

**SIXTY-SECOND NATIONAL CONVENTION
OF
THE AMERICAN LEGION
Boston, Massachusetts
August 19, 20, 21, 1980**

**Resolution No. 755: Amendment to Restricted Fund Agreement
Origin: Convention Committee on Finance
Submitted by: Convention Committee on Finance**

WHEREAS, On July 30, 1937, in the City of Indianapolis, State of Indiana, a MEMORANDUM OF AGREEMENT, was entered into by and between The American Legion and the American National Bank (now the American Fletcher National Bank and Trust Company), hereinafter referred to as "The Bank"; and

WHEREAS, Under the aforesaid AGREEMENT there was created a "Restricted Fund" which was funded and was in the future to be funded in accordance with the provisions of a resolution adopted at the Tenth Annual National Convention of The American Legion in regular meeting assembled in San Antonio, Texas, on October 10, 1928, which resolution in words and figures reads as follows:

"RESOLVED, That The National Finance Committee as of December 31 of each year set aside a sum in its discretion not less than fifty (50) percent of the net surplus of the National Department of The American Legion, accruing during each fiscal year, interest and principal of said Trust Fund to be expended only on recommendation of the National Finance Committee and a two-thirds vote of the National Executive Committee at two successive meetings"; and

WHEREAS, The aforesaid AGREEMENT was amended by the National Executive Committee of The American Legion at two (2) successive meetings, namely in November, 1949 and May, 1950, to provide, inter alia, "that wherever the 'National Finance Committee' or 'Finance Committee' is referred to in this AGREEMENT it shall have reference to the National Finance Commission which is the successor to said Committee"; and

WHEREAS, The present state of the economy, reflecting an inflationary cycle with spiraling costs, requires the National Organization to reassess its present and future fiscal needs; and

WHEREAS, The National Organization of The American Legion is presently, for the most part, funding all of its operations on the income derived from its per capita assessment of \$3.50, which amount was fixed by the 1975 National Convention in Minneapolis, Minnesota, in regular meeting assembled on August 19-21, 1975; and

WHEREAS, A substantial portion of The American Legion National Organization's expenses are expenses over which we have no control and because of the severe economic crisis our country has been and is now undergoing, which has a negative effect on our organization, the per capita assessment of \$3.50 has been and is being absorbed by increased operating costs over a shorter span of time; and

WHEREAS, The present requirement of setting aside no less than fifty percent (50%) of the net surplus accruing during each fiscal year does not lend itself to long range financial planning with concomitant maximum fiscal results; and

WHEREAS, Monies presently reposing in the "Reserve Fund," if supplemented annually by modest additions so as to offset the inflationary spiral, will be adequate to meet any unforeseen emergency; and

WHEREAS, The National Finance Commission in regular meeting assembled in Indianapolis, Indiana, on April 28 and 29, 1980, recommended that the resolution adopted at the Tenth Annual National Convention of The American Legion, in San Antonio, Texas, on October 10, 1928, be amended so that the sum required to be set aside from the net surplus accruing during each fiscal year be reduced from not less than fifty percent (50%) to not less than ten (10%); and

WHEREAS, The National Finance Commission also recommended that the MEMORANDUM OF AGREEMENT executed by The American Legion and "The Bank" on July 30, 1937, be amended so that the sum required to be set aside from the net surplus accruing during each fiscal year be reduced from not less than fifty percent (50%) to not less than ten percent (10%); now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Boston, Massachusetts, August 19, 20, 21, 1980, That the resolution adopted at the Tenth Annual National Convention of The American Legion in regular meeting assembled in San Antonio, Texas, on October 10, 1928, which reads as follows:

"RESOLVED, That the National Finance Committee as of December 31 of each year set aside a sum in its discretion not less than fifty (50) percent of the net surplus of the National Department of The American Legion, accruing during each fiscal year, interest and principal of said Trust Fund to be expended only on recommendation of the National Finance Committee and a two-thirds vote of the National Executive Committee at two successive meetings."

be and it is hereby amended by striking in the third line the words and figures "fifty (50) percent" and substituting therefore the words and figures "ten (10) percent" so that as amended the resolution will read:

"RESOLVED, That the National Finance Commission as of December 31 of each year set aside a sum in its discretion not less than ten (10) percent of the net surplus of the National Department of The American Legion, accruing during each fiscal year, interest and principal of said Trust Fund to be expended only on recommendation of the National Finance Commission and a two-thirds vote of the National Executive Committee at two successive meetings"; and, be it further

RESOLVED, That the MEMORANDUM OF AGREEMENT executed by and between The American Legion and "The Bank" be amended by striking the words and figures ("fifty (50) percent" appearing in the first Whereas clause of the AGREEMENT and substituting therefore the words and figures "ten (10) percent" so that when amended the language quoted in the first Whereas clause will read as follows:

"RESOLVED, That the national Finance Commission as of December 31 of each year set aside a sum in its discretion

not less than ten (10) percent of the net surplus of the National Department of The American Legion, accruing during each fiscal year, interest and principal of said Trust Fund to be expended only on recommendation of the National Finance Commission and a two-thirds vote of the National Executive Committee at two successive meetings”; and, be it finally

RESOLVED, That when and if this Resolution is adopted that the National Commander be and he is hereby authorized to executive any and all documents required to amend the MEMORANDUM OF AGREEMENT dated July 30, 1937, by and between The American Legion and “The Bank” and the National Treasurer is authorized to attest the same.