

**SOUTH HOUSTON POST 490, INC.
DEPARTMENT OF TEXAS
(AMERICAN LEGION)**

990 COMPLIANCE POLICY



**As ADOPTED 10 July 2013
And AMENDED 18 July 2014
And AMENDED 31 July 2016
And AMENDED 5 September 2018
And AMENDED June 2021**



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990 COMPLIANCE POLICY

1. SCOPE

On June 8, 2011, the Internal Revenue Service (IRS) released a list of more than 275,000 nonprofits that had their tax-exempt status automatically revoked due to failure to file annual returns. The American Legion, Department of Texas, South Houston Post 490 Inc. Compliance Policy Committee reviewed the IRS automatic revocation list and reviewed the Council of Nonprofits' special web page on automatic revocation and downloaded a tip sheet on what to do if our organization's tax-exempt status was revoked. Good governance practices are essential to sustaining a nonprofit's mission. But what exactly is "good governance"? There is no single set of expectations for good governance. However, as a result of the 2008 revision of the IRS Form 990, certain practices are to be followed by nonprofits, large and small. Collectively the questions asked by the IRS in the revised Form 990 reflects the opinion of the IRS that certain governance practices, together with written policies, will result in compliance with the laws governing tax-exempt organizations. The Committee reviewed resources from the Council of Nonprofits about specific governance policies that are referred to in the Form 990 in order to provide reference to this Policy.

The IRS website provided helpful 990 Compliance Resources and a "Check sheet" on governance issues released by the IRS in 2009. This checklist is to be edited and incorporated into the practices and procedures of the Post's Review Committee. The IRS currently uses this information when they are examining nonprofits during an audit. Nonprofit boards are expected to use these tools to benchmark their own organization's governance practices. The Compliance Policy Committee:

- a) Reviewed the checklist for 990 compliance developed by the American Council on Education.
- b) Read the report, *Advancing Good Governance*, prepared by BoardSource and FSG Social Impact Advisors (2009), and the Executive summary.
- c) Read State of Texas annual filing requirements for nonprofits.
- d) Reviewed the example 990 Compliance Policy on the American Legion Department of Texas website.

Does our nonprofit have to file the IRS Form 990? – YES - The law has changed as a result of the passage of the Federal Pension Protection Act in 2006. Starting in 2007, all nonprofits recognized as tax exempt by the IRS (or those awaiting recognition) must now file an annual information return. (Previously smaller nonprofits – those with less than \$25,000 in gross receipts annually – did not have to file. Now, all tax-exempt organizations must file.) Failure to file for three consecutive years will result in automatic revocation of tax-exemption.

For the purposes of clarity and simplicity, South Houston Post No. 490, Inc. will herein be referred as the "South Houston Post 490, Inc." or "Post 490".

Policy Revision based on 2019 amendments to the Post Constitution and By-Laws.

2. MISSION

South Houston Post 490, Inc., EIN 74-1613333, is exempt from Federal income tax under section 501(C)(19) of the Internal Revenue Code. Under this IRS classification, the organization is required to file the annual return, Form 990 no later than May 15. However, the American Legion Financial Year ends on June 30th and a 6-month extension is filed by the Post's Certified Public Accountant in order to include the entire Financial Year.

The mission of the organization is enumerated in Westlaw 21701 and 21702:

21701: The American Legion (in this chapter [36 U.S.C.A section 21701 et seq.], the 'corporation') is a federally chartered corporation.

21702: Purposes: The purposes of the corporation are –

- a) To uphold and defend the Constitution of the United States;
- b) To promote peace and good will among the peoples of the United States and all the nations of the Earth;
- c) To preserve the memories and incidents of all wars fought to uphold democracy;
- d) To cement the ties and comradeship born of service; and
- e) To consecrate the efforts of its members to mutual helpfulness and service to their country.

3. 990 SCHEDULE C - POLITICAL CAMPAIGN AND LOBBYING

South Houston Post 490, Inc. as part of The American Legion, and the Department of Texas, is a non-partisan, Veteran-service organization, and as such, takes no part in political campaigns.

Our distinct status as a 501(C)(19) allows The American Legion to lobby on behalf of Veterans' rights. The following excerpt from the "Our Pillars, Your Platform" white paper states it best:

The American Legion still believes in the vision of our founders, a vision for a strong American – freedom and opportunity. And the American Legion firmly believes that veterans and their families have earned every benefit awarded to them by a grateful nation because of their selfless service. Indeed, this basic principle was succinctly written into law when the Supreme Court stated in the 1983:

"It is...not irrational for Congress to decide that, even though it will not subsidize substantial lobbying by charities generally, it will subsidize lobbying by veterans' organizations. Veterans have 'been obliged to drop their own affairs and take up the burdens of the nation, subjecting themselves to the mental and physical hazards as well as the economic and family detriments which are peculiar to military service and which do not exist in normal civil life.' Our country has a long-standing policy of compensating veterans for their past contributions by providing them numerous advantages. This policy has 'always been deemed to be legitimate.'"

4. 990 SCHEDULE A - PUBLIC CHARITY STATUS AND PUBLIC SUPPORT

Post 490, through the Four Pillars, continues to exhibit its commitment to public charitable support. Through Veterans Affairs & Rehabilitation, veterans are assisted with VA healthcare, access to employment and business opportunities, and assistance with disability claims. National Security commitments assist the nation with Homeland Security, quality of life issues for our military and a strong national defense for everyone. Through the Americanism and Children & Youth programs, the American Legion's commitment to the nation's youth is evidenced via scholarship programs, the Child Welfare Foundation, and our commitment to youth programs like the Boys Scouts, Boys State, and the High School Oratorical program.

Grant programs such as the National Emergency Fund (NEF) and Temporary Financial Assistance (TFA) are but two examples where the American Legion acts promptly to assist citizens in need. The American Legion has a long history of charitable support for the public good.

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6. DEFINITIONS KEY TO 990 COMPLIANCE

Non-Officers: Defined at the Legion as being the following (paid staff – non-voting):

- Post Office Manager (1099)
- Post Club Room Manger (1099)
- Hourly wage employees (W-2)

(Total of 14 non-voting members: 2 independent, 12 dependent)

Officers: Defined by the Post as members of the Executive Committee including the Executive Committeemen (non-paid Officers - voting - independent):

- Post Commander
- Post 1st Vice-Commander
- Post 2nd Vice Commander
- Post Adjutant
- Post Finance Officer
- Post Judge Advocate
- Post Historian
- Post Chaplain
- Post Sergeant-at-Arms
- Post Service Officer
- Post Executive Committeeman #1
- Post Executive Committeeman #2

(Total of 12 voting members: 12 independents, 0 dependent)

Trustees: Defined by the Post as members of the Board of Trustees (non-paid Trustees - voting - independent):

Trustee (1 Year)
Trustee (1 Year)
Trustee (2 Year)
Trustee (2 Year)
Trustee (3 Year)
Trustee (3 Year)

(Total of 6 voting members: 6 independents, 0 dependent)

Key Employee: N/A

7. 990 COMPLIANCE GOVERNANCE STRUCTURE (Reportable on Schedule O of 990)

- a. Establish a Finance Committee to be charged with the following:
 - (1) The Finance Committee is responsible for overseeing the annual distribution and collection of the Conflict of Interest Statements for the Post's Executive Committee, Board of Trustees, paid employees, and other independent voting members as defined by the Post Constitution and By-Laws.
 - (2) The Finance Committee and Post Judge Advocate shall review the Conflict of Interest statements to determine if there is a conflict and determine any resolutions.
 - 2) The Finance Committee will review the annual 990 or 990T reports prior to signature and filing. All members of the Executive Committee will review a copy of the 990 and 990T at the next Executive Committee meeting and no later than the Post Executive Committee meeting prior to the filing month
 - 3) The Finance Committee will consist of a Chairman, two members-at-large, the Post Commander, Post Adjutant and Post Finance Officer.
 - 4) Removed.
 - 5) The Finance Committee is responsible for compiling, presenting annual resolutions for, and maintaining the Post's Annual Budget.
- b. Establish a Compensation Practices Committee (CPC):
 - 1) The CPC will consist of the Commander, Adjutant, Finance Officer, and the Chairman of Finance Committee.
 - 2) Determine salaries of paid employees.
 - 3) Determine frequency of salary reviews of paid employees.
 - 4) The CPC is responsible for establishing and maintaining the Post's Compensation Practices Policy.
- c. Establish a Compliance Officer:
 - 1) The Adjutant's duties are to be amended in order to assign the additional duty as the Post Compliance Officer.
 - 2) The Compliance Officer is responsible for maintaining records of the signed Conflict of Interest forms for the Executive Committee, Board of Trustees, and all paid employees.

- 3) The Compliance Officer is responsible for providing the Office Manager a copy of the signed Conflict of Interest forms for all paid employees, to be placed in their personnel file annually.
- 4) The Compliance Officer, in consultation with the Judge Advocate, is responsible for introducing appropriate Compliance Policy and Compensation Practices infractions/violations to the Executive Committee, Compensation Practices Committee, or the Finance Committee, depending on the nature and scope of the infraction/violation.

8. 990 REPORTING

- a. IRS Form 990 and 990EZ. Forms 990 and 990-EZ are used by tax-exempt organizations, nonexempt charitable trusts, and section 527 political organizations to provide the IRS with the information required by section 6033 of the Tax Code. An organization's completed Form 990 or 990-EZ, and a section 501(c)(19) organization's Form 990-T, Exempt Organization Business Income Tax Return, generally are available for public inspection as required by section 6104 of the Tax Code. Schedule B (Form 990, 990-EZ, or 990-PF), Schedule of Contributors, is available for public inspection for section 527 organizations filing Form 990 or 990-EZ. For other organizations that file Form 990 or Form 990-EZ, parts of Schedule B (Form 990, 990-EZ, or 990-PF), can be open to public inspection. See Appendix D of the Form and the instructions for Schedule B (Form 990, 990-EZ, or 990-PF) for more details. Some members of the public rely on Form 990 or Form 990-EZ as their primary or sole source of information about a particular organization. How the public perceives an organization in such cases can be determined by information presented on its return. Therefore, the return must be complete, accurate, and fully describe the organization's programs and accomplishments.
- b. IRS Form 990-T. IRS Form 990-T is used to report unrelated business income, figure and report unrelated business income tax liability, report proxy tax liability, claim a refund of income tax paid by a regulated investment company (RIC) or a real estate investment trust (REIT) on undistributed long-term capital gain, and request a credit for certain federal excise taxes paid or for small employer health insurance premiums paid. The American Legion, Department of Texas, South Houston, Post 490 under the IRS 990 Tax Code is responsible for submitting 990-T annually due to unrelated income from Non-Member Hall and RV Space Rentals.
- c. The Form 990 or 990EZ, and 990-T are to be completed annually by a Certified Public Accountant and reviewed by the Finance and Executive Committees.
- d. Each Form 990 submitted is to be retained for 7 years in accordance with Paragraph 11 below and inspected annually by the Post Review Committee.
- e. A 501(c)(19) organization must make its annual returns available in two ways: by office visitation, and by providing copies or making them widely available.
- f. Public Inspection by Office Visitation: A 501(c)(19) organization must make its annual returns available for public inspection without charge at its principal, regional, and district offices during regular business hours.
- g. Conditions that may be set for public inspection at the office: A 501(c)(19) organization may have an employee present, must allow the individual conducting the inspection to take notes freely during the inspection, and must allow an individual to make photocopies of documents at no charge but only if the individual brings photocopying equipment to the place of inspection.
- h. Determining if a site is a regional or district office: A regional or district office is any office of a 501(c)(19) organization, other than its principal office, that has paid employees whose total number of paid hours a week are normally 120 hours or more. Include the hours worked by part-time (as well as full-time) employees in making that determination.

9. COMPENSATION PRACTICES POLICY (Schedule J).

The American Legion, Department of Texas, South Houston Post 490, Inc. Employee Performance and Compensation Program is defined in the Benefits section of the Personnel Policy Manual and in accordance with the Post Constitution and By-Laws. This policy, established and maintained by the Finance Committee, delineates how the compensation management is handled for all paid employees.

- a. All compensation decisions are to be recommended by the Commander or the Chairman of the Finance Committee to the Finance Committee, who in turn, may recommend confirming or denying, the recommendation of the Commander or the Chairman of the Finance Committee as to pay increases for any/all paid employees to the Executive Committee.
- b. DELETE
- c. The Finance Committee will make their recommendations to the Executive Committee during the submission of the annual operating budget.
- d. Once the Executive Committee has approved the Finance Committee's recommendations, the employee's supervisor assisted by the Finance Officer will conduct performance evaluation on the dependent employee(s) and prepare a Personnel Action form(s) indicating the salary increase for each employee. Copies of the Personnel Action forms are sent to the Office Manager for payroll purposes and a copy is placed in each individual's personnel file. The Office Manager will maintain a copy of the Personnel Action forms and will make this copy available to the Finance Committee during payroll and benefit audits.
- e. The Finance Committee recommends compensation decisions for other Officers to the Executive Committee during the annual budget process.

10. CONFLICT OF INTEREST POLICY

South Houston Post 490, Inc. established in 1947, and incorporated 1960, was founded on ideals to uphold the Constitution of the United States of America and has always set a very high standard for our code of ethics. This Conflict of Interest Policy is established to assure the continuation of these ethical standards.

Employees (paid - non-independent staff):

Further, it is the Policy of South Houston Post 490, Inc. that no employee shall have financial or management interests or an indirect business relationship through ownership of more than 35% (individually or collectively with other person[s]) in any company or business concession that furnishes goods or services to South Houston Post 490, Inc. or is under a contractual arrangement with South Houston Post 490, Inc. If an employee or an immediate family member has a financial or employment relationship with a competitor, vendor, or other firms with which Post 490 has a business relationship, the employee must disclose this fact in writing to the Post Adjutant.

Every new employee will be required to sign a "Conflict of Interest" statement, which will remain in effect throughout the employee's employment. Employees are responsible for letting the Post Adjutant know if they have a change in circumstance that would require an update. This notice will be handled through the Post Adjutant. Employees will be required to reaffirm they have no conflicts of interest by completing and signing a new form annually at the beginning of the new fiscal year and reviewed during evaluations.

Moreover, employees of the Post 490 shall not accept employment with any company or business that furnishes goods or services to Post 490 or is under a contractual arrangement with the South Houston Post 490 and employees may not enter into indirect business relationships through ownership of more than 35% in another entity (individually or collectively with other person(s) with companies furnishing goods or services to the South Houston Post 490, Inc.

Any violation of this policy may result in disciplinary action, up to and including termination from employment.

Post Executive Committee and other “independents” (non-paid staff):

Further, it is the Policy of the South Houston Post 490, Inc. that members of the Post Executive Committee and Trustees (non-paid - independent) shall be restricted from having financial or management interests in any company or business concession that furnishes goods or services to the South Houston Post 490, Inc. or is under a contractual arrangement with the South Houston Post 490, Inc. If a member or officer or an immediate family member has a financial or employment relationship with a competitor, vendor, or other firms with which the South Houston Post 490, Inc. has a business relationship, the individual must disclose this fact in writing to the Post Executive Committee.

Every member of the Post Executive Committee as well as the Board of Trustees will be required to sign a “Conflict of Interest” statement each calendar year during the annual Elections Meeting or when elected to a voting position on the Executive Committee or Board of Trustees. The Post Adjutant at the end of the elections will oversee this task. The Post Adjutant (as Compliance Officer) will maintain all statements.

The Finance Committee, in consultation with the Judge Advocate, will recommend to the Post Executive Committee a course of action that may need to be taken to resolve any conflict it believes may exist. South Houston Post 490, Inc. has sole discretion to determine whether such a conflict of interest exists. No person in a position of authority over the Post expenditures, such as the Post Commander, Post Officers, members of the Post Executive Committee or Board of Trustees may benefit personally from a decision he or she could make.

11. CONTRACT REGULATIONS POLICY

Prudent management dictates that organizations survey the market periodically to ensure that they are receiving the best terms; and South Houston Post 490, Inc. enters into numerous contracts, with the approval of the Executive Committee and that some of these contracts are large enough to have a substantial economic impact on the finances of South Houston Post 490; Inc. Some of these contracts currently have automatic renewal clauses that could extend the contacts indefinitely; and certain contractors attempt to achieve an exclusive position, or propose contracts containing non-competition provisions, either of which can be detrimental to South Houston Post 490 and/or its members. The Finance Committee (and Dept of Texas 990 Compliance Policy) believes that more control over contracts with the potential for substantial financial impact is desirable.

- a. Development and maintenance of the Post’s Contracting Procedures will be the responsibility of the Board of Trustees.
- b. All contracts shall be approved in the following order: 1) by the Board of Trustees, 2) by the Finance Officer, and 3) by the Executive Committee.
- c. All contracts may not have a duration of more than three (3) years, which period shall include any and all provisions for renewal or extension, without an economic case study justifying the extended length of the contract.
- d. No contract may contain a clause granting an exclusive to any contractor or vendor, or contain statements of exclusivity or non-competition, without the specific approval of the Executive Committee by resolution, and such requests for exclusivity or non-competition shall be supported by specific findings, recommendations, and appropriate documentation.
- e. Before the Executive Committee entertains any request extending the contract term of any contract subject to the title paragraph hereof beyond five years total duration, it will require a specific report and recommendation reflecting the results of a thorough review of market conditions and contract terms, and/or review of requests for proposal which demonstrates that

said recommendation is in the best interest of the American Legion, Department of Texas, South Houston Post 490, Inc. and such extension, if any, shall be effected by the execution of a new signed contract, the duration of which may not exceed five years.

- f. All contractors commissioned by South Houston Post 490, Inc. are required to sign a Contractor Statement of Compliance letter containing the following Contractor Code of Conduct and Standards ratified by the Department of Texas, American Legion in January 2009 which establishes the highest ethical standards for all contractors doing business with American Legion Posts in the State of Texas. That resolution in its entirety follows:

CONTRACTOR CODE OF CONDUCT AND STANDARDS

Each contractor who does business with The American Legion in the State of Texas shall conduct and comport itself in a manner that is above reproach.

Each contractor shall abide by and follow the highest ethical standards in complying not only with the terms but also with the intent and spirit of any contract and deal in good faith at all times.

No contractor shall combine or act collusively with another; solicit, offer or accept any bribe or kickback; or attempt to influence a decision of The American Legion or its Officers, or Post Executive Committee, in any way or fashion, including, but not limited to, the giving of gifts, offer of entertainment or lobby for or against any decision or position of The American Legion, Department of Texas.

When in doubt about a course of action, the contractor has the duty to inquire in writing to the Post Adjutant revealing all relevant information, facts and details.

Failure to abide by this code of conduct and standards can result in a refusal by the American Legion, Department of Texas, South Houston Post 490, Inc. to continue any relationship.

12. DOCUMENT RETENTION/DESTRUCTION POLICY – SARBANES-OXLEY (SOX) CONSIDERATIONS.

South Houston Post 490, Inc. complies with all general regulations, including 29 CFR part 516, in relationship to record keeping and reporting requirements. The American Legion and Department of Texas auditors have supplied a record retention recommendation listing, which South Houston Post 490, Inc. prudently follows attached in Appendix C.

13. 990 COMPLIANCE “WHISTLE BLOWER” PROTECTION POLICY.

Any individual, whether paid staff or independent (non-paid) Executive Committee or Board of Trustees member, who wishes to voice a concern regarding an alleged impropriety of any type in connection with the policies contained herein, may do so without fear of reprisals. Employees may notify the Adjutant or the Commander. Non-paid board members may contact the Commander, Adjutant, Judge Advocate, or any member of the Finance Committee if they have a concern they wish to report.

All reported concerns are to be handled in the most confidential manner possible as the allegation is investigated. If the allegation is specifically related to governance, management and disclosure and is found to have merit, appropriate action will be taken as determined by the Finance Committee, and if necessary, the Executive Committee if the allegation concerns an independent (non-paid) Executive Committee or Board of Trustees member, and by the Adjutant if it concerns a paid employee. If the allegation concerns a paid officer of the Post, the Finance Committee and Post Executive Committee will determine the appropriate handling of the matter.

Those who file complaints, report suspected violations of this policy, or participate in an investigation may do so without fear of retaliation or adverse employment action and with confidence that their concerns will be thoroughly investigated and dealt with.

POST CERTIFICATION

We, the following officers of South Houston Post No. 490 The American Legion, hereby certify that the foregoing 990 Compliance Policy was given to all members, was adopted at a regular meeting of this Post held on the _____ day of _____, 20____, A. D.

Benjamin I. Edwards II
Judge Advocate

Date

Wendell Denney
Adjutant, 990 Compliance Officer

Date

John J. Cronin
Commander

Date

**Appendix A – Conflict of Interest Questionnaire – Officer / Trustee
 SOUTH HOUSTON POST 490, INC., DEPARTMENT OF TEXAS, THE AMERICAN LEGION
 OFFICERS, TRUSTEES AND/OR KEY EMPLOYEES
 QUESTIONNAIRE ON POTENTIAL CONFLICTS OF INTEREST**

1.	<p>Do you currently have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s))?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If yes, name of company/organization: _____ Company address: _____ Nature of business: _____ Your affiliation with this company: _____ If this company/organization conducts business with The American Legion Post _____, what is the volume: _____</p>
2.	<p>Do you have a family member who has a direct or indirect business relationship with the organization?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If yes, what is that family member's name and relationship to you?</p> <p>_____</p> <p>Nature of the business relationship: _____</p> <p>_____</p> <p>_____</p>
3.	<p>Do you serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If yes, name of company/organization: _____ Company address: _____ Nature of business: _____ Your affiliation with this company: _____ If this company/organization conducts business with The American Legion Post _____ what is the volume: _____</p>
4.	<p>Do you have a direct business relationship with any other officer, director, trustee, or employee of the organization?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If yes, please indicate the name and relationship _____</p>
5.	<p>Is any other officer, director, trustee, or employee of the organization an immediate family member of yours?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If yes, please indicate the name and relationship: _____</p>
<p>• TITLE: _____</p>	
<p>• PRINTED NAME: _____</p>	
<p>• SIGNATURE: _____</p>	
<p>• DATE: _____</p>	

Appendix B – Conflict of Interest Questionnaire – Employee

SOUTH HOUSTON POST 490, INC., DEPARTMENT OF TEXAS, THE AMERICAN LEGION EMPLOYEES' QUESTIONNAIRE ON POTENTIAL CONFLICTS OF INTEREST

1.	Are you presently employed or are you accepting payment for contracted, salaried, or commissioned services outside South Houston Post 490 Inc., or do you have an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s)) doing business with South Houston Post 490 Inc.? <input type="checkbox"/> YES <input type="checkbox"/> NO
2.	If you answered "NO" to the above question, merely sign your name where indicated, state your job title, and date. If you answered "YES" to this question, please complete questions 3 through 9 below. <input type="checkbox"/> YES <input type="checkbox"/> NO
3.	Name of company/organization with which you are involved: _____ _____
4.	Company Address: _____ _____
5.	Nature of business: _____ _____
6.	Type(s) of product(s) or service(s): _____ _____
7.	Your job title or affiliation with this other company: _____ _____
8.	If this company/organization conducts business with South Houston Post 490 Inc., what is the volume: _____ _____
9.	Approximate number of hours per week that you work for this other company: _____
	<ul style="list-style-type: none">• TITLE: _____• PRINTED NAME: _____• SIGNATURE: _____• DATE: _____

Appendix C – RECOMMENDED DOCUMENT RETENTION/DESTRUCTION

Item	Retention Period
Accident reports and claims (settled cases)	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports of accountants	Permanently
Bank reconciliation	7 years
Bank statements	7 years
Capital stock and bond records; ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently
Cash books	Permanently
Charts of accounts	Permanently
Checks (cancelled but see exception below)	7 years
Checks (cancelled for important payments, i.e., taxes, purchases of property, special contracts, etc.)(checks should be filed with papers pertaining to the underlying transactions)	Permanently
Contracts and leases (expired)	7 years
Contracts and leases still in effect	Permanently
Correspondence (routine) with customers or vendors	3 years
Correspondence (general)	3 years
Correspondence (legal and important matters only)	Permanently
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Deposit Slips	7 years
Employment applications (from date position is filled)	3 years
Employee personnel records (after termination)	3 years
Employee withholding records	7 years

Item	Retention Period
Expense analyses and expense distribution schedules	7 years
Financial statements (end-of-year, other months optional)	Permanently
General and private ledgers (and end-of-year trial balances)	Permanently
Gifts, records of gifts	Permanently
Group disability reports	8 years
Incorporation records made or received	Permanently
Insurance policies (expired)	4 years
Insurance policies, reports and claims (current)	Permanently
Internal audit reports (in some situations, longer retention periods may be desirable)	3 years
Inventories of products, materials, and supplies	7 years
Invoices to customers	7 years
Invoices from vendors	7 years
Journals	Permanently
Minute books of directors and stockholders, including by-laws and charter	Permanently
Notes receivable ledger and schedules	7 years
Option records (expired)	7 years
Payroll register	Permanently
Petty cash vouchers	3 years
Physical inventory tags	3 years
Plant cost ledgers	7 years
Property appraisals by outside appraisers	Permanently
Property records-including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints and plans	Permanently
Purchase orders (purchasing department copy)	7 years
Receiving sheets	3 years
Requisitions	3 years
Retirement and pension records	Permanently
Sales records	7 years
Savings bonds registration records of employees	3 years
Stock and bond certificates (cancelled)	Permanently
Stockroom withdrawal forms	3 years
Subsidiary ledgers	7 years
Tax and legal correspondence	Permanently
Tax returns and worksheets, revenue agent's reports and other documents relating to determination of income tax liability	Permanently
Time books	7 years
Trade mark registrations	Permanently
Voucher register and schedules	7 years
Vouchers for payments to vendors, employees, etc. (including allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses)	7 years