

**THE AMERICAN LEGION DEPARTMENT OF MICHIGAN  
FINANCE/PERSONNEL COMMITTEE  
RULES OF PROCEDURE**

**Authorization:**

This committee was authorized in its present form at Department Convention, July 20, 1975, although the committee had been established at an earlier date.

**Membership:**

**Per Article VI Section 7 of the Department of Michigan Bylaws:**

The Commander shall appoint, subject to ratification by the Department Executive Committee, a Department Finance/Personnel Committee to be composed of five (5) members, one member to be appointed from each Zone of the Department. The Commander and Finance Officer shall be ex-officio members of this committee, with vote, the Director of Veterans Affairs and Rehabilitation shall be an ex-officio member of this committee and the Adjutant shall be ex-officio Secretary of this committee, without vote.

**Alternate members:** Subject to the Department Commander's discretion, and with the approval of the Department Executive Committee, two (2) alternate members shall be appointed, without vote, unless they are serving in the absence of a regular member.

**Per the American Legion Department of Michigan Bylaws (June 2019)**

**Article VI, Section 4:** All committee members shall be appointed and may be removed for cause by the Department Commander, with the approval of the Department Executive Committee. The Department Commander shall name the Chairman of each committee to serve until the next Department Convention.

Members that are on mandated committees (Permanent Time and Place), or serving in an Alternate or Assistant position on the Department Executive Committee, may also serve on an appointive Department committee but not in a Chairmanship, with the exception of the Permanent Time and Place Chairman, who may serve in that role.

No member shall receive per diem and travel pay more than once per call, regardless of the number of committees they serve on."

**Article VI, Section 5:** The term of office of all members of Department Committees shall be staggered so that the term of one-half of the Committee shall expire at the close of the annual Department Convention each year. Appointments, except when a shorter term shall be necessary to comply with this provision, shall be for a term of two (2) years each.

**Section 6:** No Legionnaire may be appointed to serve on more than one regular standing appointive Department Committee at any one time.

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"Alternate members will be appointed to serve a one-year term and will be designated as first and second alternate." *(DEC April 20, 1974)*

At the first meeting of the new term, the Finance/Personnel Committee will elect one of its members to serve as Vice Chairman during that term of office. The Vice Chairman shall assume all duties of the Chairman in that person's absence.

### **Purpose, Per Article VI Section 8-10 of the Department of Michigan Bylaws:**

**Section 8:** All funds received from any source for the Department of Michigan, including any Board or Committee created and or appointed by The American Legion, Department of Michigan, shall be under the possession, control and supervision of the Finance/Personnel Committee. Said Committee shall be charged with the duty of setting up a proper and adequate system of centralized control and procuring audits of such funds.

**Section 9:** The Finance/Personnel Committee shall be charged with the preparation of a yearly budget, the financial policy of the Department, the handling of funds under the budget, and approval of expenditures of all Department funds not budgeted, and preparation and approval of the audit of all books and records of the Department and other additional audits as often, in addition thereto, as it may deem expedient. It shall file a written report including the official audit with the Annual Convention, setting forth in detail the financial recommendations as it considers advisable.

**Section 10:** The Finance/Personnel Committee shall be charged with the duty of fixing the amount of and providing a proper and adequate fidelity and crime insurance for the Department Adjutant, the Department Finance Officer and all other Department officials and employees who handle Department funds; in an insurance company or companies approved by the National Adjutant. The expense of the insurance provided for herein shall be borne by the Department. The Finance/Personnel Committee shall also be responsible for the investing of all trust funds, excepting those funds left in trust for purposes of the authorized subsidiary corporation.

"The Finance/Personnel Committee shall be charged with the duty of reviewing the Department of Michigan membership dues rate on a three (3) year basis and make any recommendations on those necessary changes to maintain the Department financial integrity."

The Finance/Personnel Committee shall be charged with the duty of setting forth the employees rules and regulations for all employees of The American Legion, Department of Michigan. The Department Adjutant shall promulgate such employee rules and make any decisions necessary to further define and carry out the intent of said rules and regulations.

### **Meetings:**

Following the Department Convention, the Department Finance/Personnel Committee may meet to make any adjustments to the budget that may be necessary to comply with the will of the Department Convention. Should these adjustments involve other than the Department budget, the

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Department Finance/Personnel Committee shall be held in joint session with the board, committee or commission having charge of the fund involved.

The organizational meeting of the Department Finance/Personnel Committee shall include the following:

1. An explanation of accounting procedures to all new members
2. An examination of the balance sheets and comparative budget reports, and such miscellaneous reports as shall come before the meeting
3. A review of the list of invested funds
4. A check of the fiduciary & crime insurance policy of all bonded employees and officers
5. Supervise the checking over of all insurance policies involving the Department of Michigan, its boards, committees and/or commissions. Such insurance policies and shall be submitted to Department Headquarters for the investigation of the rating of the companies. All such policies of the Department, boards, committees and/or commissions shall be made out in original and duplicates in the possession of the particular board, committee and/or commission governing the activity covered by the respective policies
6. A review and update of the Department Finance/Personnel Committee Permanent Procedure and Employee Rules and Regulations

All agendas shall be prepared by the Chairman or agent.

A meeting shall be held at least 21 (twenty-one) days prior to State Convention and shall involve the preparation and approval of the several budgets for the ensuing year and shall be the primary order of business. *(Amended by DEC on September 30, 1995)*

**(Per the Department Bylaws) Article VIII, Section 2: Expenses** - No Department officer or member of any committee shall be paid or reimbursed from the funds of the Department for any travel or other expense incurred upon Department business, unless a travel order or other suitable order, duly Called by the Department Commander or duly signed by the Department Adjutant, shall accompany the order for payment thereof.

<b>Meeting Schedule:</b>	Member	Chairman
Fall Conference	One day	Three days
December Meeting	One day	One day
Winter Meeting	One day	Two days
Budget Meeting	One day	One day
Department Convention	One day	Three days

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### **Special Meetings:**

Necessary special meetings may be held at Department Headquarters, via telephone conference, or internet conference capability (provided all members can hear each member during proceedings), with no mileage nor per diem authorized. Lunch may be provided by committee funds with prior approval of the Department Commander. *(Rev 3.12.17)*

### **Per diem and/or mileage:**

Per diem and/or mileage, if any, and only upon the authority of the Department Commander, shall be in accordance with current published Department policy, as recommended by the Department Finance/Personnel Committee and approved by the Department Executive Committee.

### **Minutes:**

Written minutes of each meeting shall be recorded by the Secretary and shall constitute the Chairman's report to the Department Executive Committee or the delegates to the Department Convention and will be included in the next official proceeding of the meeting, conference or convention, thereby being made a permanent record for retention at the Department office. Minutes of any special meetings, adoption of motions or resolutions approved at any time occurring between Department meetings, conferences or convention shall be incorporated into the next official proceedings. Recommendations and/or resolutions must be presented in proper form to the Department Executive Committee or delegates at the Department Convention.

### **Transacting Business:**

The committee may transact business by mail, telephone, e-mail, and other technologies including, but not limited to, Skype, Facetime, conference calls, and webinar/video chat, provided all members see/hear all votes made. If an e-mail vote is implemented, each response must be forwarded to all members of the Committee. If standard mail, the voting shall be considered closed at the end of seven (7) business days provided a majority of members of the committee have returned to the Chairman their votes by that time, or it shall be considered closed at anytime prior thereto and when all the members have returned their votes. Other technical votes include a telephone conference or web conference provided each member can see and/or hear each other members' votes. In the event one-third (1/3) members of the committee objects in writing, the matter shall not be decided and will be considered as the first order of business at the next regular meeting or special meeting and the Chairman shall notify the committee of the action taken. *(Rev 3.12.17, 6.24.18 Res. 18-C-15)*

### **Chairman:**

The Chairman shall preside at all meetings and, in the event of his absence, the Vice Chairman shall preside.

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The Chairman of the Finance/Personnel Committee shall be the advisor to the Department Commander regarding the finances of the Department.

The Chairman shall keep the Department Finance/Personnel Committee and the Department Executive Committee informed at each of its scheduled meetings as to the income and expenditures of the Department, its boards, committees and/or commissions. He shall advise on such adjustments as shall be found necessary in the distribution of budgeted items, changes in methods of handling funds, all of which must have the final approval of the committee.

The Chairman shall direct the preparation and distribution to the committee of monthly statements and balance sheets, as of the last day of the preceding month, together with a comparative budget statement of the Department funds, Boys State, Publication, Veterans Affairs and Rehabilitation and other special funds. They shall be furnished to all members of the Department Executive Committee and chairmen of all boards, committees and/or commissions at regularly scheduled conventions, conferences and meetings. They will also be available from Department Headquarters upon request.

In the absence of the Commander or Adjutant, the Chairman may approve Department expenditures.

An Annual Report is to be written and submitted to the Editor by May 1<sup>st</sup> of each year.

### **District and Vice Commander's Reserve Fund**

The control of the District and Vice Commander's Reserve Fund shall be in the hands of the Adjutant, Finance Officer or Accountant at the direction of the Chairman of the Finance/Personnel Committee. The District and Vice Commander's Reserve Fund, as determined in amount by action of the preceding annual Department Convention, shall be allocated for the expenses of District Commanders and Vice Commanders, in conformity with convention action. Each District Commander and Vice Commander shall use his/her funds for the following purposes: travel, trophies and awards, membership, education and Americanism, copies, postage and telephone, within his/her respective District or Zone. *(Amended by DEC February 21, 2010)*

### **Formation of Departmental Budget**

The estimated income for the ensuing year shall be calculated on the basis of membership as determined by the previous four year average or to be determined by the Finance/Personnel Committee, and at the prevailing membership fee plus such estimated income that can be projected from the interest on invested and working funds, a grant from the State of Michigan and contributions or rebates from membership fund raising projects. *(Amended by DEC on September 30, 1995; March 11, 2000)*

The appropriation for the operation of the Department of Michigan and its activities shall be based upon the judgment of the committee and the requirements for the various activities, based on recommendations of the various officers and committee chairmen. All boards, committees and/or commissions operating under annual budgets shall submit the same to the Department

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Finance/Personnel Committee for its inspection and approval. All requests for funds must be in writing and made available at the time of the meeting of the Finance/Personnel Committee.

### **Office Procedure**

Funds of the several activities of the Department of Michigan or any to its boards, committees and/or commissions, shall be recorded in separate books or record and in separate bank accounts sufficient so as to prevent any co-mingling thereof.

The Department Finance/Personnel Committee shall prescribe the procedure of handling of all receipts or collections of the Department of Michigan or any of its boards, committees and/or commissions.

The Department Finance/Personnel Committee shall prescribe the procedure of handling all disbursements and expenditures of the Department of Michigan or any of its boards, committees and/or commissions, upon receipt of approval invoice or voucher from the activity governing body. A memo from the permanent and special committee to specify that committee's approved budget, an outline of approved program expenditures and the required procedures for the reimbursement of personal expenditures. Invoices and/or vouchers must be approved by the Adjutant, Finance Officer or Accountant. *(Amended by DEC on September 30, 1995)*

Checks shall be approved and signed by the Adjutant and Finance Officer. In the absence of the Adjutant, checks may be approved and signed by the Chairman of the Department Finance/Personnel Committee or the appointed Assistant Finance Officer. In the absence of the Finance Officer, checks may be approved and signed by the appointed Assistant Finance Officer, the Chairman of the Department Finance/Personnel Committee or the Department Adjutant. All checks must carry two signatures. *(Amended by DEC on September 19, 2009)*

Working funds may be established in an amount approved by the Department Finance/ Personnel Committee. The Department Finance/Personnel Committee may direct any monies in excess over actual working funds to be placed in an interest-bearing account. All transfer of monies may be made by the Adjutant, Finance Officer or Accountant, with quarterly reports to the Department Finance/Personnel Committee.

### **Procedure:**

Parliamentary procedure used to conduct meetings of this committee shall be governed by the Department of Michigan, The American Legion, Constitution and By-Laws. All questions not covered by the Department of Michigan Constitution and By-Laws will be governed by "Roberts Rules of Order Newly Revised."

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### **Quorum:**

A quorum shall exist at any meeting of the Finance/Personnel Committee when a majority thereof shall be present, or shall have replied to mail polling. At no time shall lack of quorum prevent those present from proceeding with the program but, where there is not a quorum, no vote shall be taken.

### **Post Recovery and Closures:**

A Title Search shall always be done before taking/receiving any property from a post that is closing. The money needed to perform this search will come out of the line item, which is currently labeled "Post Recovery".

When the Title Search is complete and the Department makes the determination to claim ownership of the property, the Department shall file "Notice of Ownership" with the county Register of Deeds.

If property or buildings become the property of the Department, the Department Adjutant shall guarantee that the property is properly insured.

Every effort should be made to ascertain an Assessed Value from the city or county. Because the property is used for charity, it is exempt from property taxation. The local Assessor should be invited to inspect the property and provide a tentative SEV. The Assessor should do this because there is a high likelihood the buyer will not have the charity exemption, thus local government can enhance its property tax base. If an SEV cannot be determined, an independent Appraiser should be retained to determine the cash value of the property.

When the cash value of the property has been determined by a property taxation professional, the amount can be used to negotiate with a licensed Real Estate Broker to determine the "Asking Price" of the property. If a majority of the Finance/Personnel committee approved the "Asking Price" of the property, the Department Adjutant may sign a "Listing Agreement" with the Broker.

When a prospective buyer makes written offer to purchase the property, the Department Adjutant shall transmit the offer to the Finance/Personnel committee. A majority of the committee can accept or reject the offer. Additionally, the Department Adjutant could be authorized to make a counter-offer to the prospective buyer.

Upon sale of the property, the profit will be kept in the "Post Recovery" fund to be used for similar situations and as the Finance/Personnel committee determines, and is approved by the DEC.  
*(February, 2016)*

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### **Amendments:**

These procedures may be amended, in content but not in format, by a majority of the members of the committee; submitted to the Internal Affairs Committee for review and recommendation and approved by the Department Executive Committee.

**Approved:** *April 8, 1979*

**Amended by the DEC:** *July 19, 1984; July 13, 1986; April 3, 1993; March 11, 2000, September 16, 2005, July 8, 2006, September 23, 2006, February 2016, March 12, 2017, June 24, 2018, Feb 16, 2020*