



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

I. ACCOUNTING: *Policies and Procedures*

A. Purpose: To establish a policy and a set of procedures for the proper handling, recording, reporting, and safeguarding of the Corporation's assets.

B. Responsibility: The Treasurer, in conjunction with the Finance Committee, shall be responsible for the proper performance of, and adherence to, these Policies and Procedures.

C. Definitions

1. **Corporation:** Shall refer to the By-Laws of the Associates of Vietnam Veterans of America, Inc., (AVVA), the National Organization.

2. **National By-Laws:** Shall refer to the By-Laws of the Associates of Vietnam Veterans of America, Inc., (AVVA), adopted January, 1999 and amended August, 2010.

3. **Policies and Procedure:** Shall refer to the Policies and Procedures of National.

4. **Fiscal Year:** The Fiscal Year shall commence on the first day of March, and end on the last day of February in each year.

D. Accounting Method: The prescribed method of accounting shall be the Accrual Method of Accounting.

II. ACCOUNTING: *Records and General Provisions*

A. Records: Shall refer to the official financial ledgers, checkbook, insurance policies, financial papers, Finance Committee minutes and reports, tax filings, and all and any other documents related to financial matters of the organization.



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

B. General Provisions:

1. The National organization shall conform to all appropriate Federal laws, as well as the National By-Laws and Policies and Procedures Manual.
2. The Treasurer shall file with the Corporation, an Annual Financial Report by the fifteenth (15th) day of July of each year.
3. All Federal corporate and tax reporting requirements shall be completed in a timely and orderly manner.
4. The Treasurer shall maintain complete and accurate financial records in accordance with Generally Accepted Accounting Principles (GAAP).
5. All disbursements shall be made by check. Under no circumstances will cash be dispensed for any reimbursements or payments.
6. All financial records shall be the property of the National organization and must be surrendered to the organization at the direction of the Board of Directors.
7. The Treasurer shall report to the Board of Directors quarterly, at a minimum. This report shall include, but is not limited to, a Statement of Financial Position, a Statement of Financial Activities (Budget to Actual), a Statement of Cash Flows, and a Check Register that shows all checks issued since the last report.
8. The Treasurer will coordinate the development of an annual Budget with the Finance Committee, the Board of Directors, and all Committee Chairpersons.
9. Budget requests must be submitted to the Finance Committee by December 1st of each year.
10. If the Board of Directors does not meet in January, then the proposed budget will be sent to the Board of Directors by either electronic means or by U S Post Office for review and comments before the beginning of the fiscal year.
11. The proposed budget will be approved at the April Board meeting.
12. The IRS 990 Tax Return shall be prepared by a member of the VVA National Finance staff in accordance with the IRS rules and regulations for a 501(c)(4) Corporation.
13. After completion, the AVVA Treasurer shall review the 990 and send his/her approval by electronic means or in writing to the VVA Finance staff.
14. Only after the Treasurer's approval with the VVA Finance staff member affix the Treasurer's signature to the 990 and file the tax return.
15. Once the 990 has been filed, an electronic copy should be sent to all Officers, Board Members, and the Finance Chair.



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

C. Corporate Documents: The Treasurer shall be responsible for the filing and safeguarding of the following documents to be kept on file at the National AVVA Office, which is housed within the VVA National Office:

1. Internal Revenue Service Group Tax Exempt Letter.
2. Application for Sales Tax Exemption status.
3. The National Annual Financial Report.
4. Internal Revenue Service Return of Organization Exempt From Income Tax (Form 990, (T), and all related Schedules and papers.
5. National Annual Budget.
6. Bank signature cards (or copies) of all accounts held by the National organization (including any and all investment accounts).
7. All of the National organization correspondence of a financial nature.
8. Internal Revenue Service letter assigning the Federal Employer Identification Number.

III. ACCOUNTING: *Financial Records*

A. Through a Memorandum of Understanding (MOU) that exists between AVVA and VVA, the VVA Accounting Department will:

1. Handle all AVVA accounting functions for which AVVA is billed monthly.
2. Collect and maintain all AVVA accounting records VVA's National Office

B. The Treasurer will ensure that the following financial ledgers and journals are maintained in an accurate and orderly manner:

1. General Ledger
2. Cash Receipt Vouchers
3. Cash Disbursement Voucher
4. General Fund Checkbook



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

5. Assets Inventory Ledger
6. Bank Statements and Reconciliations

C. Definitions

1. **General Ledger** ~ The official record of all financial transactions.
2. **Cash Receipts Vouchers** ~ All cash receipts received will be recorded on this voucher, including copies of all checks and remittances.
3. **Cash Disbursement Voucher** ~ All disbursement vouchers, including sales receipts, invoices, and purchase orders, will be recorded on this voucher.
4. **Assets Inventory Ledger** ~ The record of all depreciable assets to include date of acquisition, manufacturer, model number, serial number, and location of the item.
5. **Bank Statements and Reconciliations** ~ The Treasurer shall maintain all General Fund Bank Statements and shall, on a monthly basis, reconcile those Statements.

IV. ACCOUNTING: *Accounting Methods*

A. Accrual Method

1. Revenue is recorded in the period in which it is earned, and expenses are recorded in the period in which they are incurred.
2. The effect of events on the organization is recognized as services rendered or consumed, rather than when cash is received or paid.
3. This basis is in conformity with General Accepted Accounting Principles (GAAP).

B. When setting up the Corporation's Chart of Accounts, the following points were considered:

1. The level of detail that is to be maintained
2. The establishment of an audit trail; and



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

3. The ease of converting the financial information for internal and external reporting requirements.

V. ACCOUNTING: *Accounts Payable*

A. The National Board adopted the following Accounts Payable procedures:

1. All invoices, other obligations, and reimbursement forms, are to be sent to the VVA's National Accounting Department for payment.
2. The invoice or other obligation will then be faxed to the Treasurer for approval.
3. The Treasurer will fax the invoice or other obligation back to VVA's Accounting Department with signature of approval.
4. If the National Treasurer is unavailable, the President of the Corporation will approve for payment.
5. The VVA's Accounting Department then has the authorization to pay the obligation.
6. Payments will be paid on the 5th and 20th of each month.
7. All checks require two (2) signatures. All current officers' signatures will be on the checking account.
8. A copy of all monthly bank statements will be faxed to the Treasurer of the Corporation, also a copy of the Check Register will be faxed to the Finance Chairman, the President and the Treasurer for verification.

B. Travel

1. The Associates of Vietnam Veterans of America, Inc., (AVVA) shall pay \$42.50 a day per diem to the National Board and others as provided in the budget for travel to and from meetings and Conventions with half of the daily per diem rate being paid for the days of arrival and departure.
2. Hotel rooms will be paid at one half the daily rate on days required for meetings. ***The only exception is when traveling alone or when a roommate is not available.***
3. The Associates of Vietnam Veterans of America shall pay mileage rates that have been approved by the AVVA Board as suggested by the IRS, not to exceed comparable airfare rates to the same destination. Exceptions may be made on a case-by-case basis, made by the AVVA Executive Committee.



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

4. The number of funded Board Meetings per year shall be determined by the AVVA Board of Directors.
5. All travel, except to Board meetings, must be approved by the Treasurer in advance of travel using the *Request to Travel* form (F-Fin4.03).
6. Request should be submitted to the AVVA Treasurer 21-day prior to travel if possible.
7. Reimbursement for travel shall be made through the use of the *Expense Reimbursement* form (F-F4.01) within forty-five (45) days of the expense.
8. Receipts and the After-Action Report must be attached to the Expense Reimbursement form.
9. It is the expectation of AVVA that Board Members and other attendees who are attending an AVVA function and are receiving compensation in the form of travel, per diem, and/or lodging, are expected to attend the meeting and events that the compensation has been approved for.
10. In the event of sickness or emergency, the attendee should notify one of the National Officers of the issue

VI. ACCOUNTING: *AVVA Credit Card*

A. Background

1. The Associates of Vietnam Veterans of America, Inc.(AVVA) has authorized AVVA credit cards to be used by AVVA officers.
2. Card recipients are those whose duties are expected to take them on the road frequently or who are expected to have ready credit available in the performance of their duties.
3. Holders of AVVA credit cards have special responsibilities to assure cards are used for AVVA business only.
4. At no time may a cardholder use an AVVA credit card for non-AVVA business or personal use.
5. The AVVA officers **must** notify the other officers and the Finance Chair prior to using the credit card, for what purpose and the approximate amount to be charged.



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

6. In exceptional circumstances, notification must be within 24 hours.

B. Implementation

1. On a monthly basis, the VVA Accounting Department receives credit card bills for the past month.
2. A copy of the credit card statement will be faxed to the AVVA Treasurer for expense identification and payment approval.
3. The Accounting Department will pay these bills in accordance with normal invoice processing, thus eliminating the possibility of “late charges”.
4. During the month, each officer is responsible for sending their original receipts and the AVVA Credit Card Reimbursement form to the VVA Accounting Department for attachment to the monthly AVVA credit card statement.
5. The Finance Chair will review the credit card statements on a quarterly basis.

C. Credit Card Expense Report

1. Credit card holders are to fill out the standard AVVA Credit Card Expense Reimbursement form along with their original receipts for all purchases, identifying all purchases and indicating which accounts in their respective Cost Center should be charged for the various expenses.
2. The Credit Card Reimbursement Form must be used exclusively for the monthly credit card bill with no other reimbursements included on the form and must be turned in within fifteen (15) calendar days of the credit card expense.

It is herein emphasized that there must be receipts attached for all charges, and all charges must be identified as to purpose.



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

D. Delinquency of the Credit Card Expense Report

1. The VVA Accounting Department will advise the AVVA Treasurer, on a monthly basis as to whether all cardholders have submitted their credit card expense reports.
2. Failure to submit a timely report will result in a warning for the first occasion; revocation for three months of the offending individual's credit card privileges for a second occasion; and permanent revocation for a third failure.
3. The Credit Card Policy form, which the Officers holding National Credit Cards, must sign is located in the Forms portion of the Policies and Procedures Manual.

VII. ACCOUNTING: *Financial Reporting Procedures*

- A. All incorporated subsidiaries of the Associates of Vietnam Veterans of America, Inc. (AVVA), are required to file financial reports with VVA's Staff Accountant who handles AVVA's Accounting by the deadline dates set forth below.
- B. AVVA operates on a fiscal year that begins on March 1 and ends on the last day of February annually.

1. Tax Returns

- a. The National organization and any of its subsidiaries that has gross receipts of \$25,000 or less must submit Form 990-N, Electronic Notice (e-Postcard) for tax-exempt organizations not required to file Form 990 or 990-EZ.
- b. The National organization and any of its subsidiaries that has gross receipts less than \$1,000,000 and total assets at the end of the year less than \$2,500,000, may choose to file Form 990-EZ, Short Form Return of Organization Exempt from Income Tax, instead of Form 990.
- c. The tax return for the National organization and any of its sub subsidiaries must be filed by the fifteenth (15th) day of the fifth (5th) month after the close of AVVA's fiscal year. Therefore, the deadline to file the tax return is July 15th of each year.



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

- d. Subsidiaries who filed the IRS 990-N (e-Postcard) will receive an e-mail acknowledging the filing. ***That official acknowledgement from the IRS must be e-mailed to the VVA Staff Accountant who handles AVVA accounting.*** Subsidiaries may obtain the e-mail addresses for both individuals from the National Board Directory that is distributed via e-mail following each Board Meeting.
- e. Subsidiaries are required to file the IRS Form 990-EZ or IRS Form 990, must provide a true and accurate copy of the return, with proof of receipt by the IRS, to the National AVVA Accounting Department

NOTE: IRS Regulations governing tax returns are subject to change on an annual basis. Chapters and State Associations are responsible for staying current with the latest filing requirements.

C. Annual Financial Reports:

- 1. Subsidiaries are required to submit their Annual Financial Report and proof of their IRS filing as outlined above by the deadline date determined and announced each year by the National Finance Committee. The Annual Financial Report consists of Forms F-Fin04.04, F-Fin04.05 and F-Fin04.06 which are available on the National AVVA website, www.avva.org or in the Forms Section of the Policies and Procedures Manual.
- 2. During an AVVA Election year (even numbered years), the Annual Financial Report and accompanying proof of IRS tax filing must be **RECEIVED** in the AVVA Accounting Department at least sixty (60) days prior to the National Convention.
- 3. During a non-election year (odd numbered years), the Annual Financial Report and accompanying proof of IRS tax filing must be **RECEIVED** in the National AVVA Accounting Department no later than July 15th.
- 4. The National AVVA Accounting Department shall maintain records of the reports received to ensure that all incorporated subsidiaries comply with the required financial reporting.

D. Failure to Comply:

- 1. Failure to comply endangers the tax status and life of the entire organization. Therefore, subsidiaries who are non-compliant may be subject to suspension of their Charter and loss of Delegate voting privileges.



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

2. If non-compliance persists following bona fide attempts by National to rectify the problems, the Charter of the organization may be revoked.
3. Should this become necessary, the IRS and the Secretary of State of the pertinent State shall be notified that the subordinate is no longer recognized as part of the parent organization.

VIII. ACCOUNTING: *IRS Recognition*

When the Associates of Vietnam Veterans of America, Inc. (AVVA) incorporated in 1999, the Corporation filed a request with the Internal Revenue Service (IRS) to be recognized as a tax exempt, tax deductible non-profit organization under Section 501(c)4 of the Internal Revenue Code (“the Code”). AVVA’s request was unusual in that it asked for tax deductibility which was not a consideration for that Section of the Code. In late 1999, AVVA was notified by letter from the IRS that it was legally recognized as a tax exempt, tax deductible non-profit organization under Section 501(c)4 of the Code.

As the Corporate advanced in the development of its infra-structure and began to permit members within a State to incorporate, National realized that its tax exempt, tax deductibility status granted by the IRS in 1999, did not extend to its subsidiaries. Following a lengthy process, AVVA was notified in 2006 that the IRS had granted the National organization and its subsidiaries group exemption status under Section 501(c)4.

A. Requirements

1. The IRS requires that by December 1st of each year, AVVA must send the items listed below to the IRS:
2. A statement describing any changes during the year in the purposes, character, or method of operation of our subsidiaries.
3. A list showing the names, mailing addresses, (including Postal Zip Codes), actual addresses if different, and Employer Identification Numbers of subsidiaries that, since our previous report:
 - a. Changed names or address;
 - b. Were deleted from our roster; or
 - c. Were added to our roster.
4. A list showing the names, mailing addresses, (including Postal Zip Codes), actual addresses if different, and Employer Identification Numbers of subsidiaries that, since our previous report:
 - a. Changed names or address;



Associates of Vietnam Veterans of America, Inc.
POLICIES and PROCEDURES

§ 4

- b. Were deleted from our roster; or
- c. Were added to our roster.

B. Adding Subsidiaries. For subsidiaries to be added, AVVA must attach the following documents:

1. The statement that the information on which our present group exemption letter is based applies to the new subsidiaries
2. A statement that each has given AVVA written authorization to add its name to the roster;
3. A list of those to which the IRS previously issued exemption rulings or determination letters;
4. A statement that none of the subsidiaries is a private foundation as defined in Section 509(a) of the Code if the group exemption letter covers organizations described in Section 501(c)3;
5. The street address of each subsidiary whose mailing address is a P.O. Box.
6. If applicable, a statement that AVVA's group exemption roster did not change since our previous report.
7. This information is to be mailed to the following address:

Internal Revenue Service
Ogden, UT 84201