AFR KIT SUPPLEMENTAL INSTRUCTIONS
(revised 6/2025)

1. Review AFR Instructions and Forms.
2. Determine gross income and expenses covering July 1 – June 30.
3. Reconcile June 30 bank statement(s) to the department/chapter bank register(s).
4. Make sure everything balances.
5. Determine what line category income and expenses are to be reported on. How was the income generated? Did the disbursement provide a direct service to a veteran? What was the reason for the expense? Was the fundraising event held to benefit a veteran/veteran family or fund a department/chapter operation?
6. Prepare schedules.
7. Fill out AFR and other Forms.

Required Forms:

- Use the current Annual Financial Report Kit (Kit) provided by National Headquarters only. Current revision dates are located in bottom right corners immediately following the item number for each. Current components of the Kit are:

  Annual Financial Report Instructions 901334 (6/25)
  Annual Financial Report Form 901338 Form (6/25)
  Schedule Forms 901331 (6/25)
  - Income Schedule Form for Line 9
  - Expenses Schedule Form for Line 14
  - Expenses Schedule Form for Line 16
  - Expenses Schedule Form for Line 17
  - Expenses Schedule Form for Line 18
  - Expenses Schedule Form for Line 19

  Other Assets Schedule Form 901332 (6/25)

Income Filing Requirement:

- The filing requirement is based on the total amount of gross income received during the accounting period, not how much monies were in the bank(s) at the end of the accounting period.

  For Departments:

  Must file a complete AFR with National.

  For Chapters:

  Total Income (Line 10) minus *All Funding from National Headquarters (Line 1) and In-kind Donations (Line 7) greater than $25,000.00, file complete AFR with both National & your DAV Department.
  Total Income (Line 10) minus *All Funding from National Headquarters (Line 1) and In-kind Donations (Line 7) equal to or less than $25,000.00, file complete AFR with your DAV Department only.

CPA Review Required:

- For both Departments and Chapters:

Total Income (Line 10) minus *All Funding from the National Organization (Line 1) and In-kind Donations (Line 7) exceeds $500,000.00.

*All funding to be reported on Line 1 includes, but is not limited to, per capita dues received from National Headquarters, grants from the Columbia Trust and, for Department's only, distributions from National for the Department Fundraising (aka State Service Payout) and the Department Revenue Sharing Programs and any other funds received directly from National.

Information provided must cover the entire accounting period of July 1 through June 30. All monies actually received and expended between July 1 and June 30 must be reported.

All Forms must be properly completed and all applicable information included directly on each.

For the Annual Financial Report (AFR) Form:

- Beginning Balance will be the figure listed on Line 27 (Total Liquid Assets) of the immediate prior year's AFR Form. For example, if Line 27 on the AFR Form for the 2023-2024 period is $15,000.00, then the Beginning Balance for the 2024-2025 period would be $15,000.00.
- Amount entered on each line must agree with the total of the figures listed on the corresponding schedules. For example, if the itemized figures on the schedule for line 9 total $5,000.00, then the amount entered on line 9 of the AFR Form would be $5,000.00. Likewise, for expense schedules and the expense section of the AFR Form.
- Amount listed on Line 10 (Total Income) must be the sum of the figures listed on lines 1 through 9. For example, if the figures listed on lines 1 through 9 total $9,000.00, then the amount listed on line 10 would be $9,000.00. **DO NOT INCLUDE THE BEGINNING BALANCE ON LINE 10.**
- Amount listed on Line 22 (Total Expenses) must be the sum of the figures listed on lines 11 through 21. For example, if the figures listed on lines 11 through 21 total $6,000.00, then the amount listed on line 22 would be $6,000.00.
- Complete computation for the Ending Balance and annotate amount in designated area on AFR Form.

  Ending Balance Computation: Beginning Balance + Line 10 (Total Income) – Line 22 (Total Expenses) = Ending Balance
- Amounts listed on lines 23 through 26 must agree with the banking information provided. Cash on hand as of June 30 must be reported in designated area provided on line 23. **DO NOT INCLUDE THE MARKET VALUE OF ANY FIXED ASSETS, INCLUDING REAL ESTATE, ON THESE LINES.**

  NOTE: The financial report should be balanced using the bank register(s), which accounts for all deposits, withdrawals and checks written as of June 30, for each account.
- Report must be in balance, which means that the Ending Balance figure must agree with the figure listed on Line 27 (Total Liquid Assets) of current AFR Form.

  In Balance Computation: Beginning Balance + Line 10 (Total Income) – Line 22 (Total Expenses) = Ending Balance = Line 27 (Total Liquid Assets)
- Amount listed on Line 27 (Total Liquid Assets) of the current AFR Form must be the sum of the figures listed on lines 23 through 26. For example, if the figures

listed on lines 23 through 26 total $13,000.00, then the amount listed on line 27 would be $13,000.00.

- Name of each bank and branch location (street address, city, state, and zip) where the banking is conducted along with the first and last names and job title of the authorized signers on the account must be included in the designated area on the AFR Form. If needed, a separate attachment listing the required information for each bank may be provided.

  NOTE: There should always be at least two authorized signers on bank accounts and all checks should require two signatures.

- Signatures and membership numbers of all THREE Audit Committee Members, as well as the date signed, must be included on the AFR Form in the designated areas in the lower left corner.

  NOTE: A person holding the office of Commander, Sr. Vice Commander, Treasurer, Adjutant or Finance Chairperson during any part of the accounting period for which the report is being submitted or at the time the report is signed is not permitted to be a member of the Audit Committee. Additionally, all Audit Committee Members must have an active membership record and be current members of the corresponding Department/Chapter at the time of signing.

- The signature, membership number and title of the submitting officer, as well as the date signed, must be included on the AFR Form in the designated areas in the lower right corner.

  NOTE: All communications regarding an unacceptable (rejected) AFR will be sent via email to the department/chapter commander, sr. vice commander, 1st jr. vice commander, adjutant, treasurer, and officer authorized to receive mail. Departments are always copied on correspondence to associated chapters. Be sure your email on your membership record is current and correct.

Required Schedules for AFR Form to be Prepared by Department/Chapter:

- An itemized schedule must be provided for any line of the AFR Form on which an amount is entered and is indicated next to the title of the line that an attached schedule is required. Do not provide schedules for lines on which no amounts have been entered or for lines that do not require schedules.
- Each schedule must:

  Be properly formatted. This means that the schedules must provide an itemization listing each income category or expense category as it relates to each line. Listings of each deposit/withdrawal made and each check written or monthly breakdowns are **not** permitted.

  Contain information directly related to the line for which it has been prepared. For example, the schedule prepared for line 11 should include entries for payroll and benefit expenses related to administrative personnel only. There should not be entries related to service personnel or custodial services, as neither fall under administrative personnel.

  Clearly identify the source of income with the total amount stated for each category. This means to combine all like income, provide the source and informative description, and state the total amount for each income category. For example, income generated from three department/chapter quilt fundraising events held during the accounting period to raise funds for the purchase of a department/ chapter vehicle would be added together and identified on the schedule for Line 9 (Other Income) as *Department/Chapter Quilt Fundraising Events for Purchase of Department/Chapter Vehicle* with the total combined amount stated.

Clearly identify the reasons for the expenses/disbursements with the total amount stated for each category. This means to combine all like expenses, provide an informative description and reason, and state the total amount for each category. For example, all expenses directly related to attending the National Convention would be added together and identified on the schedule for Line 12 (Conventions/Conferences/Seminars/Meetings) as *National Convention* with the total combined amount stated.

- Schedules may be presented on individual pages or on a single page providing that the print is of adequate reading size and each schedule is represented individually on the page.
- Allocations for Bar/Lounge, Bingo and Chapter Home/Department HQ Expenses:

  If the same building is used to operate a bar/lounge and/or a separate bingo operation and to conduct department/chapter business and meetings, allocations for building expenses to each operation are necessary. Allocations should be made in accordance to how often the building is used for that specific operation. For example, a bar/lounge operation that is open 7 days a week would have higher operational costs (utilities, janitorial, insurance, etc.) than a bingo operation held 1 day a week. The individual allocations and amounts for each building expense must be identified on each corresponding schedule.

Required Banking Attachments:

- A copy of the actual bank statement closest to the end of the accounting period (June 30) is required for each department/chapter/affiliated entity(ies). For certificates of deposit (CD) **only**, a letter from the financial institution(s) holding each CD may be provided in the absence of a bank statement.
- Reconciled bank statements or reconciliation information for each account, if the June 30 bank statement balance does not agree with the amount reported on the corresponding line of the AFR Form.

  NOTE: The financial report should be balanced to June 30 using the bank register(s), which accounts for all deposits and withdrawals made and checks written as of June 30, for each account. All deposits and withdrawals made and checks written on or before June 30 must be reported on the AFR, even if they do not show clearing the bank on the June 30 bank statement, as the monies were received and expended during the accounting period covering July 1 – June 30. The reconciled banking information provided for each type of bank account, plus any cash on hand, should confirm the amounts listed on lines 23 thru 26 of the AFR Form, accordingly, and Line 27 (Total Liquid Assets) should reflect the combined total of those lines.

For the Schedule Forms:

- Schedule Forms are provided for Lines 9, 14, 16, 17, 18, and 19, and must be completed when an amount is entered on the corresponding line of the AFR Form.
- Each Schedule Form provides a description of the type of information to be reported on each specific line as well as what additional information and/or attachments are required for each.

- Carefully review the information on each of the Schedule Forms to ensure that your information is being reported correctly and that all required information is provided as directed.

For the Other Assets Schedule (OAS) Form:

- Include directly on the OAS Form in the designated areas the following information related to each property titled in Department/Chapter/affiliated entity(ies) name, which includes property that is owned by the Department/ Chapter/affiliated entity(ies) but is rented to another party:
  - Complete street address, city, state and zip code.
  - Date property was acquired or purchased.
  - Current market value of each property as of end of accounting period (June 30).
  - A description (e.g. Thrift Store, Home/Headquarters Facility).

    NOTE: If owning more than two properties, a separate attachment listing the required information for each additional property is required.
- Include directly on the OAS Form in the designated areas the following loan information for each loan carried by the Department/Chapter/affiliated entity(ies) as of end of accounting period (June 30):
  - Balance of each loan.
  - Full name and street address, city, state and zip code of each lender.
  - Reason for obtaining the loan.
- Include directly on the OAS Form in the designated area the total estimated market value of all furniture and equipment. Provide a separate schedule attachment listing furniture and equipment (desks, computers, chairs, filing cabinets, stove, etc.) owned by department/chapter/affiliated entity(ies) and the estimated market value of each category.
- Include directly on the OAS Form in the designated area the total estimated market value of all vehicles. Provide a separate schedule attachment listing the year, make and model of each vehicle titled in department/chapter/affiliated entity(ies) name and the estimated market value of each vehicle.
- Include directly on the OAS Form in the designated area the total estimated market value. Provide a separate schedule attachment listing descriptions (e.g. flags, office supplies, cleaning supplies, etc.) of the inventory and miscellaneous items and the estimated market value of each category.