

## FINANCE POLICIES

### Licensed Premises Responsibilities

The Treasurer and the Finance committee must be prepared to require certain standards of costs. This means limiting sale prices of beverages and products from being raised and preserved at a level which ensures that gross profit percentages are consistent with recommendations as made from time to time by Command's Branch Advisory Committee and that the total expense for wages and fringe benefits does not exceed 25% of gross sales plus Lotteries Product commissions and break open profit for the licenced premises. On the Admin side (office staff) the ratio is 5% of gross sales plus Keno and break-open profit. However, if break-open and Lottery products sales are handled totally by volunteers, then the profit is not added to the gross sales when calculating the Admin percentage (this % does not necessarily include the cost of an external bookkeeper if there is no in-house volunteer capable of providing this service).

The Treasurer and the committee must constantly control the movement of liquor, beer and cash within the bar operation. It is understood some branches give the responsibility of liquor inventory to the House/Licenced Chair. Every effort must be made to use metered liquor.

The authority to provide a limited number of free drinks as authorized within the provisions of Section 12 of the *Regulations of the Liquor Control and Licensing Act* must be carefully recorded by bar staff. In addition, bar staff that are intimidated and pushed into supplying free drinks are within their rights to lodge legal action against the branch. There is a worksheet available from Command accounting to assist in calculating the value attributable to "Free drinks" for accounting purposes.

It is absolutely essential that the movement of physical stock is constantly and accurately measured. Any dishonest employees or branch members are promptly suspended pending an investigation, and further action is required. Remember BC/Yukon Command has a ["zero tolerance" policy](#) when it comes to misappropriation of funds or assets. Police are involved immediately and without hesitation.

The Treasurer and the committee must regularly calculate gross profit percentages on the sale of each class of products sold from the branch and they are to report such information to their membership at each regular general meeting. As costs change, gross profit percentages change. The expected gross profit percentages can be found in the licensed premises section of the Branch Manual. Not following these steps could lead to annual revenue loss. This seriously restricts the funds available for membership programs, the repayment of major loans made by branches, and over a period of years could lead to bankruptcy.

With the above factors considered the Treasurer and Finance Committee lay down their budget and have it passed by the membership at the first or second monthly meeting during their annual term of office. If they work diligently, the end result will show they have maintained an active branch in funds during their term of office. The branch will have planned surpluses available for contingencies or gathered in reasonable amounts over a term of years to provide an "umbrella" during periods of economic hardship.