louisiana Legionnaire shall be published under the following rules and regulations:

1. The Department Adjutant shall act as General Manager and to have general supervision over its publication.
2. The Commission on Public Information through the General Manager of *The Louisiana Legionnaire* shall submit to the Commission on Finance, a Budget that shall be referred to the Department Executive Committee for final approval.
3. Legionnaires by virtue of their membership are entitled to receive a copy of each issue of *The Louisiana Legionnaire*.
4. Other persons may subscribe to *The Louisiana Legionnaire* and be entitled to receive copies thereof for a period of one year upon payment of a subscription fee of seventy-five cents (\$.75) per issue.

SECTION 12 TO RESERVE ALLOCATION OF NET INCOME

At the end of each fiscal year and after completion of the Audit, the balance as indicated in Net Income from all sources from the Statement of Income and Expenses, and after any items which may be necessarily charged off as authorized by the Commission on Finance and Department Executive Committee have been taken care of, shall be credited to a Reserve Account. Funds in the Reserve account shall be expended only upon request through the Commission on Finance with the approval and consent of the Department Executive Committee subject to a vote of two-thirds (2/3) of the members present at a meeting thereof.

The amount of funds in the Reserve Account at the end of each fiscal

year shall not exceed Thirty-five Thousand Dollars (\$35,000.00) or withdrawals made below an amount of Fifteen Thousand Dollars (\$15,000.00). Excess funds will be transferred to the Investment Account. A minimum of Fifteen Thousand Dollars (\$15,000.00) is to be retained for Operating Capital at the beginning of each fiscal year per Section 5 herein.

SECTION 13

CONTINGENCY ACCOUNT

There shall be established a Contingency Account which shall consist of excess funds originating from certain budgeted items and other sources. These excess funds shall be transferred to the Contingency Account on an annual basis. Expenditure of funds in the Contingency Account shall only be made upon the approval of the Department Executive Committee after a request in writing has been made through the Commission on Finance. In the event that the Commission on Finance deems that excessive funds have accumulated in this account, the Commission on Finance may recommend to the Department Executive Committee that said excess amount be transferred to the Allocated for Investment Account.

SECTION 14

REQUESTS FOR SPECIAL APPROPRIATIONS

Any request for a special appropriation by Department Convention mandate shall be submitted in writing to THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION Headquarters fifteen (15) days prior to the convention at which such action is to be taken.

SECTION 15

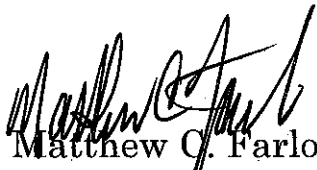
AMENDMENTS

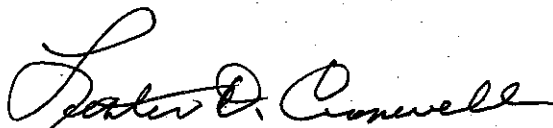
Any section or provision of this Fiscal Code may be amended or discontinued by a two-thirds (2/3) vote of the delegates present at any Department Convention provided, that the proposed amendment shall have been received in THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION Headquarters postmarked by the United States Post

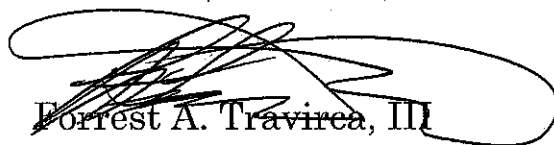
Office, or receipted for by the Department Adjutant, no less than sixty (60) days prior to the Department Convention at which the proposed amendment is to be urged; provided further that the Department Adjutant shall have circulated a copy of the proposed amendment to all Posts of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION and to all members of the Department Executive Committee no later than thirty (30) days prior to the Department Convention at which the proposed amendment is to be urged; and provided further that the proposed amendment shall be introduced and read at such Department Convention at least twenty-four (24) hours prior to the vote thereon; and provided further that any amendment or modification of any section or provision of this Fiscal Code shall refer to the section to be affected by number and title; any new section added shall be numbered in proper sequence and shall have a title generally indicative of the provisions thereof.

CERTIFICATION

I, *Matthew C. Farlow* Adjutant for THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION do hereby certify that these documents are a true and correct copy of the Constitution, Bylaws, Political Code of Ethics, and Fiscal Code of THE LOUISIANA DEPARTMENT OF THE AMERICAN LEGION effective and in force as of *this 14th day of June, 2015.*


Matthew C. Farlow
Department Adjutant


Lester D. Cromwell
Department Commander


Forrest A. Travireca, III
Department Judge Advocate

Amendments/Changes:

- (1) Changes approved to the Bylaws, Mid-Winter, Jan 2012
- (2) Changes approved to the Bylaws, Dept. Convention, June 2012
- (3) Bylaws, Article III, Section 2: Change approved to the Bylaws, Mid-Winter, Jan 2013,
- (4) Changes approved to the Bylaws, Mid-Winter, Jan 2014 to restructure the commission/committee assignments, roles, and procedures. Changes to be effective following last day of Department Convention, June 8, 2014.
- (5) Constitution, Article V, Section 3; Article V, Section 5 and Bylaw changes to Ways & Means, approved Dept. Convention June 2014.
- (6) Bylaws, Article II, Section 1: Change approved to the Bylaws, DEC meeting, July 27, 2014
- (7) Constitution, Article V, Section 3 and Article VIII, Section 3 approved by Dept. Convention, June 2015.