

**Wisconsin Elks Association**

**Business Practices Committee**

**Standard**

**Practices Manual**

Revised September 21, 2012

## **Forward**

The purpose of this manual is to help Club Managers, House Committees, Boards of Governors, Board of Trustees and members of the Elks Lodges of Wisconsin to identify and understand the many areas of consideration that must be accounted for while operating the Lodge and its food and beverage service

Further, because each Elks Lodge is unique in its internal character and culture, no number of step-by-step, cookbook-style presentations will guarantee success. Using the contents of this manual as a foundation to build upon and framework to work within is the intent and recommendation of the publishers. The Wisconsin Elks Association Business Practices Committee encourages a flexible, interpretive adaptation of the principles contained herein by those who are responsible for their Lodge's club operation.

It is critically important to understand that any discussion of legal issues should not be construed in any way as professional advice.

Feedback about improving the quality and usefulness of this publication is highly encouraged. Revisions and additions to the publication's content will be made and distributed periodically as necessary to maintain currency, accuracy, and usefulness.

## **Where Can I Find Answers?**

### **Wisconsin Elks Association Business Practices Committee**

The Business Practices Committee members have many years of experience in club and lodge operations and are more than willing to help out. Contact the committee Chairman at:

Terry Shoemaker, PER, PDDGER

444 Ledgewood drive

Fond du Lac, WI 54937

(920) 923-2105

e-mail: [pudlinbz@yahoo.com](mailto:pudlinbz@yahoo.com)

### **Grand Lodge Publications**

Manuals supplied to subordinate Lodges by the Grand Lodge offices often contain at least some of the answers to frequently asked questions, and there has been significant progress on the part of Grand Lodge to make their contents current and pertinent. For example, the Auditing Accounting and Management Manual contains up to date information about required tax returns, definitions of taxable unrelated business income, the budgeting process, internal controls, records retention and the like. As the Grand Lodge requires these manuals to be on Lodge premises at all times, they are frequently a good place to look first for needed information. In addition, they will often contain the official Grand Lodge statement of policy concerning the basic issue being investigated.

### **The Library**

This is another easily overlooked source of information, and the sheer volume of books and periodicals devoted to pertinent business issues virtually guarantees that your public library will provide a wealth of useful answers to your questions. Best of all, it's free!

### **Business Associations**

The Tavern League of Wisconsin and the Wisconsin Restaurant Association are two first-rate examples of business associations in which membership is a definite plus. Both groups act as 'watchdogs' for the interests of their members, especially as they relate to pending or just-enacted legislation that affect everyday business operations. Both publish a newsletter, hold meetings, and offer seminars; all vital sources of current information. Both supply an information hotline phone number for the use and convenience of their members.

Grand Lodge discourages subordinate Lodge memberships in groups such as these and Chambers of Commerce, so it is suggested that the Lodge's Club Steward, Manager, Head Chef, or Head Bartender obtain an individual membership. Because the Lodge directly benefits from this arrangement, it is also suggested that the Lodge reimburse the employee for their membership dues. In some cases, it may be appropriate to reimburse them for mileage associated with attending various meetings or seminars. A membership in either group will get the Lodge onto its newsletter circulation list. In the case of the Wisconsin Restaurant Association, the member also receives a periodical devoted to the foodservice industry. Many additional services and products are also available to members of the WRA free or at minimal cost, including forms for uniform cost deductions and the like.

### **The Internet**

Almost all private and government concerns maintain an Internet page (or "Web site") which is a supply of information for often-asked questions. The main benefit of taking advantage of this service is the fact that it is available on-demand, virtually around-the-clock. Especially in the case of government regulatory agencies, which seem to be perpetually understaffed, answers to relatively simple questions can often be gotten more quickly using this method over telephone or postal contact methods.

Below are listed some Web sites that have been found particularly useful as they relate to issues germane to an Elks Lodge. Bear in mind that these sites may change address or cease to exist altogether at some point. Also consider that this list is very likely the mere "tip of the iceberg"; it's a virtual certainty that additional useful sites already exist and will continue to be created in the future.

Be sure to double-check the accuracy and currency of information. Web sites can be wrong just as any other media source can be wrong. Misinformation can be accidental or intentional without the reader's prior knowledge; the distinction between fact and opinion can sometimes blur. Government sites, as a rule, tend to be more trustworthy in this regard.

Elks Grand Lodge - [WWW.ELKS.ORG](http://WWW.ELKS.ORG) - The Grand Lodge of The B.P.O.E. maintains an easy-to-use Web site that contains current and useful information, an online version of the Elks Magazine, resource areas for members, and links to other interesting sites including State Association and Subordinate Lodge Web sites.

Internal Revenue Service - [WWW.IRS.GOV](http://WWW.IRS.GOV) - This site is loaded with information. IRS news and breaking developments, publications and forms, electronic services, and help/feedback sections are all available at this site. One particularly powerful offering is a search service. It

can help the reader to quickly "zero in" on topics of interest. For example, a search using the phrase "unrelated business income" turns up over 70 "hits" which can be individually explored.

State Of Wisconsin - WWW.WISCONSIN.GOV - Another site with a lot of valuable content. Particularly useful is the list of links to state agency pages. The state Department of Commerce, Labor and Industry Review Commission, Department of Regulation and Licensing, and Department of Workforce Development (formerly DILHR) are all listed here, as well as many others. There are also links to other governmental units at the federal, county, and municipal levels. A screen sample of the agency page list may be found in the Appendix.

U.S. Small Business Administration - WWW.SBAONLINE.SBA.GOV - The "Online Library" and "Offices & Services" options are just two of the several useful areas you can access from this site. A monthly newsletter called "The Small Business Advocate" is available by using the "Advocacy" option. This is a government site that's very practical in its approach to business informational needs.

Consumer Information Center - <http://www.usa.gov/topics/consumer.shtml> - Remember all those late-night TV spots that gave you the address in Pueblo, Colorado to write requesting a free catalog of federal publications that were available? Well now this information, and much more, is online. Especially useful are the "Small Business", "Employment", and "federal Programs" options. You can read the publications themselves at this site, or you can order the printed version. There are many links to other government and private sector sites, which are related to your topics of interest. One called "The Small Business Exchange" has a lot of information that can be put to practical use right away.

Search Sites - WWW.YAHOO.COM", "WWW.GOOGLE.COM", "WWW. EXCITE.COM" - These are just three of the more popular "search engine" sites. What they do for you is search their vast database of Web sites for the ones that contain a phrase or collection of keywords that you supply. The resulting list of "hits" can then be explored. Finding information this way can sometimes be roundabout and time-consuming, but can also reward those who have patience with some sites that will prove their worth many times over.

### **Lodge Members**

Consider the possibility that your own members can often share their experience and knowledge, and that they are often delighted to serve their Lodge by doing so. Our Order has long been known for its many members who are business entrepreneurs. Perhaps they are directly engaged in the type of business that deals with the issue at hand on an everyday basis. Perhaps they have a relationship with someone else within or outside your Lodge who can help you. Don't be afraid to ask!

### **Professional Advice**

Matters that pertain to the legality of an issue or liability for a situation are examples of times when Lodges should seek out professional advice. There will be times that there is no practical substitute for trained, experienced professional help. Again, there may be members in your own Lodge who can guide you when a question such this arises. It's not fair for you to expect them to act as your unpaid advocate time and time again, but many times these members are the ones to ask when you're not sure about the need to hire and consult with professionals.

# Computerization

## Introduction

Computerizing certain aspects of the operation and management of a Lodge and club holds out the promise of increased accuracy and timeliness of information with a decrease in the effort required to attain these goals. This is generally a realistic view of the benefits of using computers in any business.

## Lodge And Club Finances

A computer system cannot automate a task or produce a report without raw information to process. Probably the biggest potential pitfall that needs to be avoided at all costs is underestimating the amount of time and effort that will be required for data entry. For example, if a computer system will be expected to produce a complete accounts payable list for vendors, each and every vendor invoice must be entered into the computer first.

The level of detail required for the input process will depend on other system expectations. For example, if the computer system will be expected to maintain a perpetual inventory, each invoice line item quantity will need to be entered. If this amount of detail is not a requirement, it is possible that the invoice total dollar figure is all that needs to be entered. Regardless of the level of detail, the number of vendor invoices per month needs to be examined. A reasonable estimate of the time required for data entry can then be arrived at. At some point, the person or persons responsible for this data entry will also have to be determined and designated.

If the system is expected to issue vendor checks, the number of checks written in an average month should be determined, and a corresponding time estimate recorded. Again, if this function is a requirement, designating the person who will be responsible for the task must be done.

This process of determining requirements is actually a systems analysis. If a Club Manager or House Committee or Board Of Governors decides to seriously consider computerizing their financial systems, it would be a mistake to overlook the possibility that a member trained in systems analysis or experienced in using PC-based financial systems might be available and willing to help evaluate a proposal.

Speaking strictly from the perspective of Grand Lodge statutes, maintaining the financial status of any club or Lodge is actually the job of one person – either the Lodge Treasurer or the Lodge Secretary. The primary user of any computerized financial system is the Treasurer and the Secretary. They will ultimately be responsible for maintaining the accuracy of the information stored in the computer, even if others are designated to perform data entry tasks.

Regardless of who the primary user of the system will be, it is very important that they be involved in the decision-making and selection process. After all, no system can be considered a success if it is disliked by its primary user, or not used for a particular function because it is difficult to do so.

## Selecting Software and Hardware

Simply put: Software determines hardware. Software that's chosen will always specify a minimum hardware configuration necessary in which to run. This configuration serves well as a starting point for determining the final configuration of the computer that will serve the Lodge's needs. Trying to determine hardware capacity and power before choosing software is likely to lead to a purchase of a computer ill-suited for the task(s) intended.

### **Membership Software**

Grand Lodge has mandated the use of the CLMS system. Lodge secretaries can obtain further information regarding CLMS from the Grand Lodge website [www.elks.org](http://www.elks.org)

### **Financial Software**

Consider some of the popular small-business financial packages such as Peachtree or QuickBooks. Besides the lower purchase cost (\$50-\$150), these packages offer the advantage of having hundreds of thousands of installed sites. Because they are so popular, it is easy to find others who use the package and you can compare experiences and share tips in their use. These packages also tend to be very bug-free, offer a technical support hotline, and are updated on a frequent basis. In addition, they offer an accompanying set of forms, checks, and even windowed envelopes to make disbursements and payroll processing part of the entire computerized process.

### **Other Software**

There are some other tasks that computers can help with. Large institutional food and beverage purveyors, such as SYSCO Foods, offer software that not only helps break out the cost and gross profit for per-plate menus, but also helps in the ordering process by printing out an order list or actually dialing the parent company and transferring order information electronically.

Internet access is growing in commercial importance every day.

Having the most current version of Windows provides an excellent starting point. Software to detect and eliminate on-line threats to your computer system and data, such as malware, phishing, Trojan horse, viruses, worms, etc. are mandatory. All are commercially available online and are reasonably priced. Microsoft offers an excellent and free security software package to Windows 7 users.

### **Hardware**

If the computer in question is to run Lodge or club financial software, a data backup system is an accessory that is well worth the money. It would be foolhardy to invest the money, time, and effort in a system upon which the Lodge and club depend completely for their financial record keeping, and then losing all the data because of a failed hard drive. A backup system used faithfully and regularly will prevent the permanent loss of critical data when a hardware failure occurs. These accessories are reliable and represent a small incremental increase in the overall investment made in a computer system. In either case, backups are absolutely necessary and should be kept off-site, or in a fireproof safe.

Monitor sizes, hard disk drive capacities, amounts of RAM memory, CD-ROM drives, and multimedia sound accessories are issues where the decision process is mostly subjective. Much of what drives these decisions is monetary, although the software that is to be run and whether or not Internet access capability is desired will make certain minimum configurations mandatory. Consult with an experienced user in these areas, ideally a Lodge member if possible. Buy your computer like you would buy a car. "Doing your homework" before shopping will maximize what you get for your money and result in a good fit for your budget and needs.

# **Employment Policies**

## **Introduction**

Consistent, published policies that clearly state employer and employee responsibilities in the workplace will greatly reduce adversarial situations and help produce an enjoyable, productive work environment. These policies should cover, but not be limited to, the following: Workplace Safety, Hiring Practices and Discrimination, Pregnancy Leave, Employee Disabilities, Employment of Minors, Unemployment Compensation, Minimum Wage, Overtime, Harassment, Performance Reviews, Disciplinary Procedures, and Job Descriptions.

## **Workplace Safety**

Safe working conditions are expected by everyone, but sometimes receive little attention until an accident occurs. The result is not only in the temporary and sometimes permanent loss of an employee; it also contributes directly to higher Workers Compensation claims and premiums.

Be sure to follow all Occupational Safety and Health Act (OSHA) requirement. See Section 4 for more information pertaining to OSHA requirements. OSHA mandates are federally enforced, and there is no variance from state to state.

It is the employer's responsibility to provide necessary training in the safe and proper operation of equipment. Many equipment-related accidents are the result of improper or inadequate training in its proper use, rather than an equipment failure. Make sure employees receive the training they need before allowing them to operate equipment while unsupervised. In addition, make sure the equipment itself conforms to the manufacturer's standards for maintenance and safe operation.

Periodically inspect your workplace, looking for potential hazards. Looking at your facilities with a critical eye will help identify potential problems and corrective measures before they lead to an accident.

When evaluating your workplace for its safety level, be sure to solicit the opinions and ideas of your employees. Actively involving them in your safety awareness program helps to reinforce a safety-first attitude and will further help to identify potential problems before they become real problems.

The State of Wisconsin's webpage resources include the Department of Safety and Professional Services at

<http://dsps.wi.gov/sb/SB-HomePage.html>.

## **Hiring Practices and Discrimination**

Wisconsin Elks Lodges are employers and have the responsibility to provide a positive atmosphere for their employees, members, and guests alike. They are bound to abide by federal, state, and local laws in the treatment of current and prospective employees.

The best source with the most current information available is at the State of Wisconsin Department of Workforce Development website:

<http://dwd.wisconsin.gov/>

Other employer and employment-related information is available online at the Wisconsin Labor and Industry Review Commission website: <http://dwd.wisconsin.gov/lirc/>

Find employees at:

<https://jobcenterofwisconsin.com/>

Posters mandated to be displayed are available at:

<http://dwd.wisconsin.gov/dwd/posters.htm>

## **OSHA Requirements**

### **General Information**

OSHA is an acronym for the Occupational Safety and Health Act. It is codified in the CFR (Code of Federal Regulations) section 1910.xxxx. This information is readily available in most public libraries, in the reference section. Typically, OSHA codes are referenced as follows: Blood-Borne Pathogens 29 CFR 1910.151.

### **Covered Subjects**

OSHA was first created to provide safer working conditions in mines and the heavy manufacturing industry. It has now been expanded to cover virtually every workplace in the United States. OSHA codes cover all of the following subjects:

Fall Protection

Hearing Conservation

Blood-Borne Pathogens \*

Hand Protection \*

Respiratory Protection

Eye Protection \*

Foot Protection \*

Personal Protective Equipment \*

Ergonomics \*



Lockout/Tag out \*  
Safe Lifting \*  
Electrical \*  
Chemicals \*  
Confined Spaces \*  
First Aid \*  
Hazard Communication (Right-To-Know) \*

\* - Indicates OSHA codes which may typically apply to Elks Lodge “club” operations, including bar, dining room, kitchen, bowling lanes, etc.

This list is not all-inclusive, and not all OSHA codes apply to all Elks Lodge club operations. The State of Wisconsin, Department of Commerce (formerly Department of Industry, Labor, and Human Relations, or DILHR) has adopted virtually all the OSHA codes as Section 32 of the ILHR Administrative Codes. Administrative codes have the same force as law.

### **Employer Responsibilities**

Employers are responsible for training their employees in safe work practices, and to provide proper personal protective equipment as required by law or by work place conditions. Records of the training given, citing the specific OSHA section the training pertains to, the date, trainer name, and trainee’s name, must be kept available for inspection. Failure to train is a violation of OSHA codes.

### **Right To Know – MSDS**

MSDS is an acronym for Material Safety Data Sheet. These sheets explain the hazardous contents of workplace products as determined by OSHA. MSDS contain ratings of the products in three main areas: Health, Flammability, and Reactivity. Information about exposure limits, route of entry into the body, target organs, cancer rating, and recommended emergency first-aid is included in the MSDS health section.

Employers are required to maintain MSDS records in an area where they are readily available to all employees. Though this may sound like an overwhelming task, it is not difficult to obtain all necessary MSDS information. All institutional vendors are required by law to make MSDS documents available on request to their customers. The Lodge needs only to ask their vendors for MSDS information that applies to all covered products they purchase! All MSDS must be kept for 30 years, even if the product or chemical is no longer being used or stored on the premises.

For up-to-date information go to the federal government website address:

<http://www.osha.gov/>

## **Required Licenses**

Licensing is a task that can be easily forgotten or overlooked. The typical Elks Lodge conducts many activities that require Federal, state, city, or county licenses. Be sure that all licenses are renewed on time and are displayed in accordance with the rules of the licensing agency. Listed below are several licenses that the "typical" Elks Lodge will need to legally conduct activities on their premises. This list may not be all-inclusive so if there is any question about the need for a license, contact the City or County Clerk in your community.

### **Local Licenses**

Local municipalities generally issue licenses to sell alcohol and cigarettes, renewable annually.

The local municipality, renewable, can issue a restaurant license annually.

Some cities or counties require a separate dance license, renewable annually.

Some cities or counties require licenses for amusement machines, such as arcade-style pinball or video games, renewable annually.

If the Lodge operates a bowling center, golf course, swimming pool, health club, RV park, or other facilities of this nature there are probably additional licenses to acquire.

Contact the City or County Clerk in your community for detailed information.

### **State Licenses**

Every place of business must have a state-issued Seller's Permit for Sales Tax. (One exception is for an Elks Lodge that has gross receipts from sales of personal tangible property and taxable services of less than \$15,000 in a year, although there is no exemption for receipts from a bingo game.) Contact the Wisconsin Department of Revenue at PO Box 8902, Madison, WI 53708-8902.

If there is a commercial boiler on the premises, it must be registered with the Department of Industry, Labor, and Human Relations (DILHR), Safety and Buildings Division, PO Box 7969, Madison, WI 53707, telephone 608-266-1904.

Some cities or counties require restaurants to acquire a separate Type 2 Restaurant license from the Wisconsin Department of Health and Social Services, Division of Health. They may be contacted at 608- 266-2835.

### **Federal Licenses**

A yearly license issued by the Bureau of Alcohol, Tobacco, and Firearms (BATF) must be obtained.

### **Personal Licenses**

Statutes require that a licensed bartender be on the premises at all times when alcoholic beverages are being sold. An unlicensed bartender may work behind the bar so long as a licensed bartender is present somewhere on the premises. The same municipality that issues retail liquor licenses issues bartender licenses.

The State of Wisconsin requires that at least one person certified in food handling and preparation must be present when food is being cooked or served. To become certified, a person must attend approved training sessions. For more information, contact the Wisconsin Department of Health and Family Services, Division of Health, at 608-266-2835.

### **The Music Industry**

Two royalty-collection and enforcement companies - BMI and ASCAP - actively patrol businesses where music is played, either from recorded media or by live bands. They assess and collect fees based on the physical size of the business facility. If the assessment goes unpaid, these groups are very vigorous in using legal action to enforce the law. Elks Lodges are not required by law to pay any fees to these groups because of our status as a private fraternal organization. If either of these organizations attempts to negotiate a private licensing agreement with a Lodge or does not recognize that Elks Lodges are exempt from existing laws, it is recommended that the Lodge enlist help from a restaurant association, tavern league, or legal professional. These agreements are excessively costly and should not be entered into lightly, nor be viewed as a panacea for the issue of music licensing.

## **Regulatory Inspections**

Locations that engage in retail commerce, especially those that serve prepared food, are subject to regular and frequent inspections as determined necessary by the department or agency with jurisdiction. When an inspection is made and deficiencies are noted, the amount of time the Lodge will be granted to correct them should also be noted in the inspection report. If the amount of time granted seems unreasonably short, contact the inspecting agent and attempt to negotiate a more favorable period of time.

Simply ignoring a report containing deficiencies or refusing to perform the corrective work indicated is NOT an option. Should either of these courses of inaction be taken, the regulatory agencies have within their power the authority to shut down part or all of a Lodge's club operation. In extreme cases, it may also be possible that a condemnation process could be started. Once these penalties have been imposed, it will be much harder to negotiate an agreeable course of action on behalf of the Lodge.

### **Health Inspections**

Inspections are generally done yearly but the frequency is up to the discretion of the inspector. If deficiencies are noted on the inspection report the follow-up inspection is generally performed within 30 days unless otherwise noted.

### **Fire Inspections**

A representative from the Fire Marshall's office performs inspections, generally as often as every six months. A municipality may have its own inspector appointed, such as if it has a volunteer fire department.

### **Building Inspections**

A municipal engineer will perform inspections to ensure conformance to state and local building codes. Building inspections are usually required to meet building codes during and upon completion of construction or remodeling. It is recommended that an annual inspection of your facility be performed internally to assess its condition and adequacy.

## **Raffles, Pull-Tabs & Bingo and Revenue Restrictions**

The most current and accurate information regarding all aspects of legalized gaming in Wisconsin are available at:

<http://doa.wi.gov/index.asp?locid=7>

## **Insurance**

Grand Lodge mandated insurance information for liability and property insurance is available at [www.elks.org](http://www.elks.org)

Unemployment compensation insurance is addressed at

<http://dwd.wisconsin.gov/default.htm>

It may also be prudent to consider the need for special coverage for unusual articles of property within a Lodge or on its property. Examples of items that should possibly be covered separately include antiques, works of art, and statues, signs, or logos, which could be considered one-of-a-kind and nearly impossible to replace.

## **Tax And Financial Records**

The most current and accurate information is available at [www.elks.org](http://www.elks.org)  
<http://www.revenue.wi.gov/>  
and [www.irs.gov](http://www.irs.gov)

## **Internal Controls**

Internal controls provide the checks and balances needed for the Lodge to have confidence in the financial reporting and to combat theft and pilferage of the Lodge's assets.

According to the Grand Lodge AUDITING, ACCOUNTING AND MANAGEMENT MANUAL, each lodge needs a system of internal control to protect assets from waste, fraud and theft and to ensure accurate and reliable accounting data. Laws of the Order and By-Laws of the Lodge mandate some of the controls. The volume of business, complexity of Lodge organization and number of employees available determine additional controls needed. It is not feasible to provide on simple set of internal controls for all Lodges. Each Lodge should design its own system. The cost of controls should always be justified by benefits to be derived. The number of employees between which responsibilities can be divided will generally be a factor.

## **General Controls**

The following controls should always be included:

- Procedures for using vouchers to authorize payment of bills against the Lodge, to include:
  - Voucher form to be used, as designed by the Lodge. (Two examples are shown in the manual)
  - Who prepares the voucher and attaches it to the bill. (Normally the Secretary)
  - Who approves the voucher, invoice or bill to verify receipt of material; to verify price billed against price quoted, to indicate committee approval, etc. Normally, the Secretary will prepare the voucher, which is then approved by the Secretary and the Exalted Ruler. Any Lodge may require that all vouchers/bills be approved by the Trustees to insure compliance with the budget. After all prior approvals are obtained; the Secretary reads the bills at a regular session of the Lodge under the order of business-“Bills Against the Lodge”. Subsequent to the Lodge meeting the Secretary will present the bills to the Treasurer for payment.
  
- Procedures for authorizing payment of employees. A time clock, with individual time cards, is preferred for a large number of employees. Otherwise a time sheet or book with the supervisor’s signature of approval for each pay period should be used. Treasurer should insure that pay rates for new-hires and any pay changes are properly authorized, preferably by actual record in minutes of meetings of the supervising or managing body of the Club or other entity.
  
- Procedures for receipt of merchandise and supplies. Quality, weight and count should be checked. Deliverymen should not be permitted to place merchandise in the storeroom without careful check. It is appropriate to limit the number of individuals who are authorized to sign for deliveries.
  
- Treasurer should never be involved with inventory or receiving.
  
- A receipt book for the Lodge may be kept in the Club room so that members may pay dues during hours the Lodge office is closed. The money and name of member paying dues should be given to the Secretary promptly. Members should be encouraged to pay dues by check.
  
- Person originally receipting for cash should not be involved in depositing or recording receipts.
  
- Secretary’s receipts should be reconciled with Treasurer’s receipts each month. Delay increases difficulty in identifying discrepancies.
  
- Bank statements should be obtained from the depository monthly. Statements for checking accounts should bear a closing date of last day of month wherever possible. All bank statements should be reconciled monthly and necessary corrections entered.

- Bank deposits should be made promptly, daily if possible. It is not unreasonable for the Treasurer to designate another person to make deposits, provided that the Treasurer receives deposit slip promptly.
- Cash kept in the Lodge overnight should be stored in safes with combination locks that meet requirements of the casualty insurer.
- Lodge assets should be covered by adequate casualty insurance and personnel who handle cash should be bonded. Sections 12.050 and 12.0600 of the Statutes specify the minimum bond required for the Secretary and the Treasurer. The Lodge should determine amount of bond to be carried for each person involved.

**Controls Applicable to Club Operations:**

- Good business practice requires that management pay close attention to the cost of sales ratio for the bar and dining room. When ratios exceed the guidelines given below, management should review existing practices on over-pouring, spillage, waste, pricing policies, purchasing functions, inventory control, etc. Improvements should be implemented and selling prices should be increased where necessary. It is just good common sense that the club should make sufficient gross profit to support itself.
  - Cost of goods sold should not exceed 35% of sales. Ratio determined by the formula: cost of sales divided by sales = ratio.
  - Employee expenses should not exceed 35% of sales. Ratio determined by the formula: Total salaries and wages + employee meals + payroll taxes and benefits divided by sales = ratio.
  - Entertainment cost should not exceed 6% of sales. Ratio is determined by the formula: Total entertainment cost of bar and/or dining room (depending upon whether one or both receive benefit) divided by sales = ratio.
- It is emphasized that these ratios are maximums. Individual Lodges, depending upon volume of sale and other circumstances, may wish to establish their own goals at less than these maximums.
- Use recording cash registers with sufficient flexibility to record all sales by product and other miscellaneous cash receipts. A numbered continuous tape should be locked within each cash register while it is in use.
- It is suggested that cash registers be equipped with additional tape to permit giving the customer a cash register receipt, together with his change, immediately upon being served.
- Dining room sales checks should be pre-numbered in sequential order and accounted for daily. The supervisor should investigate missing sales checks.
- Separate cash drawers should be provided for each individual handling cash receipts.

- Access to the tape locked in the cash register should be limited to an individual, other than the bartender or cashier, who should count the cash, balance against tape totals, and prepare the daily summary of receipts.
- There should be an established policy for action to be taken on cash shortages/overages.
- Persons responsible for inventory should not be involved with sales.
- Inventory of merchandise for resale should be taken monthly or quarterly and, at a minimum, at the end of the year, March 31<sup>st</sup>.
- A member of the Auditing & Accounting Committee or an Officer should supervise taking the inventory and spot check pricing and extending.

### **The Budget Process**

The most accurate information and requirements are available at [www.elks.org](http://www.elks.org)

### **Personnel Records And Right-To-Privacy**

The most accurate information and requirements are available at <http://dwd.wisconsin.gov/>

### **Unrelated Business Taxable Income**

The most current and accurate information is available at these websites:

[www.elks.org](http://www.elks.org)  
<http://www.revenue.wi.gov/>  
and [www.irs.gov](http://www.irs.gov)

### **Sales Tax Issues**

The most accurate and current information is available at these websites:

[www.elks.org](http://www.elks.org)  
<http://www.revenue.wi.gov/>  
and [www.irs.gov](http://www.irs.gov)



## Sources of Information

### Grand Lodge Publications

Constitution and Statutes  
Statutes Annotated  
Auditing and Accounting Manual  
Accident Prevention Manual  
Grand Lodge Website (elks.org)

### State of Wisconsin : General Website: [www.wi.gov](http://www.wi.gov)

Department of Commerce at <http://commerce.wi.gov/>  
Sections including electrical, plumbing, building inspections

Gaming, Division of, Department of Administration at <http://doa.wi.gov/index.asp?locid=7>

Department of Health Services at <http://www.dhs.wisconsin.gov/>

Department of Revenue at <http://www.revenue.wi.gov/>

Department of Workforce Development at <http://dwd.wisconsin.gov/>

Department of Safety and Professional Services at <http://dsps.wi.gov/sb/SB-HomePage.html>.

U.S. Small Business Administration - [WWW.SBAONLINE.SBA.GOV](http://WWW.SBAONLINE.SBA.GOV)

Consumer Information Center - <http://www.usa.gov/topics/consumer.shtml>

OSHA at <http://www.osha.gov/>

IRS (Internal Revenue Service) at <http://www.irs.gov>