

**VETERANS OF FOREIGN WARS OF THE UNITED STATES
DEPARTMENT OF GEORGIA**

Approved December 18, 2023

Post Revenue Generating Enterprises

**GUIDELINES FOR THE OPERATIONS OF REVENUE GENERATING ENTERPRISES
BY DEPARTMENT OF GEORGIA VFW POSTS.**

I. **PURPOSE:** This document identifies **COMPLIANCE** actions and provides **RECOMMENDED** Best Practices for successful operations of **REVENUE GENERATING ENTERPRISES** by posts within the Georgia VFW Department. This document is subordinate to the National Bylaws/Manual of Procedure and the Department of Georgia Bylaws.

II. **DEFINITIONS:**

- “Revenue Generating Enterprises” are defined as enduring activities sponsored by a post, or other subordinate unit of the Veterans of Foreign Wars of the State of Georgia (including any holding or managing corporation) wherein:
 - The name “Veterans of Foreign Wars,” the insignia “VFW” or any colorable imitation thereof is utilized.
 - One of the functions of which is the sale of food or beverage of any type in quarters permanently owned, rented or otherwise occupied by the post.
 - Under the direct **CONTROL** of the post pursuant to Section 709, VFW National Bylaws.
 - An “enduring activity” is one that was established to operate for an indefinite timeframe.
 - Throughout this document, the terms “activity” and “activities” may refer to Club Rooms, Canteens, any other Revenue Generating Enterprises of a post, or any combination of the preceding.

- **Employees:** Individuals who perform functions for which they are compensated in support of or as part of post activities. The post shall have approved those functions for compensation.

III. **COMPLIANCE:** The following are **COMPLIANCE** requirements that are to be adhered to:

- Posts must establish a House Committee. The purpose of the House Committee is to manage the business aspects of the Revenue Generating Enterprises of the post as approved by its members. Management also

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involves monitoring the activities to ensure compliance with all rules, regulations, ordinances, laws, bylaws, Manual of Procedure, and orders of the:

- United States
- State of Georgia its counties, and cities, and Departments or Divisions of those government and
- All organizational units of the Veterans of Foreign Wars of the United States (National, Department, District, Post).

- **House Committee Membership.** Posts must determine the following:
 - The size of the House Committee;
 - The method for choosing the House Committee members to ensure the majority of members are elected;
 - The method for selecting the House Committee Chairperson;
 - Method for removal of members;

NOTE: The terms of the House Committee members shall correspond to the VFW year. House Committee members may be re-elected and/or appointed in subsequent years.

- The House Committee shall appoint/hire a Manager (member/non-member) to operate the activity, subject to the House Committee's instructions.
- **House Committee Meetings**
 - Conduct at least one regular meeting each month at a time and place approved by the Post.
 - Conduct Special Meetings when requested by a majority of the House Committee. At least three days prior to the meeting, provide notification of the time and place in established Post locations and any approved electronic locations per Post procedures. Notify House Committee members in person or by telephone of the meeting purpose, location, date, and time.
 - A majority of the House Committee members must be present for the transaction of business at a regular or special meeting. The members comprising the majority can be both elected and appointed members of the House Committee.
 - One of the House Committee members shall act as Secretary, keep minutes of all meetings and prepare a report of the meeting to be read, by the House Committee Chairman at the next regular meeting of the Post. This report shall be made part of the Adjutant's minutes.

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- All actions of the House Committee shall be subject to ratification by regular vote at a Post Meeting.

- Employees:
 - The Manager and all employees who handle monies of the activity shall be bonded for at least the amount of money which they would normally handle or have access to.
 - In order to preserve their objectivity, Post Trustees, the Post Commander and the Quartermaster shall not be employees nor receive any manner of compensation from Post Activities or from committees associated with the Activities such as the House Committee.

- Inspections
 - Posts with activities covered by these guidelines shall have the activities inspected at the time of the regular post inspection. Inspections will confirm the activities are in compliance with all relevant guidelines, rules, regulations, and laws applicable to their operations. Inspections will be accomplished using activity-specific checklists approved by the Council of Administration. Irregularities and any violations of the compliance items shall be documented in the inspection report. The Post shall prepare a plan to resolve the irregularities and violations no later than 30 days after the inspection. The plan shall be submitted to the Department Commander through the District Commander. Monthly progress reports shall be submitted to the District Commander who, after reviewing them, will forward them to the Department.

- Suspension of Activities
 - If it shall come to the attention of the Department Commander that a violation of the compliance items identified in the COMPLIANCE section of this document has been committed and has been allowed to exist at the activity of a Post (or Posts), the Commander shall address a 10-day written notice to said Post(s) to show cause in writing why its activity (or activities) should not be suspended. Unless the Post Commander's response identifies the corrective actions implemented or underway to discontinue the violation, the Department Commander shall suspend the operations of the activity (or activities) for up to 90

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days. Continued failure to resolve the violation can result in further actions up to and including termination of the activity.

IV. RECOMMENDATIONS—Best Practices

- **Operations: Employees**
 - Members of the House Committee should not be employed nor receive compensation for their services in order to maintain their objectivity in dealing with Activity matters.
 - **Operations: Financial Audit and Inventory:** no less often than monthly, conduct audits of all financial records and inventory reports of the activity. Have the audit results reviewed for accuracy and completeness by the Post Trustees, qualified auditors, or accountants.
 - **Financial Records:** The Manager must establish the financial records required by the House Committee*, maintain them, and prepare a monthly report for the Post. Prior to submitting the report, the Manager makes it available for auditing as described in the Audit and Inventory section of this document. After the report has been audited and found to be acceptable, the Manager will provide the report to the Quartermaster and present it at the monthly Post meeting. The Adjutant will include the report in the Post meeting minutes.
** See Appendix 1 for a recommended list of items to be included in the report.*
- **Monies:**
 - Per the National Bylaws and Manual of Procedure, the Post Quartermaster is the accountable officer of the Post and as such has charge of all funds, securities, and other properties of the Post. Unless otherwise provided for in Post Bylaws, all disbursements of Post funds shall bear the signature of the Quartermaster or other person(s) authorized by the Quartermaster. With regard to the finances of Post activities, it is recommended that a plan be developed by the House Committee in conjunction with the Quartermaster and submitted

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to the Post for approval that addresses the topics below to the extent the Post may wish to implement them.

- The House Committee will propose for Post and Quartermaster approval a specified sum for the Manager's use as the necessary operating capital.
 - All monies representing the net operating receipts (after disbursement) acquired by the activity must be turned over to the Post Quartermaster or deposited on a bank account designated by the Post Quartermaster as often as specified by the House Committee but at least weekly.
 - Funds designated and retained at the Post as operating capital or waiting to be deposited must be stored in secure containers to which access is controlled by the Quartermaster and individuals authorized by the Quartermaster to access them. Such authorization is to be written and provided to the House Committee and the Manager.
 - Except for emergency repairs, expenditures for furniture, furnishings, equipment, etc., require prior approval of the Post. The House Committee will generate requests with justification for purchases of furniture, furnishings, equipment, etc. and seek a favorable vote by a majority of the House Committee members. After obtaining approval by the House Committee members, the requests are submitted to the Post for approval.
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- **Tax Returns and Information:** Tax information for Posts is contained in the Post Adjutant/Post Quartermaster Operations Manual. This information is by no means all-inclusive of the Internal Revenue Service Code. Specifics concerning filing of tax returns should be addressed to a Certified Public Accountant (CPA) or an accountant employed by the Post.
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- **Operations: Non-Interference**
 - Post meetings of any type must be able to operate without interference from other events that occur while the meeting is being conducted. Interference not only includes sounds emanating from the areas where other events are occurring but also. the presence of alcohol in the meetings, whether or not it is consumed, is forbidden per §1001, Item

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25 of the Manual of Procedure. Posts must have established procedures for preventing interference to meetings from other events to include closure of activities where alcohol is served while meetings are occurring.

- **Operations: Enjoyment of Activity Facilities**
 - All members of the Veterans of Foreign Wars in good standing (including members of the Post Auxiliary) and their bona fide guests are entitled to enjoy Activity facilities. Bona fide guests include:
 - Non-members accompanied by a member who is responsible for their conduct on the premises.
 - Members of an outside organization or group (non-profit) whose functions are similar to that of the VFW are allowed to use Post facilities for meeting purposes only; and
 - Members of other veterans' organizations, where reciprocal provisions exist to members of the VFW in the Club Rooms and Canteens of those organizations.

NOTE: These provisions also apply where a license is held for operations open to the public.

- **Operations: Conduct of Patrons**
 - Good order is to be maintained at all times on the premises of any activity to include the Post Home. The Manager is responsible to the House Committee and the Post Commander for ensuring occurrences of unacceptable behavior are promptly addressed.
 - Posts are to develop and maintain a list of types of conduct that are unacceptable on the premises of any activity. The lists should be placed in locations where they can be readily seen by members and non-members. Anyone who exhibits unacceptable conduct will be directed to leave the premises immediately. The House Committee will be made aware of the incident for its consideration of additional action. Below are examples of unacceptable conduct by members (a-f) and non-members (b-f). Posts may augment the list of unacceptable conduct upon approval by the House Committee and Post.
 - (a) Violating the Veterans of Foreign Wars Member's Obligations

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- (b) Discussing affairs of the Veterans of Foreign Wars, or any of its members within the presence of, or hearing of a non-member of the Veterans of Foreign Wars, including employees for the activity.
- (c) Becoming obnoxious, offensive, or where conduct reflects discredit in any way or manner on the Veterans of Foreign Wars or any of its members.
- (d) Violating any rules, regulations, Bylaw, or law of the State of Georgia, County, City, Georgia Department of Revenue, United States, Veterans of Foreign Wars, Post, or House Committee.
- (e) Becoming intoxicated or arriving intoxicated on the premises; or
- (f) Creating a scene, or participating voluntarily in same, and any fracas or disorderly conduct on the premises. Violates his obligation as a member or officer of the Veterans of Foreign Wars.

- **Disciplinary Action:** The House Committee will develop procedures for determining follow-on actions after reviewing any incident involving unacceptable behavior. In accordance with its procedures, the House Committee may take action to determine if additional punishment is warranted. Punishments may include suspension for various durations. Extended duration suspensions (greater than 90 days or permanent disbarment) require concurrence by Post membership.

V. **ADDITIONAL DOCUMENTS**--Posts are encouraged to develop Standard Operating Procedures, Checklists, and other documents to facilitate their implementation of these Guidelines. These documents will enable consistency and continuity within the Post as it manages its Revenue Generating Enterprises.

VI. **VISIBILITY** – Copies of this document and associated Post generated documents should be accessible by Post members. Also see *Operations: Conduct of Patrons* in Section IV above for information regarding posting of lists of unacceptable behavior where they can be seen by patrons of the activity.

*****Appendix 1 appears on the next page*****

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APPENDIX 1

1. Recommended items for inclusion in the Activity Manager's monthly report.
 - (a) Operating cash receipts for period covered by the report.
 - (b) Inventory at beginning of period covered by the report.
 - (c) Inventory at the end of the period of the report.
 - (d) Net operating income (loss) for the period covered by the report.
 - (e) Net operating income or loss from the beginning of the fiscal year to the end of covered report.
 - (f) Amount of cash on hand (including operating capital) at the end of the period covered by the report.
 - (g) Amount of the Accounts Payable at end of the period covered; and
 - (h) Other financial data or information required by the House Committee.

NOTE: All expenditures are to be supported by invoices and/or vouchers.

**THIS DOCUMENT WAS APPROVED BY THE COUNCIL OF
ADMINISTRATION VIA ZOOM DECEMBER 18, 2023.**

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