Leadership Retreat
Finance Briefing

October 23, 2020
ISSUES WITH POSTS UNDER REVOCATION

1. THEY ARE FOR-PROFIT CORPORATIONS SUBJECT TO CORPORATE INCOME TAX

2. ANY DONATIONS RECEIVED ARE NOT TAX DEDUCTIBLE TO THE DONOR

3. PROPERTY COULD BE SUBJECT TO PROPERTY TAXES, LOSE TAX EXEMPT STATUS AND HAVE TO PAY SALES TAX

1 & 2 ABOVE ARE BASED ON A REVOKED “EMPLOYER IDENTIFICATION NUMBER” (EIN) SO THESE ALSO APPLY TO THE POST SONS OF THE AMERICAN LEGION SQUADRON AND AMERICAN LEGION RIDERS CHAPTERS. AN EIN IS A CORPORATION SOCIAL SECURITY NUMBER

WHY IS THIS SO IMPORTANT?

A FOR-PROFIT CORPORATION CANNOT BE AN AMERICAN LEGION POST

PRESENTLY THESE POSTS CANNOT PARTICIPATE IN CONVENTION GENERAL SESSIONS OR SESSION VOTING OR ENDORSE CANDIDATES

October 23, 2020

John J. Dollinger, Chairman
Department Finance Committee
<table>
<thead>
<tr>
<th>A</th>
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American Legion (114 Jane Pigott Memorial)
EIN: 59-6200900 | Crawfordville, FL, United States

Auto-Revocation List

Organizations whose federal tax exempt status was automatically revoked for not filing a Form 990-series return or notice for three consecutive years. Important note: Just because an organization appears on this list, it does not mean the organization is currently revoked, as they may have been reinstated.

Exemption Type: 501(c)(19)

Exemption Reinstatement Date:
Revocation Date: 05-15-2018
Revocation Posting Date: 08-13-2018

October 23, 2020

John J. Dollinger, Chairman
Department Finance Committee
FILING ANNUAL REPORTS IN THE STATE OF FLORIDA (F.S. 607.1420(1)(a))

ANNUAL REPORTS FOR ALL FLORIDA ENTITIES ARE DUE NO LATER THAN MAY 1 OF EACH YEAR.

IF YOU DO NOT FILE YOUR ANNUAL REPORT A $400. FINE MAY BE IMPOSED.

IF THE ANNUAL REPORT IS NOT FILED BY THE THIRD FRIDAY IN SEPTEMBER, THEN THE ENTITY WILL BE AUTOMATICALLY ADMINISTRATIVELY DISSOLVED. (F.S. 607.1420(1)(a))

SO WHAT IS THE BIG DEAL?

1. YOU MAY ONLY CARRY ON THE BUSINESS AFFAIRS OF LIQUIDATING YOUR CORPORATION. F.S. 607.1421(3)

2. A DIRECTOR, OFFICER OR AGENT OF A CORPORATION “ADMINISTRATIVELY DISSOLVED” MAY BE PERSONALLY LIABLE FOR ANY DEBTS, OBLIGATIONS OR LIABILITIES INCURRED AFTER THE DISSOLUTION. F.S. 607.1421(4)

HOW DO I FIX THIS? - FILE AN ANNUAL REPORT ONLINE AT SUNBIZ.ORG AND PAY THE $61.25 FEE.
October 23, 2020

John J. Dollinger, Chairman
Department Finance Committee
**SUGGESTED INSURANCE REQUIREMENTS**

**Liability Insurance** protects the Post from bodily injuries and property damage that occur around your facility. Most frequent accident, people falling over the car stops in the parking lot. **Property Insurance** provides protection against most risks to property, such as fire, theft, and some weather damage. This can include specialized insurance such as a fire and flood policy. **Theft Protection Insurance** sometime called a Fidelity Bond, covers employee and volunteer theft of money or property. Employee and volunteer theft are the biggest issues in Posts today. **Directors and Officers (D&O) Liability Insurance** protects officers from claims alleging they performed their duties improperly. We have seen an increase in employee and member suing Posts. **Liquor Liability Insurance** is critical to protect Posts with social quarters. This insurance protects your Post against someone leaving your bar overserved and having an accident for which the Post is found at fault. Courts have found in cases where members knew overserving existed, liability can pass to the Post members individually when insurance is exhausted.

John J. Dollinger, Chairman
Department Finance Committee

October 23, 2020
LIQUOR LICENSES

1. WHAT TYPE OF LIQUOR LICENSES DO MOST POSTS HAVE

| Clubs assisting national fraternal or benevolent associations. | 11C | 561.20(7)(a)565.02(4) | Beer, Wine, and Liquor. Issued to bona fide clubs for sale by the drink for consumption on premises only, for members and members’ guests. No package sales allowed. Must be in continuous active existence and operation for a period of not less than two years in the county where it exists. |

2. THERE ARE SOME POSTS, I AM FAMILIAR WITH POST 38, THAT HAVE OPEN LICENSES AND CAN SERVE THE PUBLIC OFF THE STREET.

3. LIQUOR LICENSE MUST HAVE THE NAME OF THE MOST RESPONSIBLE POST OFFICER ON THE LICENSE ABOVE THE NAME OF THE POST. MANY ASK WHY? ABT WANTS TO KNOW WHO TO ADDRESS FINES, WHO TO SEND RENEWALS, AND WHO THE INSPECTORS AND ENFORCEMENT OFFICERS SHOULD CONTACT.

4. PLEASE NOTE THE ABOVE SAYS, “FOR MEMBERS AND MEMBERS’ GUEST”. SALES TO MEMBERS’ GUESTS ARE TAXABLE, AS IS SALES OF FOOD IN YOUR RESTAURANT TO NON-MEMBERS. YOU MUST REMIT SALES TAXES TO THE DEPARTMENT OF FINANCE. IF YOU DO NOT, APPLY FOR A 3 DAY OPEN PERMIT ONE OF YOUR STOPS IS DEPT. OF REVENUE AND IT WILL BE YOUR LAST STOP, THEY WILL DECLINE THE APPLICATION.

5. THIS ONE OF THE MANY REASONS BARTENDERS MUST CHECK MEMBERSHIP CARDS.

John J. Dollinger, Chairman
Department Finance Committee

October 23, 2020
POST VISITS - FINANCE

FOR A POST MEETING

- FINANCE REPORT SHOULD INCLUDE A DISCUSSION OF INCOME; BAR, GAMES, DONATIONS, OTHER REVENUE THEN TOTAL INCOME, DISCUSSION OF EXPENSES; BAR, GAMES AND OTHER EXP. AND THEN TOTAL EXPENSES. BOTTOM LINE, THEN WHAT IS CASH IN THE BANK. MEMBERS DESERVE AND THE FINANCE OFFICER OWES THE MEMBERSHIP A FULL ACCOUNTING EVERY MONTH.

FOR YOUR ANNUAL VISITATION – SHOULD BE IN SEPTEMBER

- DOES THE POST HAVE A CLEAR “EIN”
- IS THE POST “ACTIVE” ON FLORIDA DEPT. OF STATE (SUNBIZ)
- DOES THE POST CARRY: LIABILITY INSURANCE?
  - PROPERTY INSURANCE?
  - THEFT PROJECTION (BONDING)?
  - DIRECTORS AND OFFICERS LIABILITY?
  - LIQUOR LIABILITY?

ARE ALL THE INSURANCE DECLARATIONS CURRENT, WHEN DO THEY EXPIRE?

October 23, 2020

John J. Dollinger, Chairman
Department Finance Committee
PAGE 2 - ANNUAL VISITATION

- UNDER RESOLUTION 35 ADOPTED OCTOBER 14 – 15 2020 NOW REQUIRES EVERY DEPARTMENT AND POST REVISE “ANY AND ALL” INSURANCE POLICIES TO SPECIFY THAT THE AMERICAN LEGION IS HELD HARMLESS AND NAMED AS AN ADDITIONAL INSURED ON ANY AND ALL INSURANCE POLICIES. THE RESOLUTION “STRONGLY URGES” ALL DEPARTMENT TO FOLLOW SIMILAR PROTECTIVE ACTION....

- IS THE POST LIQUOR LICENSE CURRENT AND THE NAME ON THE CHARTER SAME AS ON THE LIQUOR LICENSE? IS THERE A RESPONSIBLE INDIVIDUAL LISTED? IS IT POSTED IN THE BAR?

- IS THE POST CONSTITUTION AND BY-LAWS UP TO DATE? ARE THEY CLEARLY POSTED ON A BULLETIN BOARD?
Resolution No. 35: Insurance Requirements
Origin: Finance Commission
Submitted by: Finance Commission

WHEREAS, The American Legion’s charter is codified in 36 USC 21701 et seq and under this statutory code, The American Legion may: (a) establish and maintain offices to conduct its activities, (b) sue and be sued, (c) establish state, territorial and post organizations, and (d) have the exclusive right to use, manufacture and control the adopted organization emblems; and

WHEREAS, The American Legion, its state, territorial and post organizations have the exclusive rights to use the name “The American Legion” or “American Legion” (collectively “Name”); and

WHEREAS, The names, emblems, trademarks and copyrights of The American Legion comprise The American Legion intellectual property (collectively “Tradenames”); and

WHEREAS, The American Legion’s Tradenames consists of assets requiring legal and financial protections through insurance coverage, and

WHEREAS, It is recommended that The American Legion’s state, territorial and post organizations have their own protective insurance coverage; now, therefore, be it

RESOLVED, By The National Executive Committee of The American Legion in regular meeting assembled virtually on October 14-15, 2020, That because The American Legion owns, controls, protects and defends The American Legion’s Tradenames, this resolution is necessary to dictate protective standards over the Tradenames; and, be it further
RESOLVED, That The American Legion, via insurance policies, protect itself, and its Tradenames, from liability and subsequently strongly urges all American Legion departments, department-chartered intermediate bodies and posts do the same; and, be it further

RESOLVED, That due to the need to protect The American Legion’s Tradenames from liability it shall be required forthwith that when any American Legion department, department-chartered intermediate body, post or organization use The American Legion’s Name or Tradenames and an insurance policy is obtained, the group utilizing this insurance policy shall specifically in the insurance policy hold The American Legion harmless and named as an additional insured on any, and all, insurance policies; and, be it further

RESOLVED, That The American Legion’s national adjutant, or designee, has complete authority to independently investigate, confirm and report that any, and all, insurance policy(ies) purchased by an American Legion department, department-chartered intermediate body, post or organization shall specify that The American Legion is held harmless and named as an additional insured on any, and all, insurance policies; and, be it finally

RESOLVED, That The American Legion’s National Executive Committee strongly urges that all American Legion departments follow similar courses of protective action, to wit: (1) require all of the department’s own intermediate chartered bodies and posts that obtain insurance policies hold their respective American Legion departments harmless and also named as an additional insured on any, and all, insurance policy(ies) and (2) that the department adjutant, or said designee, have the complete authority to independently investigate, confirm and report that any insurance policy(ies) purchased by the department’s intermediate body or post shall hold its respective department also harmless and named as an additional insured on any, and all, insurance policies.

October 23, 2020

John J. Dollinger, Chairman
Department Finance Committee
Questions?

John J. Dollinger, Chairman
Department Finance Committee

October 23, 2020

jdolly@comcast.net
Leadership Retreat
Finance Briefing
October 23, 2020