

# Efficient, ethical, transparent

*Donors to Legion charities can rest assured they know where their money goes.*

BY KENNETH DANILSON

Media reports and congressional hearings last winter called the reputations of several veterans charities into question. Conspicuously absent from the reports were programs administered by The American Legion.

"Why don't you have hearings on us?" American Legion National Adjutant Robert W. Spanogle once asked former Sen. Alan Simpson of Wyoming.

"Because you guys do it right," Simpson said.

Although a couple of decades have passed since that exchange, The American Legion still "does it right."

"I am quite proud of our record of delivering donations," American Legion National Commander Marty Conatser said. "When people donate to one of our programs, they can be assured their donation goes to the cause for which it was intended. Promotional expenses are usually low, and staff salaries are paid from our general budget, not the charitable donations."

One such program is the National Emergency Fund. The NEF was created in the aftermath of Hurricane Camille in 1969 to provide funds to Legionnaires hurt by natural disasters. During the hurricane season of 2005 that battered the Gulf Coast, more than \$2.1 million in NEF cash grants were swiftly awarded by The American Legion. Relying mostly on publicity from *The American Legion Magazine*, *Dispatch*, the national Web site, department publications and post newsletters, the NEF only paid \$7,083 in expenses that year, three tenths of 1 percent of the \$2.36 million it received.

The NEF spent \$10,520 in 2007 expenses (through Nov. 30) and awarded \$159,950 in grants. Donors gave \$401,835, most of which was safely invested to be used for future disasters.

The American Legion Endowment Fund was established in 1925 with \$5 million after a year-long fund-raising drive. The fund is still used today to provide grants to military families in need and to support veterans rehabilitation programs.

In 2007, \$301,240 in grants were awarded by

Nov. 30, even though the fund only received \$64,386 in donations. Investment revenue exceeded \$595,000 during the same period.

Money set aside in American Legion accounts is contained in a metaphorical "lock box." Money simply cannot be transferred from one program to another. The programs themselves are authorized by the National Executive Committee, which serves as the organization's board of directors with representation from all 55 American Legion departments.

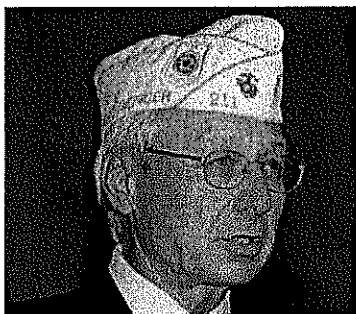
The American Legion's Legacy Scholarship Fund was established shortly after the 9/11 attacks. It helps pay college costs for children of servicemembers killed on active duty since Sept. 11, 2001. With \$2.1 million in the account, the only 2007 expenses through November (besides actual scholarships) were \$9,045 in investment fees. The Legion is building the fund to eventually pay for scholarships only with investment earnings.

Created in 1954, the Child Welfare Foundation provides grants for projects and programs that "contribute to the physical, mental, emotional and spiritual welfare of children and youth." In the first 11 months of 2007, the CWF awarded \$536,500 in grants. Donations were \$595,682 and the \$6.67 million fund balance earned \$587,685. Administrative expenses represented 1.97 percent of the fund's balance.

As a congressionally chartered nonprofit organization, The American Legion files a report on its activities annually with Congress. Each major fund is separately incorporated or chartered, with its own articles, bylaws, purposes and trustees. Each files an annual Form 990 with the IRS. The financial reports for the funds are included as part of The American Legion's annual audit and published in the program for the national convention. Legion audits and 990 tax returns are available to any member of the public who requests them.

"The American Legion has always believed in transparency regarding our finances," Conatser said. "We are ethical and efficient. Our members and donors should be confident and proud of the way the Legion administers its charities."

To learn more about American Legion charitable programs or to donate, visit [www.legion.org](http://www.legion.org) or call (317) 630-1200.



*Kenneth Danilson is chairman of The American Legion National Finance Commission.*