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P&P MANUAL SECTION 4

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I. ACCOUNTING: *Policy 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 Associates of Vietnam Veterans of America, Inc. (AVVA), the National Organization.
 - 2. **National Bylaws:** Shall refer to the Bylaws of the Associates of Vietnam Veterans of America, Inc., (AVVA).
 - 3. **Policies and Procedures:** Shall refer to the Policies and Procedures of the National Corporation.
 - 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 Cash 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 any and all other documents related to financial matters of the Corporation.
- B. GENERAL PROVISIONS
 - 1. The National Corporation shall conform to all appropriate federal, state, local, and District of Columbia laws as well as the national Bylaws and Policies and Procedures Manual.
 - 2. The treasurer shall file with the permanent files of the Corporation an Annual Financial Report (unaudited financial statements) by the fifteenth (15th) day of July of each year.



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3. All federal corporate and tax reporting requirements shall be completed in a timely and orderly manner.
 4. The Corporation 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 Corporation and must be surrendered to the Corporation 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 not be limited to, a Statement of Financial Position, a Statement of Financial Activities (Budget to Actual), and a Statement of Cash Flows.
 8. The treasurer will coordinate the development of an Annual Budget with the finance committee based on budgetary requests received from 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. Postal Service, for review and comments before the beginning of the new fiscal year.
 11. The proposed budget will be approved at the April board meeting.
 12. The IRS 990 Tax Return shall be prepared in accordance with the IRS rules and regulations for a 501(c)(4) Corporation.
 13. After completion, the AVVA treasurer, the AVVA president, a member of the VVA finance staff, and the finance committee shall review the 990 before it is approved and submitted. The treasurer shall then send the 990 to the board of directors for final approval. Once approved, the treasurer will notify the 990 preparer by electronic means or in writing that the 990 is ready to be filed.
 14. Once the 990 has been filed, an electronic copy should be sent to all officers, board members, and the finance chair.
- 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 office which is housed within the VVA national office:



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1. Internal Revenue Service letter assigning the Federal Employer Identification Number.
2. Internal Revenue Service Group Tax Exempt Letter.
3. The national Annual Financial Statements.
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 Corporation (including any and all investment accounts).
7. All of the National Corporation correspondence of a financial nature.

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. Maintain all AVVA accounting records at VVA's national office:
 - a. General Ledger
 - b. General Journal
 - c. Cash Receipts Journal
 - d. Check register
 - e. General Fund/operating checkbook
 - f. Certificates of deposit
 - g. Money Market accounts
 - h. Bank statements and reconciliations

IV. ACCOUNTING: *Accounts Payable*

A. ACCOUNTS PAYABLE PROCEDURES



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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 sent electronically to the treasurer for approval.
3. The treasurer will e-mail his/her approval to the VVA's Accounting Department.
4. If the national treasurer is unavailable, the president of the Corporation will approve for payment.
5. All checks require two (2) signatures. All current officers' signatures will be on the checking account.
6. A copy of all reconciled monthly bank statements will be sent electronically to the treasurer and the president of the Corporation.
7. The finance committee and the president should receive monthly electronic Unaudited Financial Statements. The finance committee should receive electronic quarterly Unaudited Financial Statements to include Statement of Financial Position, Statement of Activities, Statement of Cash Flow, Trial Balance Summary, and a check register.

B. TRAVEL

1. The Associates of Vietnam Veterans of America, Inc. (AVVA) shall pay \$45.00 each day per diem to the national board and others, as provided in the budget for travel to and from meetings, conferences, and conventions.
2. Hotel rooms for all officers, board members and other authorized attendees 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, Inc. shall pay mileage rates that have been approved by the AVVA board as suggested by the IRS, not to exceed comparable airfare rates, luggage, airport parking, transportation to and from the hotel, and mileage to and from the airport to the same destination. The AVVA executive committee may make exceptions on a case-by-case basis.
4. The AVVA board of directors shall determine the number of funded board meetings per year.
5. All travel, except to board meetings, conferences, and conventions, must be pre-approved by the treasurer using the *Request To Travel Form* (F-FIN4.03). Expenses



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incurred by officers and board members attending the state meetings where they reside are not covered by the national budget.

6. Requests for all other travel should be submitted to the AVVA treasurer twenty-one (21) days prior to travel if possible – even though approved in the budget.
7. Reimbursement for travel shall be made through the use of the *Expense Reimbursement Form* (F-FIN4.01), within thirty (30) days of the expense.
8. Receipts must be attached to the *Expense Reimbursement Form*.
9. Board members and other authorized attendees who are funded by AVVA shall attend the meetings and events that have been approved for compensation. Failure to file all required corresponding reports may result in the following consequences:
 - a. After Action Reports: Must be submitted within the policy timeframe (see #13) or future travel requests may be denied.
 - b. Special Advisor to VVA Committee Reports: Must be submitted after each board meeting or per diem for future board meetings may be reduced or denied.
10. In the event of sickness or emergency, the attendee should notify one of the national officers of the issue.
11. Should a person approved to travel for AVVA be unable to travel when the date arrives, and has failed to cancel the room reservation and/or flight, this person is responsible for reimbursing the amount charged to the AVVA account as a result of the no-show. Exceptions can only be made if approved by the Executive Officers, on a case-by-case basis, and must involve extreme circumstances.
12. All board members are responsible for staying within their approved budget for travel. Spending more than the budget-approved amount without prior approval will result in no reimbursement.
13. During an election year, only one-half of the approved budget for travel is available to the board member before the national elections. The only exception is the travel to the convention.
14. After Action Reports should be submitted to the treasurer within thirty (30) days after travel, except for board Meetings.

V. ACCOUNTING: *AVVA Credit Card*



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A. BACKGROUND

1. The Associates of Vietnam Veterans of America, Inc. (AVVA) has authorized AVVA credit cards to be used by AVVA officers whose duties are expected to take them on the road frequently or who are expected to have ready credit card availability in the performance of their duties.
2. At no time may a cardholder use an AVVA credit card for non-AVVA business or personal use.

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 sent electronically to the AVVA treasurer for expense identification and payment approval.
3. The VVA Accounting Department will pay these bills in accordance with normal invoice processing, thus eliminate 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.

C. CREDIT CARD EXPENSE REPORT

1. Credit card holders are to fill out the standard AVVA Credit Card 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 ten (10) days after receipt of the statement from the VVA accounting office.

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

D. DELINQUENCY OF THE CREDIT CARD EXPENSE REPORT



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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 (3) 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 Procedure Manual.

VI. 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:
 1. Tax Returns
 - a. The National Corporation and any of its subsidiaries that has gross receipts of \$50,000 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 Corporation and any of its subsidiaries that has gross receipts less than \$200,000, and total assets at the end of the year less than \$500,000, may choose to file Form 990-EZ, Short Form Return of Organization Exempt From Income Tax, instead of form 990.
 - c. The IRS tax return for the National Corporation and any of its 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 returns is July 15th of each year.
 - d. Subsidiaries who filed the IRS 990-N (e-postcard) will receive an e-mail accepting the filing. This acknowledgement should be printed and attached to the AVVA Annual Financial Report.
 - e. Subsidiaries which 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 VVA 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.



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B. 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 form F-FIN04.06, which is available on the national AVVA website, www.avva.org/forms.html.
2. During an AVVA election year (odd numbered years), the Annual Financial Report must be received by the VVA Accounting staff member at least sixty (60) days prior to the national convention.
3. During a non-election year (even numbered years), the Annual Financial Report, and accompanying proof of IRS tax filing, must be **RECEIVED** by the VVA accounting staff member no later than July 15th.
4. The VVA accounting staff member shall maintain records of the reports received, to ensure that all incorporated subsidiaries comply with the required financial reporting.

C. FAILURE TO COMPLY

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

VII. 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



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IRS had granted the national organization and its subsidiaries group exemption status under Section 501(c)4.

- A. The IRS requires that by December 1st of each year AVVA must send the items listed below to the IRS:
 1. A statement describing any changes during the year in the purposes, character, or method of operation of our subsidiaries.
 2. A list showing the names, mailing addresses (including postal zip code), actual addresses if different, and Employer Identification Numbers of subsidiaries that since our previous report:
 - a. Changed names or address, or
 - b. Were deleted from our roster, or
 - c. Were added to our roster
 3. If applicable, a statement that AVVA's group exemption roster did not change since our previous report.

VIII. ACCOUNTING: *Deceased Member Protocol*

A. PURPOSE

1. It is becoming painfully obvious that many of our AVVA members are reaching the fall of their lives, as daily we are notified of a member's passing. While it would be wonderful if all of the AVVA officers and board of directors members could attend the various wakes and funerals of all of the deceased, the AVVA budget and prudent fiscal responsibility preclude attendance by so many. It has become time to put a policy in place to address this issue.
2. It is very difficult to address such an issue without some perception of discrimination. Having said that, the purpose of this policy is to address the passing of current (occurring while in office) AVVA national officers, national board of directors members, and state association presidents or representatives.

B. IMPLEMENTATION

1. Upon notification of the death of (a) a current national officer, (b) a current national regional director, or (c) a current state president or representative, the AVVA president may designate one person to attend the services at AVVA expense.



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2. No other person will attend at AVVA expense. Should individuals other than the president's designee choose to attend services, they may do so at their own expense.

Flowers or donations on behalf of the deceased will not exceed \$100 to be paid from the President's Cost Center, Miscellaneous expense line.