



# American Legion Auxiliary

*A Community of Volunteers Serving Veterans,  
Military, and their Families*

TO: National Officers, National Executive Committee, National Chairs, Department Presidents, Department Secretaries/Executive Directors, Past National Presidents,  
CC: National Headquarters Staff, Convention Parliamentarian Chris Dickey  
FROM: Office of the National Secretary  
DATE: August 5, 2024  
SUBJECT: Proposed amendments to the American Legion Auxiliary national governing documents that will come before the 2024 National Convention delegates

In compliance with ALA National Constitution Article VII, Amendments and ALA National Bylaws Article XIII, Amendments, this memorandum serves as official notice twenty days before national convention of the proposed amendments to the American Legion Auxiliary National Constitution, Bylaws, and Standing Rules that will be considered at the 2024 National Convention in New Orleans, Louisiana. *Departments are responsible for distributing the proposed amendments to their National Convention delegates.*

Attached is a list of the amendments that will come before the National Convention body, followed by each proposal in 3-column format.

After the delegate registration deadline on August 12, all National Convention delegates with valid emails in the ALA online registration system will receive an electronic copy of the documents. They will also be posted in MyAuxiliary on the American Legion Auxiliary National website.

The Constitution & Bylaws Pre-Convention Meeting is open to all delegates to ask clarifying questions about the proposed amendments. A clarifying question pertains to the *meaning* of the wording in a proposal. There is to be no debate on the merits of, or opinions about, the proposals by the delegates during the Pre-Convention Meeting. Debate is reserved for the convention floor on Tuesday. National Convention Parliamentarian Chris Dickey will be present at the C&B Pre-Convention Meeting along with the Constitution & Bylaws Committee and national officers. The Constitution & Bylaws Pre-Convention Meeting is currently scheduled for Saturday, August 24, 2024 at the New Orleans Convention Center, 208-210. Please check updated schedules on site for any time/location updates.

Thank you for being a part of the corporate responsibilities in the governance of the American Legion Auxiliary as a 501 (c) 19 tax-exempt organization incorporated in the state of Indiana.

**American Legion Auxiliary**

**National Convention 2024**

**SUMMARY OF AMENDMENTS**

	<b>AMENDMENT(S)</b>	<b>SUBJECT</b>	<b>PRESENT AT</b>	<b>SUBMITTED BY</b>
<b>Proposed Amendment 1</b>	Constitution, Article VI, National Convention Proposal: make the position of National Chair a delegate-at-large to the National Convention		<b>CONVENTION BODY</b>	<b>Department of Minnesota</b>
<b>Proposed Amendment 2</b>	Bylaws, Article XI, Unit Charters, Section 1 Proposal: attach the NEC to foreign units not attached to a department.		<b>CONVENTION BODY</b>	<b>NEC</b>
<b>Proposed Amendment 3</b>	Bylaws, Article XI, Cancellation of Charters, Unit Charters, Sections 5 and 6 Proposal: remove redundant wording from Bylaws.		<b>CONVENTION BODY</b>	<b>NEC</b>
<b>Proposed Amendment 4</b>	Standing Rules, VII Committees, Section 6, Member/Organizational Support Proposal: Resurrect the National Past Presidents Parley Committee		<b>CONVENTION BODY</b>	<b>Department of Texas</b>
<b>Proposed Amendment 5</b>	Standing Rules, VII, COMMITTEES, Section 6, Core National Standing Committees, Constitution & Bylaws Proposal: to increase the committee by adding three (3) additional members making it a committee of five (5) total.		<b>CONVENTION BODY</b>	<b>Department of Texas</b>
<b>Proposed Amendment 6</b>	Standing Rules, VII, COMMITTEES, Section 6, Core National Standing Committees, Veterans Affairs and Rehabilitation Committee Proposal: to update the purpose statement to include the caregivers and survivors of veterans.		<b>CONVENTION BODY</b>	<b>National Veterans Affairs &amp; Rehabilitation Committee</b>
<b>Proposed Amendment 7</b>	Standing Rules, XI, Units, #10 Proposal: remove a unit's authority to revoke membership in the ALA.		<b>CONVENTION BODY</b>	<b>Department of Ohio</b>
<b>Proposed Amendment 8</b>	Standing Rules, VII, COMMITTEES, Section 6, Core Committees, Risk and Compliance Proposal: to update committee purpose to include the review of financials, compliance, oversight of controls and annual audit responsibilities for the ALA Foundation.		<b>CONVENTION BODY</b>	<b>ALA Foundation Board of Directors</b>

<b>Proposed Amendment</b> <b>9</b>	Standing Rules, VII, COMMITTEES, Section 6, Special Purpose Committees, Ethical Conduct Proposal: to update the purpose of the Ethical Conduct Committee to include review of allegations of the ALA Foundation’s Code of Ethical Conduct violations by Directors of the ALA Foundation.	<b>CONVENTION BODY</b>	<b>ALA Foundation Board of Directors</b>
------------------------------------	---	------------------------	--

*This packet includes a copy of the current (adopted) ALA Foundation Code of Conduct. This is included for information only.*

*Amendments for consideration by the Convention delegates are presented in full on the following pages*

Proposal 1: Constitution, Article VI, National Convention		
Current Wording	Proposed Amendment	If Adopted, Will Read
<p><i>New – to be added following current Section 6 as the new Section 7.</i></p>	<p><i>Section 7.</i> National Committee Chairmen (Americanism, American Legion Auxiliary Girls Nation, Auxiliary Emergency Fund, Children &amp; Youth, Community Service, Constitution &amp; Bylaws, Education, Finance, Junior Activities, Leadership, Legislative, Membership, National Security, Poppy, Public Relations, Risk &amp; Compliance, and Veterans Affairs &amp; Rehabilitation) shall be delegates-at-large to the National Convention, unless already a delegate-at-large. Vote to be exercised with their departments</p>	<p><i>Section 7.</i> National Committee Chairmen (Americanism, American Legion Auxiliary Girls Nation, Auxiliary Emergency Fund, Children &amp; Youth, Community Service, Constitution &amp; Bylaws, Education, Finance, Junior Activities, Leadership, Legislative, Membership, National Security, Poppy, Public Relations, Risk &amp; Compliance, and Veterans Affairs &amp; Rehabilitation) shall be delegates-at-large to the National Convention, unless already a delegate-at-large. Vote to be exercised with their departments.</p>

Proposed by: Department of Minnesota

Rationale: The National Chairs should be delegates-at-large, so they are assured to have voice and vote as members of their department’s delegation. This proposal assures full representation of the National Chairs on the convention floor.

Consequential Amendment: current sections 7, 8 & 9 in this Article would be renumbered to 8, 9 & 10.

Proposal 2: Bylaws Article XI, Unit Charters, Section 1

Current Wording	Proposed Amendment	If Adopted, Will Read

<p>The Department Executive Committee may discipline Units or cancel Unit charters for any good and sufficient cause following the principle of fundamental fairness, which includes notice and an opportunity to be heard.</p>	<p><del>The Department Executive Committee may discipline Units or cancel Unit charters for any good and sufficient cause following the principle of fundamental fairness, which includes notice and an opportunity to be heard.</del></p> <p><b>Units attached to departments may be disciplined by their Department Executive Committee for any good and sufficient cause. Foreign Units not attached to a department may be disciplined by the National Executive Committee for any good and sufficient cause.</b></p> <p><b>Disciplinary action may include censure, probation with corrective terms, or initiating the charter cancellation process in which the National Executive Committee has final authority.</b></p> <p><b>Disciplinary action must follow the principles of fundamental fairness, which includes notice and an opportunity to be heard.</b></p>	<p>Units attached to departments may be disciplined by their Department Executive Committee for any good and sufficient cause. Foreign Units not attached to a department may be disciplined by the National Executive Committee for any good and sufficient cause.</p> <p>Disciplinary action may include censure, probation with corrective terms, or initiating the charter cancellation process in which the National Executive Committee has final authority.</p> <p>Disciplinary action must follow the principles of fundamental fairness, which includes notice and an opportunity to be heard.</p>
---	---	---

Proposed by: National Executive Committee

Rationale: Currently foreign units not attached to a department have no support system nor is there a body with authority to execute disciplinary action on foreign units not attached to a department. Updates to this bylaw seek to attach the NEC to these foreign units not attached to a department, thereby giving these foreign units stability, guidance, assistance, and if necessary, a means for enacting rehabilitative or punitive measures.

Consequential Amendment: if passed, the title of Bylaws Article XI would change from “Cancellation of Charters” to “Discipline and Cancellation of Charters”

Proposal 3: Bylaws Article XI Cancellation of Charters, Unit Charters, Sections 5 and 6		
Current Wording	Proposed Amendment	If Adopted, Will Read

<p>Section 5. Upon cancellation of a Unit Charter, the Department Executive Committee is authorized to take possession of all records, assets and property of the Unit and to provide for the administration of the Unit until members are transferred to other Units.</p> <p>Section 6. In no event shall the Department organization be required to assume any of the Unit's debts.</p>	<p><del>Section 5. Upon cancellation of a Unit Charter, the Department Executive Committee is authorized to take possession of all records, assets and property of the Unit and to provide for the administration of the Unit until members are transferred to other Units.</del></p> <p><del>Section 6. In no event shall the Department organization be required to assume any of the Unit's debts.</del></p>	
---	---	--

Proposed by: National Executive Committee

Rationale: Duplicate wording. This wording is captured in Standing Rule XI. Units Sec. #12

Proposal 4: Standing Rules VII COMMITTEES, Sect. 6, Member/Organizational Support

Current Wording	Proposed Amendment	If Adopted, Will Read
<p><i>Proposed amendment to be inserted after "Leadership" committee and before "Public Relations" committee</i></p>	<p><b>Past Presidents Parley: The Past Presidents Parley shall be comprised of a chairman, and two (2) members, all of whom shall be Past National Presidents and all of whom shall serve a one-year term. Members in the Past Presidents Parley shall all have served as American Legion Auxiliary National President.</b></p> <p><b>The purpose of the Past Presidents Parley is to further the mission of the American Legion Auxiliary through activism to include, but not limited to, support of national initiatives, service projects and mentoring of members at all levels.</b></p>	<p>Past Presidents Parley: The Past Presidents Parley shall be comprised of a chairman, and two (2) members, all of whom shall be Past National Presidents and all of whom shall serve a one-year term. Members in the Past Presidents Parley shall all have served as American Legion Auxiliary National President.</p> <p>The purpose of the Past Presidents Parley is to further the mission of the American Legion Auxiliary through activism to include, but not limited to, support of national initiatives, service projects and mentoring of members at all levels.</p>

Proposed by: Department of Texas

Rationale: The Past Presidents Parley committee was abolished in 2018-2019 for reasons to include lack of formal purpose and foundational activism. After four years, it has been determined that due to the renewed interest of Past National Presidents desiring to take an active role in furthering the mission of the organization and this leadership group requiring a formalized structure, the Past Presidents Parley committee should be reinstated. Keeping with the National President's right to appoint designating a Past National President to serve as chairman assures that recent leadership remains active, engaged, and involved to continue formalizing the society of Past National Presidents for the purpose of remaining relevant and participatory in American Legion Auxiliary initiatives.

Proposal 5. Standing Rules VII COMMITTEES, Sect. 6, Core National Standing Committees, Constitution & Bylaws

Current Wording	Proposed Amendment	If Adopted, Will Read
<p>Constitution &amp; Bylaws: The Constitution &amp; Bylaws Committee shall be comprised of a chairman and vice chairman, both of whom shall serve a one-year term.</p> <p>The purpose of the Constitution &amp; Bylaws Committee is to inform members about having proper governing documents at all levels.</p>	<p>Constitution &amp; Bylaws: The Constitution &amp; Bylaws Committee shall be comprised of a chairman, <b>and</b> vice chairman, <b>and three (3) members all both</b> of whom shall serve a one-year term.</p> <p>The purpose of the Constitution &amp; Bylaws Committee is to inform members about having proper governing documents at all levels.</p>	<p>Constitution &amp; Bylaws: The Constitution &amp; Bylaws Committee shall be comprised of a chairman, vice chairman, and three (3) members all of whom shall serve a one-year term.</p> <p>The purpose of the Constitution &amp; Bylaws Committee is to inform members about having proper governing documents at all levels.</p>

Proposed by: Department of Texas

Rationale: The structure of the Constitution & Bylaws Committee was amended from the original composition of five members to two members in 2019 with the rationale that the committee could be managed with just two members along with heavy oversight from the National Headquarters program coordinator and professional parliamentarian.

After four years, it has been determined that due to the renewed interest in the governing documents and Constitution & Bylaws resulting from COVID along with additional interest in the program overall, departments have communicated a desire to have more conscientious and consistent communication. To appropriately manage and facilitate heightened communication to 52 departments plus foreign units, returning the committee to its original structure of five members would enable the ability to pro-actively respond to every department and provide consistent and relevant outbound communications in a timely manner.



Proposal 6: Standing Rules VII COMMITTEES, Section 6, Core National Standing Committees, Veterans Affairs and Rehabilitation Committee

Current Wording	Proposed Amendment	If Adopted, Will Read
<p>Veteran Affairs &amp; Rehabilitation: The Veterans Affairs &amp; Rehabilitation Committee shall be comprised of a chairman who shall serve a one-year term; a vice chairman and one (1) member serving staggered two-year terms, one of whom shall be appointed each year to a two-year term, and a representative from each National Division who shall serve a one-year term. The vice chairman shall serve as the National Veterans Affairs Voluntary Service (VAVS) Representative, and the member shall serve as the National VAVS Deputy Representative.</p> <p>The purpose of the Veterans Affairs &amp; Rehabilitation Committee is to promote programs and services that assist and enhance the lives of veterans and their families, ensuring restoration and/or transition to normally functioning lives.</p>	<p>Veteran Affairs &amp; Rehabilitation: The Veterans Affairs &amp; Rehabilitation Committee shall be comprised of a chairman who shall serve a one-year term; a vice chairman and one (1) member serving staggered two-year terms, one of whom shall be appointed each year to a two-year term, and a representative from each National Division who shall serve a one-year term. The vice chairman shall serve as the National Veterans Affairs Voluntary Service (VAVS) Representative, and the member shall serve as the National VAVS Deputy Representative.</p> <p>The purpose of the Veterans Affairs &amp; Rehabilitation Committee is to promote programs, <b>events</b> and services that assist and enhance the lives of veterans, <b>and their families, their caregivers and their survivors</b> ensuring <b>restoration and/or transition to normally functioning lives. the best quality of life possible and the continuing honor of their memory.</b></p>	<p>Veteran Affairs &amp; Rehabilitation: The Veterans Affairs &amp; Rehabilitation Committee shall be comprised of a chairman who shall serve a one-year term; a vice chairman and one (1) member serving staggered two-year terms, one of whom shall be appointed each year to a two-year term, and a representative from each National Division who shall serve a one-year term. The vice chairman shall serve as the National Veterans Affairs Voluntary Service (VAVS) Representative, and the member shall serve as the National VAVS Deputy Representative.</p> <p>The purpose of the Veterans Affairs &amp; Rehabilitation Committee is to promote programs, events and services that assist and enhance the lives of veterans, their families, their caregivers and their survivors, ensuring the best quality of life possible and the continuing honor of their memory.</p>

Proposed by: The 2023-2024 National VA&R Committee

Rationale: Updating the program purpose statement will ensure it is reflective of the ever evolving nature of the Veterans Affairs & Rehabilitation program. This proposal seeks to capture the myriad of ways the ALA can enhance not only the lives of our Veterans, but also those who are integral to optimizing their quality of life on a daily basis. This proposal includes updating the program purpose statement to continue support of familial and nonfamilial caregivers, as well as those left behind when our veterans pass.

Proposal 7: Standing Rules, Section XI, Units, #10		
Current Wording	Proposed Amendment	If Adopted, Will Read
<p>The Unit has the responsibility for the discipline of its members. A member disciplined by the member's Unit may appeal the Unit's disciplinary action in writing to the Department Executive Committee.</p> <p>Disciplinary actions against members, including membership suspensions, are not appealable to the National Organization. All discipline must be imposed in accordance with the principle of fundamental fairness which includes notice and an opportunity to be heard. A Department may discipline a Unit for failure to discipline a member.</p>	<p>The Unit has the responsibility for the discipline of its members. A member disciplined by the member's Unit may appeal the Unit's disciplinary action in writing to the Department Executive Committee.</p> <p><b>There will be no revocation of Membership by the Unit. A Unit may suspend a member only after following the due process and fundamental fairness practices stated in the governing documents of the Unit, Department, and the local State laws for non-profits.</b></p> <p><b>The suspended member of the Unit would be transferred to the Department Membership Group for a period of not less than 3 months but not more than 1 year. After the suspension period the member may apply to transfer to another Unit pending acceptance by the transfer Unit membership. If the suspended member is denied, they may apply to another Unit or remain in the Department Membership Group indefinitely.</b></p> <p>Disciplinary actions against members, including membership suspensions, are not appealable to</p>	<p>The Unit has the responsibility for the discipline of its members. A member disciplined by the member's Unit may appeal the Unit's disciplinary action in writing to the Department Executive Committee.</p> <p>There will be no revocation of Membership by the Unit. A Unit may suspend a member only after following the due process and fundamental fairness practices stated in the governing documents of the Unit, Department, and the local State laws for non-profits.</p> <p>The suspended member of the Unit would be transferred to the Department Membership Group for a period of not less than 3 months but not more than 1 year. After the suspension period the member may apply to transfer to another Unit pending acceptance by the transfer Unit membership. If the suspended member is denied, they may apply to another Unit or remain in the Department Membership Group indefinitely.</p> <p>Disciplinary actions against members, including membership suspensions, are not appealable to</p>

	<p>the National Organization. All discipline must be imposed in accordance with the principle of fundamental fairness which includes notice and an opportunity to be heard. A Department may discipline a Unit for failure to discipline a member.</p>	<p>the National Organization. All discipline must be imposed in accordance with the principle of fundamental fairness which includes notice and an opportunity to be heard. A Department may discipline a Unit for failure to discipline a member.</p>
--	--	--

Proposed by: Department of Ohio

Rationale: This proposal seeks to protect members' rights and fundamental fairness. Utilizing suspension as a disciplinary action instead of expulsion leaves the member with the ability to continue to honor the veteran who gave them the eligibility to become a part of our organization. Units still maintain the authority to discipline their members while continuing to retain membership for the organization. Keeping the option to suspend while removing the option for expulsion allows for Units to discipline while continuing to give members the opportunity to remain a part of our organization.

Proposal 8: Standing Rules, VII COMMITTEES, Core Committees, Risk and Compliance		
Current Wording	Proposed Amendment	If Adopted, will read
<p>Risk &amp; Compliance: The Risk &amp; Compliance Committee shall be comprised of a chairman and two (2) members, each serving staggered three-year terms, one of whom shall be appointed each year by the National President; and two (2) liaison members, one (1) of whom shall be recommended each year by the National Finance Committee and one (1) of whom shall be a member of the American Legion Auxiliary Foundation Board of Directors recommended each year by the American Legion Auxiliary Foundation to the National President for appointment. An additional member independent of the organization may be selected by the Risk &amp; Compliance Committee from applicants with demonstrated experience in nonprofit risk and compliance, to serve not more than two (2) consecutive three year terms with voice but without vote. The National President shall appoint the chairman from among those ALA members who are not liaison members.</p>	<p>Risk &amp; Compliance: The Risk &amp; Compliance Committee shall be comprised of a chairman and two (2) members, each serving staggered three-year terms, one of whom shall be appointed each year by the National President; and two (2) liaison members, one (1) of whom shall be recommended each year by the National Finance Committee and one (1) of whom shall be a member of the American Legion Auxiliary Foundation Board of Directors recommended each year by the American Legion Auxiliary Foundation to the National President for appointment. An additional member independent of the organization may be selected by the Risk &amp; Compliance Committee from applicants with demonstrated experience in nonprofit risk and compliance, to serve not more than two (2) consecutive three year terms with voice but without vote. The National President shall appoint the chairman from among those ALA members who are not liaison members.</p>	<p>Risk &amp; Compliance: The Risk &amp; Compliance Committee shall be comprised of a chairman and two (2) members, each serving staggered three-year terms, one of whom shall be appointed each year by the National President; and two (2) liaison members, one (1) of whom shall be recommended each year by the National Finance Committee and one (1) of whom shall be a member of the American Legion Auxiliary Foundation Board of Directors recommended each year by the American Legion Auxiliary Foundation to the National President for appointment. An additional member independent of the organization may be selected by the Risk &amp; Compliance Committee from applicants with demonstrated experience in nonprofit risk and compliance, to serve not more than two (2) consecutive three year terms with voice but without vote. The National President shall appoint the chairman from among those ALA members who are not liaison members.</p> <p>The Risk &amp; Compliance Committee responsibilities, with regard to the ALA and the ALA Foundation are to:</p>

<p>The Risk &amp; Compliance Committee responsibilities are to:</p> <ol style="list-style-type: none"> <li>1. review the integrity of financial statements and financial disclosures;</li> <li>2. ensure compliance with legal and regulatory requirements;</li> <li>3. engage the independent auditor and review and approve the annual financial audit and IRS Form 990;</li> <li>4. oversee the organization’s internal controls and risk management procedures;</li> <li>5. meet periodically with management and auditors to gain an understanding of the potential significant risks and exposures facing the organization; and propose needed internal controls to reduce risks.</li> </ol>	<p>The Risk &amp; Compliance Committee responsibilities <b>with regard to the ALA and the ALA Foundation</b> are to:</p> <ol style="list-style-type: none"> <li>1. review the integrity of financial statements and financial disclosures;</li> <li>2. ensure compliance with legal and regulatory requirements;</li> <li>3. engage the independent auditor and review and approve the annual financial audit and IRS Form 990;</li> <li>4. oversee the organization’s internal controls and risk management procedures;</li> <li>5. meet periodically with <b>respective</b> management and auditors to gain an understanding of the potential significant risks and exposures facing the organization; and propose needed internal controls to reduce risks.</li> </ol>	<ol style="list-style-type: none"> <li>1. review the integrity of financial statements and financial disclosures;</li> <li>2. ensure compliance with legal and regulatory requirements;</li> <li>3. engage the independent auditor and review and approve the annual financial audit and IRS Form 990;</li> <li>4. oversee the organization’s internal controls and risk management procedures;</li> <li>5. meet periodically with respective management and auditors to gain an understanding of the potential significant risks and exposures facing the organization; and propose needed internal controls to reduce risks.</li> </ol>
--	---	---

Proposed by: American Legion Auxiliary Foundation Board of Directors

Rationale: This will clarify the relationship of the ALA Risk & Compliance Committee with regard to the ALA Foundation.

Proposal 9: Standing Rules, Article VII COMMITTEES, Special Purpose Committees, Ethical Conduct		
Current Wording	Proposed Amendment	If Adopted, will read
<p>Ethical Conduct: The National President must appoint an Ethical Conduct Committee. The committee shall be composed of six (6) members, each serving staggered three year terms, no member serving more than two consecutive terms. The National President shall annually appoint a chairman from among the committee members who have served at least one (1) year. Committee members will be selected from applicants with demonstrated experience in risk assessment, conducting investigations, and must be independent from the NEC. To maintain independence, members may not serve on other national committees and will not attend national meetings unless required to report.</p> <p>The purpose of the Ethical Conduct Committee is to review allegations of Code of Ethical Conduct violations by all national officers, national committee members and members of the NEC, regardless of voting rights, in a timely manner ensuring</p>	<p>Ethical Conduct: The National President must appoint an Ethical Conduct Committee. The committee shall be composed of six (6) members, each serving staggered three year terms, no member serving more than two consecutive terms. The National President shall annually appoint a chairman from among the committee members who have served at least one (1) year. Committee members will be selected from applicants with demonstrated experience in risk assessment, conducting investigations, and must be independent from the NEC. To maintain independence, members may not serve on other national committees and will not attend national meetings unless required to report. The purposes of the Ethical Conduct Committee <del>is</del> <b>are (1)</b> to review allegations of Code of Ethical Conduct violations by all national officers, national committee members and members of the NEC, regardless of voting rights, in a timely manner ensuring fundamental fairness, and make recommendations to the NEC,</p>	<p>Ethical Conduct: The National President must appoint an Ethical Conduct Committee. The committee shall be composed of six (6) members, each serving staggered three year terms, no member serving more than two consecutive terms. The National President shall annually appoint a chairman from among the committee members who have served at least one (1) year. Committee members will be selected from applicants with demonstrated experience in risk assessment, conducting investigations, and must be independent from the NEC. To maintain independence, members may not serve on other national committees and will not attend national meetings unless required to report.</p> <p>The purposes of the Ethical Conduct Committee are (1) to review allegations of Code of Ethical Conduct violations by all national officers, national committee members and members of the NEC, regardless of voting rights, in a timely manner ensuring fundamental fairness, and make recommendations to the NEC, and (2) to review allegations of the</p>

<p>fundamental fairness, and make recommendations to the NEC.</p>	<p><b>and (2) to review allegations of the American Legion Auxiliary (ALA) Foundation's Code of Ethical Conduct violations by Directors of the ALA Foundation in a timely manner ensuring fundamental fairness, and make recommendations to the Board of Directors of the ALA Foundation.</b></p>	<p>American Legion Auxiliary (ALA) Foundation's Code of Ethical Conduct violations by Directors of the ALA Foundation in a timely manner ensuring fundamental fairness, and make recommendations to the Board of Directors of the ALA Foundation.</p>
---	---	---

Proposed by: American Legion Auxiliary Foundation Board of Directors

Rationale: This expansion of scope will provide the ALA Foundation with an independent review organization should there be any allegations of misconduct by Directors of the ALA Foundation.

# Reference Only: ALAF Code of Conduct

## AMERICAN LEGION AUXILIARY FOUNDATION

### CODE OF ETHICAL CONDUCT

The American Legion Auxiliary Foundation (“**ALAF**”) was formed in 2007 for the purposes of:

- raising funds and providing financial support and resources in support of the American Legion Auxiliary (“**ALA**”) in carrying out its educational, charitable, and other exempt purposes;
- overseeing and administering donations made to ALAF, including unrestricted funds, as well as restricted funds including the Mission Endowment Fund, the Veteran Projects Fund, and the Veterans Creative Fund (collectively, “**ALAF Funds**”); and
- acting as a temporary repository for funds raised and received to benefit the educational and charitable programs of the ALA.

Carrying out these purposes requires a strong commitment to complying with the applicable laws governing nonprofit entities and fund administration, but we believe that it is not sufficient to merely look to applicable laws for guidance on how we conduct ourselves as Board Members. We expect our Board Members to hold themselves to a standard of conduct that mirrors the values of the American Legion Auxiliary (“**ALA**”), including integrity, honesty, fairness, openness, responsibility and respect. This Code of Ethical Conduct (our “**Code**”) provides a framework for how we apply these core values in our work as members of the ALAF Board of Directors (“**Board Members**”). It’s the defining document of our culture as an organization, and we require that all Board Members read it, understand it, and apply its principles in all of their work for the ALAF.

Thank you for sharing our commitment to strong values and standards as we continue our work together to support the goals of the ALA.

#### Leadership Responsibility

As a Board Member, you have an obligation to carry out the following legal duties:

- **DUTY OF CARE.** The duty of care describes the level of competence that is expected of a Board Member and is commonly expressed as the duty of “care that an ordinarily prudent person would exercise in a like position and under similar circumstances.”
  - You have a duty to exercise reasonable care when you make a decision as a Board Member, and as a steward of the ALAF Funds, including maintaining sound investment management practices that seek to maximize the impact of ALA’s activities, and appropriately considering ALA’s mission within those practices.
  - You must appropriately manage the financial risks of ALAF and the ALAF Funds.



# Reference Only: ALAF Code of Conduct

- You must utilize external professionals when appropriate in the development, implementation, and review of the organization's investment strategy.
- You must periodically assess the performance and integrity of investment managers in their stewardship of the ALAF Funds.
- With guidance from ALAF professional staff and consultants, you must review and adjust the investment strategy and practices to best meet the organization's objectives and to maximize benefits from the ALAF Funds.
- **DUTY OF LOYALTY.** You must give undivided allegiance when making decisions affecting the ALAF. This means that you must always act in the best interests of the organization.
  - If a conflict arises between any interests of the ALAF and your own personal interests, the interests of ALAF must prevail.
  - In your role as an administrator of ALAF Funds, you must also place the interests of donors and grant applicants above your own.
  - If you become aware of an actual or potential conflict of interest, you must immediately disclose it to the ALAF Board.
  - You must not solicit, offer, or accept any gift, benefit, or consideration personally that could reasonably be expected to affect your loyalty to ALAF or improperly influence your ability to make decisions as a Board Member.
- **DUTY OF OBEDIENCE.** You are obligated to obey applicable laws, but you must also be familiar with and act in support of our mission and goals, and follow our internal rules and policies, including, but not limited to, our Bylaws, our Investment Policy Statement, and our Gift Acceptance Policies and Guidelines.
  - Maintaining law and order is part of our values as an organization, and we are committed to compliance with all applicable federal, state and local laws and regulations, including, but not limited to, laws and regulations related to nonprofit administration and governance, labor and employment, financial accountability, taxation, fundraising, trademark protection, and licensing.
  - As a Board Member, you do not need to be an expert in the law, but you do need to familiarize yourself with the laws that apply to your work as an ALAF Board Member, and you are responsible for seeking the advice and knowledge you need to stay reasonably informed.

In addition to the duties described above, ALAF requires all Board Members to ensure that all ALAF policies are in writing, clearly articulated, officially adopted, fairly and consistently enforced, and

# Reference Only: ALAF Code of Conduct

effectively communicated to everyone governed by them, and to carry out periodic reviews of the ALAF's structure, procedures and programs, and determine whether any policies or practices should be changed to comply with applicable laws, ALA policy and values, or general best practices.

## **Responsible Stewardship**

Our success as an organization depends not just on the strength of our programs, but on our ability to use our resources wisely. Theft, carelessness, and waste have a direct impact on our culture, our reputation, our integrity, and our ability to carry out our programs, so all Board Members are required to ensure that our assets are used efficiently, and only for legitimate purposes. Specifically, Board Members must ensure that:

- Financial reports are created and maintained on a timely basis and accurately portray the ALAF's financial status and activities.
- Internal financial statements are accurate and provided on a timely basis.
- Annual financial reports are accurate and disclosed in compliance with IRS regulations.
- Written financial policies governing management and investment of assets and reserve accounts, internal control procedures, and purchasing practices are regularly reviewed and updated.

## **Openness and Disclosure**

The ALAF's reputation depends on maintaining trust with the public. For this reason, all Board Members are responsible for ensuring that ALAF provides comprehensive and timely information to the public and the media, and is responsive to reasonable requests for information, and that all information provided by ALAF fully and honestly reflects the policies and the practices of ALAF.

## **Donor Relations**

ALAF deeply values its relationships with individual and corporate donors. All Board Members are required to protect the privacy of ALAF donors, and to ensure that funds are always expended in a manner that is consistent with donor intent.

To assure that donors and prospective donors can have full confidence in the organization and the causes they are asked to support, ALAF respects the following rights of donors:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the Board, and to expect the Board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statement, and other information upon request, to the extent necessary to evaluate the policies and practices of the ALAF.
- To receive appropriate acknowledgment and recognition.
- To have information about their donations treated with respect and confidentiality to the extent provided by law.
- To have all relationships with individuals representing the ALAF be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

# Reference Only: ALAF Code of Conduct

- To receive prompt, truthful and forthright answers to all questions reasonably related to the policies and practices of the ALAF, including how donations will be used.
- To receive all appropriate information regarding the costs related to fundraising incurred by the organization.

## **Grant Making**

The ALAF shall have specific stated responsibilities in carrying out grant programs. These responsibilities include the following:

- A formal and consistent application process which includes defined eligibility.
- Fair and equitable selection criteria.
- Reasonable protection of sensitive applicant information.
- Clear, timely and respectful communications throughout the application process.

## **Inclusiveness and Diversity**

We are proud of our organization's diversity. We are strengthened by the range of backgrounds and beliefs represented by our Board Members and staff, and we believe that we do our best work in an atmosphere of mutual respect for the worth and dignity of our every Board Member, staff member, donor, and grant applicant. We do not discriminate on the basis of race, sex, national origin, religion, disability, age, sexual orientation, marital status, parental status, medical condition, or any other legally protected characteristic.