FINANCE OFFICER REFERENCE GUIDE (rev 2026)

CHARGE FROM INSTALLATION CEREMONY

"You are the keeper of the moneys, and in you is reposed the financial policy of the post. To you is given charge of the year's budget, and to you is given the duty of the payment of all obligations when proper authorization has been given for such payment. Your position is an important one, demanding integrity and honesty. Your election to this office signifies your fellow members' implicit trust in you. Guard well that trust." (LEGION.ORG 2024 Officer's Guide and Manual of Ceremonies)

WHAT IS A FINANCE OFFICER?

You are the record keeper of all moneys of your Post. In conjunction with the Post Commander and Adjutant you set the financial policy of the post. You are in charge of the New Year's budget, and the duty of all payments and obligations of the Post as well as the proper city, state and federal documents, certificates and tax forms. (Review your Post Constitution and Bylaws for specific responsibilities)

THE FINANCE OFFICER MUST ENSURE THE POST HAS THE BELOW ITEMS AND FILES ALL REQUIRED DOCUMENTATION TO KEEP THEM CURRENT IF REQUIRED. Note: Florida Statute Chapter 496 Solicitation of Funds requires records to be kept a minimum of 3 years.

1. Federal Employer Identification Number (FEIN) - This is a nine digit number issued by the Internal Revenue Service (IRS) for banking, tax filing, and other business purposes. A new post must fill out The American Legion Post IRS Inclusion Letter and send it to Legal@Legion.org to be listed under the National American Legion Group Exemption Number. (Legion.org Publications-General)
    a. The American Legion is tax exempt under Section 501(c)(19) of the IRS code of 1954. The Legion's Group Exemption Number (GEN) is 0925.

    b. Whenever there is a change of address or change in person in charge, the new person in charge must file the IRS Form 8822-B, This is a basic form that looks like a "Change of Address" form. The "RESPONSIBLE PARTY" this can be the Post Commander, Adjutant or Finance Officer.

    c. The Responsibility Party's Officer Position should be stated in your Post's By-Laws. (Charities and nonprofits | Internal Revenue Service (irs.gov)

    d. All Posts have an annual Filing Requirement to file a Form 990 by the 15th day of the fifth month after the end of the Post's annual accounting period. For example, if a Post's tax period ends December 31, the form must be submitted by May 15 of the following year. If the Post's tax period ends June 30, the form must be submitted by November 15 of that year. The Post's GROSS receipts determines which style of the Form 990 the Post must submit. (Charities and nonprofits | Internal Revenue Service (irs.gov)

    NOTE: THE IRS MAY IMPOSE A PENALTY FOR FAILURE TO FILE A RETURN.

    (1) THE IRS MAY IMPOSE PENALTIES ON POST OFFICERS WHO DO NOT COMPLY WITH A WRITTEN DEMAND THAT THE INFORMATION BE FILED.

(2) A POST THAT FAILS TO FILE THE REQUIRED INFORMATIONAL RETURN (Form 990, Form 990-EZ or Form 990-N) FOR THREE CONSECUTIVE YEARS WILL RESULT IN REVOCATION OF TAX-EXEMPT STATUS AS OF THE FILING DUE DATE FOR THE THIRD RETURN.

e. Form 990-T "Exempt Organization Business Income Tax Return" must be filed by the 15th day of the 5th month after the tax year ends. This form is used by the Post if it has Employees' trusts forming part of pension, profit-sharing, and stock bonus plans, Individual retirement arrangements or Unrelated Business Income Tax UBIT).

f. Unrelated Business Income Tax (UBIT) Even though The American Legion is recognized as tax exempt, the Post still may be liable for tax on its unrelated business income. For most organizations, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis for of the organization's exemption. A Post that has $1,000 or more of gross income from an unrelated business must file Form 990-T. A Post must pay estimated tax if it expects its tax for the year to be $500 or more. The obligation to file Form 990-T is in addition to the obligation to file the Annual information return, Form 990-N, Form 990-EZ or Form 990. If your Post operates a bar, dining facility or rents its facilities to non-members, you may be subject to UBIT.

g. To check your Post's tax exempt status you can go to [Tax Exempt Organization Search | Internal Revenue Service (irs.gov)].

h. The American Legion is tax exempt under Section 501(c)(19) of the Internal Revenue Code of 1954 as amended. The American Legion is exempt from INCOME TAX unless there is income subject to Unrelated Business Income Tax (UBIT). As of July 1, 2016, sales of food and drink by qualified veterans' organizations to members of such organizations are tax exempt when sold in connection with customary veterans' organization activities. (Chapter 216-220, Laws of Florida; Section 212.08(7)(n), Florida Statutes)

i. American Legion Auxiliary is tax exempt under Section 501(c)(19) of the Internal Revenue Code of 1954 as amended. The Group Exemption Number (GEN) for the auxiliary is 0964. The American Legion and the American Legion Auxiliary have different Group Exemption Numbers and are granted tax exempt status separately. Auxiliary Units must have their own Employer Identification Number (EIN) and must file their own form 990 with the IRS.

j. Sons of The American Legion (SAL) and the American Legion Riders (ALR) are programs of the American Legion. The activities of the SAL and ALR are the activities of The American Legion Post. The SAL and ALR use the same EIN as the Post and their activities must be reported on the Post's Form 990 and submitted to the IRS by The American Legion Post. (Reference Constitution and By-Laws for National, Department and Post)

2. If you have employees:
   a. Federal Forms – W-2 Wage and Tax Statement, W-3 Transmittal of Wage and Tax Statement, 1099 MISC Income, 940 Employer's Annual Federal Unemployment (FUTA) Tax

Return, 941 Employer's Quarterly Federal Tax Return and any other Forms that may apply to your Post.

b. State Forms – UCT-6 Florida department of Revenue Employer's Quarterly Report, DR-15 Monthly Sales and Use Tax Return and other City or State Forms that may be required.

3. State of Florida Incorporation Certificate - The Post must be filed as an Incorporation by the State of Florida (www.sunbiz.org) for the calendar year January – December. You must renew the Post's incorporation papers with the state by May 1. If your Post is NOT Incorporated every member of your Post can be open to a lawsuit.

4. Insurance – Every Post must have some type of liability insurance. This also covers your members to and from a meeting if you don't have a Post Home.

5. Restriction of Post Property form – call the Department for this form.

6. Liquor License – For information go to Alcoholic Beverages & Tobacco – MyFloridaLicense.com

Accounting Procedures

1. Leger VS Computer Software Whether your Post uses a Paper accounting system or a computer Nonprofit Accounting program is totally up to your Post to determine which system works best for your Post.

2. There are two types of accounting methods Cash and Accrual.

   a. The Cash accounting method is not recommended due to it does not always produce accurate information. For instance prepayment of Membership dues revenue should be allocated for the subsequent year, rather than the year the dues were paid.

   b. The Accrual accounting method has all revenue and expenditures allocated to the period which they are applicable. The system will reflect the results of the operation during any given fiscal period by including only the revenue and expenses applicable to that period of operation.

   c. By maintaining some uniformity in accounting procedures in the Post, many benefits will result. Such procedures will materially assist in the development of sound financial statements, properly reflecting the financial conditions of the Post. It is of utmost importance that either interim or annual financial, operating statements and future budgets furnished to the Post Officers, should be based upon comprehensive and dependable, consistent information.

3. Payroll Procedural Suggestion. For information and frequently asked questions go to Payroll | Internal Revenue Service (irs.gov)

4. Budget Preparation and control – Each Post should adopt an annual budget. Adoption of an annual budget requires good administrative planning and careful consideration must be given to

every detail of revenue and expenditure. As an aid in the administration of the budget, a system of informative reporting is essential if the budget program is to be of value to those in charge of the administrative affairs of the Post. It is advisable to pattern the budget along the same lines as your Chart of Accounts. This way, comparisons are made very simple.

5. Monthly financial statements should be prepared as quickly as possible and presented to management for their thorough study. It is recommended that a Balance Sheet and Statement of Income and Expense be prepared similar to those presented in the audit report. These statements should be presented to the General membership at every Post meeting. Per Florida Statute Chapter 496.411 (2e) if a request for financial statements is requested, the Post has 14 days to provide the financial statement.

6. An annual Post Audit must be completed to ensure the accounting procedures and methods of internal control as a means of conserving the financial interest of the Post at every level are being maintained. Much care should be taken by the officers of the Post in the appointment of a chairman for the Auditing Committee. The Post Finance Officer should serve as an advisor and consultant to this committee since this officer handles the financial records of the Post. For medium to large Posts it is recommended that a "Qualified Public Accountant" who has experience with Non-Profit (fraternal) organizations.

Accounting Chart of Accounts

The below Chart of Accounts is what a small Post might use. EXAMPLE ONLY

Current Assets – 100

101 - Cash on Hand
102 - Cash in Bank – Regular Account
103 - Cash in Bank – Trust Fund
104 - (State & National Dues) Cash in Bank – Charity Fund
105 - Deposits
106 - Prepaid Rent
107 - Other

Current Liabilities – 200

201 - Accounts Payable
202 - Accrued Payroll Taxes (if any)
203 - Other
241 – Charity Funds

Restricted Funds – 300

301 - Department and National Dues
302 - Charity Funds
303 - Other

Net Worth – 400

401 - Retained Earned Income

Income – 500

- 501 - Contributions (other than Charity)
- 502 - Meals
- 503 - Bingo
- 504 - Other Fund Raising Projects

Expenses – 600

- 601 - Rent
- 602 - Meals Expense
  - Purchases
  - Other Admin Expenses
- 603 - Bingo Expense
  - Purchases
  - Other Admin Expenses
- 604 - Other Fund Raising Projects
- 605 - Utilities

Below is an example of how the Restrictive Funds could be expanded.

300 – Restrictive Funds Charity Donations	241 – Charity Expenses
302.1 – Post Charity Donations	241.1 – Post Charity Expenses
302.2 – Bequeaths Donations	241.2 – Bequeaths Expense
302.3 – Child Welfare Foundation Event Income	241.3 – Child Welfare Foundation Event Expense
302.4 – Scouts Fundraiser Income	241.4 – Scouts Fundraiser Expense
302.5 – Scholarships Fundraiser Income	241.5 – Scholarships Fundraiser Expense
302.6 – Boys State Fundraiser Income	241.6 – Boys State Fundraiser Expense
302.7 – Special Olympics Fundraiser Income	241.7 – Special Olympics Fundraiser Expense

2023 Florida Statutes Title XXXIII Regulation of Trade, Commerce, Investments and Solicitations Chapter 496 Solicitation of Funds. I have provided a few key excerpts.

496.406 Exemption from registration:
(1) The following charitable organizations and sponsors are exempt from the requirements of s. 496.405:
(c) Any division, department, post, or chapter of a veterans' service organization granted a federal charter under Title 36, United States Code.

496.4072 Financial statements for specific disaster relief solicitations.
(1) A charitable organization or sponsor that solicits contributions in this state for a charitable purpose related to a specific disaster or crisis and receives at least $50,000 in contributions in response to such solicitation shall file quarterly disaster relief financial statements with the Department of Agriculture and Consumer Services on a form prescribed by the department.

496.411 Disclosure requirements and duties of charitable organizations and sponsors.
(2) A charitable organization or sponsor soliciting in this state must include all of the following disclosures at the point of solicitation:
(a) The name of the charitable organization or sponsor and state of the principal place of business of the charitable organization or sponsor.
(b) A description of the purpose or purposes for which the solicitation is being made.

(c) Upon request, the name and either the address or telephone number of a representative to whom inquiries may be addressed.
(d) Upon request, the amount of the contribution which may be deducted as a charitable contribution under federal income tax laws.
(e) Upon request, the source from which a written financial statement may be obtained. Such financial statement must be for the immediately preceding fiscal year and must be consistent with the annual financial statement filed under s. 496.407. The written financial statement must be provided within 14 days.

496.413 Contributions solicited for or accepted on behalf of a named individual.
(1) Contributions solicited for, or accepted by or on behalf of, a named individual must be deposited in a trust account opened by a trustee named in a properly established trust document or must be deposited in a depository established in accordance with Florida Statute 69.031. The circuit court has jurisdiction over the contributed funds placed in such depository accounts.
(3) Any person or organization that violates the provisions of subsection (1) or subsection (2) is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

496.418 Recordkeeping and accounting.
(1) Each charitable organization, sponsor, professional fundraising consultant, and professional solicitor that collects or takes control or possession of contributions made for a charitable purpose must keep records to permit accurate reporting and auditing as required by law, must not commingle contributions with noncharitable funds as specified in s. 496.415(19), and must be able to account for the funds. When expenditures are not properly documented and disclosed by records, there exists a rebuttable presumption that the charitable organization, sponsor, professional fundraising consultant, or professional solicitor did not properly expend such funds. Noncharitable funds include any funds that are not used or intended to be used for the operation of the charity or for charitable purposes.
(2) Each charitable organization, sponsor, professional fundraising consultant, and professional solicitor must keep for a period of at least 3 years true and accurate records as to its activities in this state which are covered by ss. 496.401-496.424.

- IRS.Gov - Charities and Nonprofits
  - Form 8822-B Change of Address or Responsible Part
  - Form 990 Return of Organization Exempt From Income Tax
  - IRS Publication 3079 (Rev. 10-2018) Tax-Exempt Organizations and Gaming

- https://floridarevenue.com Application for Consumer's Certificate of Exemption Instructions

- https://dos.fl.gov/sunbiz/manage-business File Corporation Annual Report

- https://dos.fl.gov/sunbiz/search/ Search for Corporations, Limited Liability Companies, Limited Partnerships and Trademarks

- https://www.501c3.org/misappropriating-nonprofit-funds/

- Florida Statutes – Chapter 849 Gambling
  - Florida Statutes 849.0931 Bingo authorized; conduct; permitted uses of proceeds; limitations
  - Florida Statutes 849.0935 Charitable, nonprofit organizations; drawing by chance; required disclosures; unlawful acts and practices; penalties

- Florida Statutes Chapter 496 Solicitation of Funds