2025-2026
TRUSTEE'S GUIDE

VETERANS OF FOREIGN WARS®

July 2025

Dear Post Trustee,

Thank you for taking on the role of Post Trustee. The importance of your role should not be overlooked as your position ensures the Post maintains its fiduciary responsibility to its donors, members, and the community it serves. Lack of Post Trustee oversight could result in a tarnished reputation for your Post and the Veterans of Foreign Wars of the United States, so it is important that you remain both knowledgeable and engaged.

Whether you are new to the job or have done it before, there is always something you can learn. This guide was created to assist you – no matter what your current level of knowledge and experience may be. This guide is a training tool to educate and assist you in your role.

The enclosed guide is periodically updated. You can find the latest version, as well as other valuable resources, at www.vfw.org by logging in as a member (Login – top bar, right side), and going to "Member/Post Resources – VFW Training & Support."

Other important resources include the Bylaws, Manual of Procedure, and Ritual. In particular, the Manual of Procedure, Sec 218 (a) (11) outlines the responsibilities of the Post Trustee. Learn these well. Each Post is required to maintain a current copy of the Bylaws, Manual of Procedure, and Ritual; current copies are available for purchase from the VFW Store at www.vfwstore.org.

We are here to support you. If you have questions and are unable to find answers with your District or Department, call us at 833.VFW.VETS. Explain to the operator what you need, and they will transfer you to the correct person to answer your questions.

Thank you for taking on this responsibility. It may be challenging at times, but it can also be very rewarding. We wish you well!

Dan West
Assistant Adjutant General

Marc L. Garduno
Quartermaster General

P.S. Have a suggestion to how we can improve the Trustee's Guide? We want to hear from you! Send an email to info@vfw.org, subject line "Feedback on Trustee's Guide," with your comments. We are always looking to improve on what we do.

Table of Contents

Post Trustee's Guide

Introduction

The Post Trustee is an elected auditor – a person tasked to routinely examine accounts and accounting records, compare the charges with the vouchers, verify balance sheets and income items, and state the result in order to ensure that all disbursements are in line with the Bylaws and that all disbursements have been made with prior approval of the Post. Trustees play a vital role in ensuring the funds of the Post are audited and accounted for accordingly.

Post Trustees are primarily the ***watchdogs*** of the Post funds. They make certain no one has their fingers in the till and the assets of the Post are safeguarded and protected.

Equally important should be the prevention of fraud. Where funds are guarded carelessly or poor record keeping is in place, the Trustee should call attention to this and make every effort to correct it. The Trustees' duties extend to all operations of the Post: their audits must cover all activities, including the club rooms, the bar, bingo, or any other source of income or financial transactions.

Post Trustees

- Serve a three-year term.
- Cannot serve on any committee that handles Post funds.
- Exist to hold all parties handling funds accountable.
- Report all audit findings to the Post membership.
- Before a new Post Quartermaster takes up the duties, the Post Trustees, should conduct a thorough audit of the previous Quartermaster to give a 'clean slate' to the new Quartermaster. This may be accomplished by virtue of the required audit processes.

Trustees Audits MUST

- Be completed every quarter.
- Extend to every operation of the Post.
- Highlight irregular banking practices.
- Be reported to the Post membership with any found discrepancies.
- Prior to presenting a report of varied discrepancies to the membership, trustees must make every effort to resolve them by securing all necessary financial records and performing a more thorough review aimed at resolving those mistakes.

Trustees Scope

The Trustees do not have any authority over the management of the Post home, nor is property held in their name in an incorporated Post. They cannot serve on any committee having to do with the handling of Post funds, and cannot therefore serve as members of the House Committee, bingo committee, etc. There is nothing to keep a Trustee from serving as a volunteer worker or in an appointive capacity where Post funds are not handled.

They are elected to three-year terms to make certain that they do not all represent one "clique" which might happen to gain control for one year.

Use of Paid Accountants

Many Posts employ a private firm of accountants for the purpose of an audit. This is to be encouraged rather than discouraged as an audit by a certified public accountant will usually pay for itself in the improvements which will result. In these cases, the auditor reports to the Trustees and the Trustees make certain that the audit is conducted correctly.

Regardless of the size of the Post, a quarterly audit is mandatory. Failure to conduct one may result in the cancellation of the Post Quartermaster bond and will take away all voting privileges at Conventions. If the Trustees do not function in a proper manner, the Commander may deem it an emergency situation and appoint an auditing committee on their own initiative.

If You See Something, Say Something!

The purpose of the audit is twofold. It will reveal a shortage before it gets too large, and is the most successful preventative of fraud. Remember, when conducting an audit, you are an independent reviewer and nobody's friend! Review all transactions with suspicion and give no one the benefit of the doubt. You can be friends again later, but right now you believe only what can be proven.

Report It!

If the books are not kept in an efficient manner; if they cannot be audited because of lack of records; or if you find definite discrepancies, report it to the Post. Don't just sit back and refuse to sign the audit. ***If the Post fails to act in order to correct deficiencies, immediately inform the Department for further guidance.***

Remember - the Trustees do not tell the Post or the Quartermaster how to run their business, they just make certain that everything is on the up-and-up.

A number of dishonest Post Quartermasters tried these angles:

1. Deposited only a portion of the proceeds of special events.
2. Made check stubs payable to someone else and the checks to himself/herself.
3. Secured a personal loan with a Post check.
4. Made up fake bank statements.
5. Staged a fake break-in.
6. Collected membership dues or cash for a raffle but did not turn them in.
7. Cashed Post bonds and pocketed the money.
8. Paid their personal credit cards with the Post's funds.
9. Paid personal expenses with the Post checking account or credit card.

Some items that should be spot-checked in the audit include:

1. Balance the monthly books to check accuracy.
2. Reconcile the books with the bank statement(s).
3. Count the cash on hand.
4. Actually view and count bonds and other investments.
5. Compare the cancelled checks with:
   a. Check stubs.
   b. Cash book entries.
   c. Bank statements.
   d. Vouchers and bills.
6. Confirm the bank balance with the bank.
7. Check payments for unusual items against Adjutant minutes to determine authority for payment.
8. Check official receipts against book entries.
9. Check stubs of membership receipts against total membership as shown by

books and by Quartermaster's copy of dues transmittals.

10. Where committees have handled special events, determine just how much money was turned in and check it against entries.
11. Watch very closely any bills paid by cash, or income not covered by receipts.
12. Review all disbursements a Quartermaster makes to himself/herself.
13. Identify general ledger accounts with substantial changes in value since the last review was performed and investigate.
14. Review payroll to ensure employees are paid the appropriate salary for the actual hours worked.
15. If applicable, review all expenses charged to Post debit/credit cards.

Watch for the following danger signals between audits:

1. Stalling in getting books ready for audit.
2. Slowness in paying bills of the Post.
3. Delay in making deposits.
4. Large amounts carried as "cash on hand."
5. Checks made out to others than the person to whom indebted.
6. Checks made out to others than payee.
7. Complaints by members of non-receipt of the *VFW* magazine or other publication.
8. Checks which have not cleared the bank at the time of the audit.
9. Lifestyle changes of the Post Quartermaster.
10. An honest person can slip if they need the money badly enough. A sudden air of prosperity is sometimes an indication of dishonesty.

It is up to the Trustees and the Commander to check on the honesty of any person handling Post funds. YOU do the checking and YOU form your conclusions and act accordingly. Do not convey your suspicions to others until you are certain. Do nothing which may hurt the reputation of an innocent person. Do not cover up for anyone.

Club Funds

Clubs are specialized businesses and require more specific safeguards than Posts which do not have clubs. Besides the mere question of honesty, problems of management, governmental regulations, state law, etc., must be considered with additional opportunity as club managers/workers have thought up new angles to steal funds.

Some peculiars include:

1. Padded inventory of liquor on hand.
2. Bad or fictitious checks carried as "cash on hand."
3. Leakage of petty cash.
4. Padded payrolls.
5. Bootlegging on the side.
6. Kickbacks from suppliers.
7. Gambling operations on the side.

A complete audit of club operations and standard items listed under Post audits must be accomplished with the aid of the following information:

1. A regular monthly inventory of stock (taken by the House Committee).
2. Dated cash register tapes for each day.
3. A day sheet on bar sales for each day.
4. Check stubs, cancelled checks and bank statements.
5. Receipts for all bills paid by cash.
6. Records of all stock purchases.
7. Accounting of income from all non-bar sources.
8. Completed federal and state payroll tax forms.
9. Payroll records.
10. All licenses and permits required.
11. All bills and vouchers.
12. A list of unpaid bills.
13. Any other records found to be necessary. In completing the audit:
    a. Compute gross profit by comparing gross sales with cost of merchandise sold. If this varies more than a few percent from month to month, find out why.
    b. Check all payments and income in the same manner as for Post audits.

c. Check the accuracy of the inventory.
d. Insist on seeing any bad checks, and then check them out.
e. Check cash register tape against recorded daily receipts. Don't expect them to always be exactly the same.
f. Check that proper amounts of state, federal and Social Security withholding taxes are deducted from employees' salaries and that it is turned in on proper forms at the proper time. Don't permit employees to be paid without proper deductions.
g. Determine that all necessary licenses and permits are taken out.
h. Check the income from cigarette machines, jukeboxes, etc., with similar receipts from similar businesses. There's a lot of room for leakage here.
i. Make certain that the Post is adequately insured.
j. Check with liquor and beer distributors to determine that all current bills are paid.

Remember that a club manager is in a bad spot. Everyone is suspicious of him/her because he/she does handle quite a bit of cash that is not their own. The best favor you can do them is CHECK EVERYTHING and do it regularly. His/her best protection is the general knowledge that he/she is being watched.

On the other hand, there are again a few danger signals to watch for, both from the standpoint of their honesty and the way they are running the club:

1. An exceptionally large inventory may mean that it is padded to account for missing funds. Make sure that what is carried as liquor is liquor.
2. An exceptionally large number of bad checks may mean that they are fakes to cover a shortage of cash.
3. Cash register tapes that always equal the amount they are supposed to show either means an impossibly accurate bartender or a little juggling to make them come out equal.
4. Watch for large variations in the gross profit each month.
5. Talk to the local police officers to find if they have had complaints of being open after hours, sale of liquor by the bottle, gambling on the premises, etc. They will be the first persons to know of any irregularities.

For the protection of the Post, the club manager and other employees handling funds should be bonded. Employee theft or dishonesty insurance may add additional protection; however, it is not a substitute for a Post Quartermaster bond as required by VFW National Bylaws.

Trustees' Report of Audit Form

It is the responsibility of the Trustees to ensure the Trustees' Report of Audit form is properly completed. To prepare for the audit, the following documents should be made available: Previous quarterly audit; ledger/voucher maintained by the Quartermaster; banking statements for all accounts for the quarter being audited; and Post Meeting minutes maintained by the Adjutant for the quarter being audited to ensure expenditures voted on by Post Members are being completed. In addition, it is important to maintain a copy of the Post ByLaws with the financial documents if there is guidance on how monies are to be expended between Post meetings, e.g., a $ dollar limit on expenditures to maintain post operations or to assist a Veteran in need.

The top of the form identifies the Post, its location and the quarter being audited. Below is an explanation of each block:

#1-8 FUNDS (Liquid Assets)
Listed are those funds most likely to be carried by a VFW Post, District or County Council. Any special funds may be added in the blank spaces. A "fund" is an account which normally has both income and expenditures. In most cases, just about all of your miscellaneous expenditures (community service, youth activities, expenses, etc.) are chargeable to your general fund and most miscellaneous income (proceeds from fundraising activities, dues, etc.) are credited to your general fund. Item #10 for Bonds, Stocks, Mutual Funds and other liquid Assets, typically does not include Certificate of Deposits which may be non-liquid assets and should be reported in Item #16; check with your financial institution for clarification.

#9 CASH ON HAND (TO INCLUDE ATMS):
Some posts own/operate ATMs, jukeboxes, gaming machines or other cash machines that that are not included in Item #4 above that require cash on hand to operate daily.

#10 BONDS, STOCKS, MUTUAL FUNDS AND OTHER LIQUID ASSETS NOT INCLUDED ABOVE
This includes any financial instruments not previously included in any funds listed in Item #1-8 that can be liquidated without penalty by the financial institution. A loss in value of the account or processing fee charged by the financial institution to process the transaction does not equate to a penalty.

#11 NET CASH BALANCES AT BEGINNING OF QUARTER
The figures in this column are obtained from different funds as listed in your ledger. **The individual items in this column as well as the total at the bottom of the column should be the same as the ending balances of the previous quarterly audit.**

#12 RECEIPTS DURING QUARTER
The figures in this column are obtained by adding the amount shown in your ledger for the three months. This should include items transferred into a fund from another fund during the quarter.

#13 EXPENDITURES DURING QUARTER
The figures in this column are obtained by adding the expenditures for the three months. Include items transferred out of another fund during the quarter.

#14 NET CASH BALANCE AT END OF QUARTER
The figures in this column are obtained by adding items 11 & 12 and subtracting items 13.

#15 TOTALS
The figures in this line are obtained by adding the totals of items 11& 12 and subtracting item 13 – you should arrive at the same by adding item 14.

#16 OPERATIONS
Answer questions as applicable. Non-liquid assets are types of assets that cannot be easily converted into cash within a short period without harsh penalties for early withdrawals. Trusts are a typical example. However, Certificate of Deposits less than $65,000 in value are typically non-liquid assets. Certificate of Deposits greater than $65,000 can be liquid assets. It is best to check with your banking institution on the type of CD and retain the information with the Post Financial Documents.

#17 RECONCILIATION OF FUND BALANCES:

All Checking Account Balances	Enter ending balance shown on bank statement. If more than one checking account, total ending balances for all accounts.
Less Outstanding Checks	Total checks written on or before the date of the last bank statement of the quarter that do not appear on the statement. If more than one checking account, total all outstanding checks.
Account Balance	Subtract " Less Outstanding Checks" from "All Checking Account Balances. Add any deposits in transit that do not appear on bank statements. This should agree with the balance in your checkbook/ledger.
Savings Account Balance	Enter balances of any savings accounts.
Cash on Hand	Amount of money on hand that has not been included in "Outstanding Deposits" above.
Total	Add "Account Balance" line, "Savings Account Balance", and"Cash on Hand" Line.
Bonds, Stocks and Other Liquid Assets	Enter current value of all bonds, stocks, and other liquid assets.
Grand Total (Minimum Amount of QM Bond)	Add "Total Cash" line to "Bonds & Other Liquid Assets" line. **Total in Item #15 Net Cash Balance at end of Quarter should equal Grand Total in Item #17. This is the minimum amount of QM Bond. Verify in #18, QM bond equal to or above this amount.**

#18 TRUSTEES’ AND COMMANDER’S CERTIFICATE OF AUDIT:

Enter the date the audit is prepared, the Post name and number and the quarter for which the audit is prepared. The Post Commander and Trustees must sign the audit prior to submittal to the Department.

Enter the name of the Post Quartermaster, the name of the bonding company, the amount of the bond (verify in #17 Total that amount equal to or exceeds **Total** and the expiration date of the bond.

Remember, it is the duty of the Post Trustees to conduct the quarterly audits. It is the duty of the Commander to see that audits are made.

The completed form, with the signature of the Post Trustees to attest to its accuracy, together with the signature of the Post Commander, should be forwarded to the Department Quartermaster. The Post Trustees should also sign the General Ledger at the ending point of the current audit period.

Trustees’ Report of Audit Example

Reviewing the training material titled “Quartermaster Guide to Financial Reporting” located in the VFW’s Training & Support section of vfw.org can provide valuable insight to the “Uniform System of Post Records/Accounts.”

If you do not understand your duties as a Post Trustee, ask for assistance from other Trustees or see if your District or Department offer specialized training or schools of instruction.

The following is an example of a properly completed Trustees’ Report of Audit form:

TRUSTEE'S REPORT OF AUDIT of

The Books and Records of the Quartermaster and Adjutant of 14001
(District/County Council/Post No.)

Department of XX for the Fiscal Quarter: Jan 1 to March 31

FISCAL QUARTERS: Jan 1 to March 31 | Apr1 to June 30 | July 1 to Sept. 30 | Oct 1 to Dec. 31

FUNDS (Liquid Assets)	11. Net Cash Balances at Beginning of Quarter	12. Receipts During Quarter	13. Expenditures During Quarter	14. Net Cash Balances at End of Quarter
1. Post General Fund	1,341.32	3,828.16	2,416.42	2,753.06
2. Post Relief Fund (Poppy Profits, Donations, etc.)	134.89	2,025.25	500.00	1,660.14
3. Post Home or Building Fund (incl. Savings but not real estate or CDs)	710.00	1,555.00	125.35	2,139.65
4. Post Canteen or Club Fund	4,950.00	2,863.41	1,325.65	6,487.76
5. Life Membership		265.00	265.00	0.00
6.				0.00
7.				0.00
8.				0.00
9. Cash on Hand (to include ATMs)	525.00	350.00	500.00	375.00
10. Bonds, Stocks, Mutual Funds and other liquid assets not incl. above	24,500.00	1,500.00	0.00	26,000.00
15. TOTALS	32,161.21	12,386.82	5,132.42	39,415.61

16. OPERATIONS

Have required payroll deductions been made?	Yes	✔	No	☐
Have Payments been made to the proper State and Federal agencies this quarter?	Yes	✔	No	☐
Have sales taxes been collected and paid?	Yes	✔	No	☐
Are club employees bonded?	Yes	✔	No	☐
Amount of outstanding bills	$	0.00		
Value of Real Estate	$	525,000.00		
Amount of liability insurance	$	1,000,000.00		
Owed on Mortgages and Loans	$	50,000.00		
Value of Personal Property	$	55,000.00		
Amount of Property Insurance	$	600,000.00		
Non-Liquid Assets (CDs, Trusts, etc.)	$	50,000		

17. RECONCILIATION OF FUND BALANCES

All Checking Account Balances	$	11,013.27
Less Outstanding Checks	$	472.66
Actual Balance	$	10,540.61
Savings Account Balance	$	2,500.00
Cash on Hand	$	375.00
Total	$	13,415.61
Bonds, Stocks, other Liquid Assets	$	26,000.00
Grand Total (Minimum Amount of QM Bond)	$	39,415.61

18. TRUSTEES' AND COMMANDER'S CERTIFICATE OF AUDIT

Date March 15, 2024

This is to certify that we (or qualified accountants) have audited the books and records of the Adjutant and Quartermaster of 14001 for the Fiscal Quarter: Jan 1 to March 31 in accordance of the National By-Laws and that this report is a true and correct statement thereof to the best of our knowledge and belief. All Vouchers and Checks have been examined and found to be properly approved.

Quartermaster Joe Honest — Signed ______________________ Trustee

Post Address 142 Veterans Place — Signed ______________________ Trustee

Hometown, USA — Signed ______________________ Trustee

This is to certify that the Office of the Quartermaster is bonded with ABC Bonding Company In the amount of $ 50,000.00 until September 30, 2024 and that this Audit is correctly made out to the best of my knowledge and belief.

Signed ______________________ Commander

TRUSTEE'S REPORT OF AUDIT of

The Books and Records of the Quartermaster and Adjutant of ______________________________

(District/County Council/Post No.)

Department of ______________________ for the Fiscal Quarter: ______________ , ________

FISCAL QUARTERS: Jan 1 to March 31 Apr1 to June 30 July 1 to Sept. 30 Oct 1 to Dec. 31

FUNDS (Liquid Assets)	11. Net Cash Balances at Beginning of Quarter	12. Receipts During Quarter	13.Expenditures During Quarter	14. Net Cash Balances at End of Quarter
1. Post General Fund				
2. Post Relief Fund (Poppy Profits, Donations, etc.)				
3. Post Home or Building Fund (incl. Savings but not real estate or CDs)				
4. Post Canteen or Club Fund				
5.				
6.				
7.				
8.				
9. Cash on Hand (to include ATMs)				
10. Bonds, Stocks, Mutual Funds and other liquid assets not incl. above				
15. TOTALS				

16. OPERATIONS

Have required payroll deductions been made?	Yes	No
Have Payments been made to the proper State and Federal agencies this quarter?	Yes	No
Have sales taxes been collected and paid?	Yes	No
Are club employees bonded?	Yes	No
Amount of outstanding bills	$	
Value of Real Estate	$	
Amount of liability insurance	$	
Owed on Mortgages and Loans	$	
Value of Personal Property	$	
Amount of Property Insurance	$	
Non-Liquid Assets (CDs, Trusts, etc.)	$	

17. RECONCILIATION OF FUND BALANCES

All Checking Account Balances	$	
Less Outstanding Checks	$	
Actual Balance	$	
Savings Account Balance	$	
Cash on Hand	$	
Total	$	
Bonds, Stocks, other Liquid Assets	$	
Grand Total (Minimum Amount of QM Bond)	$	

18. TRUSTEES' AND COMMANDER'S CERTIFICATE OF AUDIT

Date ______________________

This is to certify that we (or qualified accountants) have audited the books and records of the Adjutant and Quartermaster of ______________________ for the Fiscal Quarter: ______________________ in accordance of the National By-Laws and that this report is a true and correct statement thereof to the best of our knowledge and belief. All Vouchers and Checks have been examined and found to be properly approved.

Quartermaster ______________________ Signed ______________________ Trustee

Post Address ______________________ Signed ______________________ Trustee

______________________ Signed ______________________ Trustee

This is to certify that the Office of the Quartermaster is bonded with ______________________ In the amount of $ __________ until ______________ and that this Audit is correctly made out to the best of my knowledge and belief.

Signed ______________________ Commander

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www.vfw.org