

VETERANS OF FOREIGN WARS OF THE UNITED STATES



DEPARTMENT OF PACIFIC AREAS

Policy Memorandum Guide to Good Management of Post Clubs/Canteens

PURPOSE: To establish a uniform policy for guidelines by which Department of Pacific Areas (hereinafter, DPA) Posts may operate Post Clubs/Canteens.

BACKGROUND: History shows that National in the past has published guidance for club and/or canteen operations in the VFW Leadership Reference Guide, Commander's and Quartermaster's Manuals, under the title of "Suggested Guide to Good Management of Clubs/Canteens and Club Finances. National has deleted the Guide and requested Departments to formulate similar guidance for their Posts that have such operations. The Commander's Manual does give a general description of requirements for Posts which operate a Post Home or Club/Canteen under section on VFW Rules and Officer Responsibility, but does not render specific guidance. Therefore, the below policy is established for operations, financial and insurance matters for Clubs/Canteens (hereinafter, canteen) operated by Department Posts.

APPLICABILITY: These policies and procedures shall apply to all Posts operating canteens within the DPA geographical area of responsibility.

CONSIDERATION: In the DPA where Posts are located in various countries, which have different laws and regulations at country and local levels it precludes the promulgation of universally accepted rules and regulations. However, certain principles are essential for good management and proper control by Post sponsored canteens. That being so the operation, management and control of any canteen should be entirely within the authority of the Post. It is the Post's responsibility to see that its canteen is operated in a way that benefits its members and does not harm the reputation of the Post and those members. Also, when Posts adopt by-laws, with rules and regulations for the operation, management and control of canteens they shall adhere to the mandates of the National By-Laws, Section 709—Control and Department By-Laws, Article XIII – Control of Units.

POLICY: The Department By-Laws direct under Section 1302—By-Laws, that any Post operating a canteen shall adopt by-laws and Section 1303—Control, prescribes the control of the canteen. With Section 1304—Management and Finances, indicating that any canteen operated by a DPA Post shall follow the provisions of this policy memorandum in establishing by-laws and house rules for operations. Therefore, the following guidance is set forth:

CANTEEN OPERATIONS

1. The general duties and responsibilities shall be given in canteen by-laws for the Commander, Quartermaster, Post House Committee (hereinafter, PHC) and Canteen Manager.
2. The composition and manner of selection of the PHC, may be either by election, appointment, or combination of both, and set-forth in Post Canteen By-Laws. The Post shall determine the composition and manner of the selection utilizing the following guidance:
 - a) By Elections: The PHC to be elected by the Post members for managing the business affairs of the canteen. It shall consist of not less than three (3) members, one each of whom shall be elected annually for a three-year term. Trustees shall not serve on the PHC. (Elected PHC member are not held to be Post officers as set forth in Section 216 of the National By-Laws.) In addition to the above, the Post Commander and Post Quartermaster, by virtue of their offices, shall be members of the PHC and may be voting or non-voting members as depicted in Post Canteen By-Laws.
 - b) By Appointment: The PHC to be appointed by the Post Commander for managing the affairs of the canteen. It shall consist of not less than three (3) members. Trustees shall not serve on the PHC. In addition to the above, the Post Commander and Post Quartermaster, by virtue of their offices, shall be member of the PHC and may be voting or non-voting members as depicted in Post Canteen By-Laws.
 - c) By Election and Appointment: The PHC to be elected by the Post members and appointed by the Post Commander for managing the affairs of the canteen. It shall consist of not less than three (3) members. Trustees shall not serve on the PHC. (Elected PHC members are not held to be Post officers as set forth in Section 216 of the National By-Laws.) In addition to the above, the Post Commander and Post Quartermaster, by virtue of their offices, shall be members of the PHC and may be voting or non-voting members.
3. Any member of the PHC, if appointed, may be removed by the Commander or, if elected/appointed, may be removed by the two-thirds vote of the Post, upon proven charges of failure to comply or failure to enforce compliance with these rules and regulations, or for failure to attend two (2) consecutive meetings of the PHC, except that the validity of any action taken under this rule pertaining to the removal of the Post Commander or Post Quartermaster shall be based on full compliance with the provisions of section 220 and other applicable provision of the National By-Laws and Manual of Procedure.
4. The PHC shall meet at least once a month for the purpose of discussing problems, taking inventory, studying financial reports, and in general, acting as an advisory, supervisory and disciplinary board.
5. The canteen operations shall include Post House Rules which may be published in the by-laws proper or as an appendix therein. The house rules shall be directed to the day-to-day canteen operations presenting rules and procedure to abide by. They should be available to patrons of the canteen to review and adhere to.
6. The PHC shall employ such personnel, including manager, as may be necessary. No member of the PHC shall serve as manager. The canteen manager and employees job descriptions, wages, benefits, etc., may be shown in appendices to the canteen by-laws.
7. The PHC shall have authority to suspend all canteen privileges of any member for misconduct on canteen premises for whatever time shall be deemed proper subject to appeal to membership.
8. All actions of the PHC shall be subject to ratification by the Post by regular vote at a Post meeting.
9. The manager or any employee handling canteen monies shall be bonded to the Post for twice the amount normally handled.

10. The manager shall be responsible to the PHC and the Post Commander for conduct of all patrons. He shall deny canteen privileges to any member or guest violating canteen rules, local laws and regulations.
11. The canteen manager and PHC shall be held responsible by the Post Commander and the Post membership for strict enforcement of canteen regulations, local ordinances, and country laws applicable to the operating canteens.
12. Violation or permitting the violation, of any of these rules and regulations shall be deemed sufficient cause for the discharge of the canteen manager. If the PHC fails to act upon proof of such violations, the Post membership may initiate action at a Post meeting under the provisions of paragraph 6 above.
13. The PHC and manager shall keep accurate records, open to inspection of the Post members' at all reasonable times.

FINANCES

1. The Post Quartermaster, by virtue of his office, shall be treasurer of the PHC.
2. The canteen manager shall keep an accurate, approved set of records and accounts.
3. The largest sum which the manager or PHC may spend without a vote of Post authorization same shall be \$_____.
4. All income and profits shall be held or deposited in the name of the Post, and in no other name.
5. The PHC and canteen manager shall turn over to the Post Quartermaster, at least weekly or monthly as deemed necessary, all net profits and property acquired over and above a specific sum which shall be prescribed in the Canteen By-Laws, and which sum shall be retained for current canteen expenditures.
6. At least once each month the canteen manager shall furnish the Post Quartermaster a complete written profit and loss statement to be read to the Post membership and placed in the Post minutes, and thereafter on file for members to view if desired ~ all expenditures to be supported by bills and vouchers.
7. All canteen books and records shall be subject to a quarterly audit by the Post trustees or qualified accounts approved by them.
8. All canteen regulations may be amended by majority vote of members present at any regular or special Post meeting, subject to written notice to members at least ten (10) days prior to such meeting.

INSURANCE

In order to protect the Post and the members or guests from liability that could result from the operation of a canteen, it is recommended that general liability insurance be obtained, that includes dram shop liability insurance, and other insurance required by local laws as deemed necessary. The amount of coverage should be sufficient to protect the Post from any reasonably expected liability claims. The failure to adequately insure could result in the loss of all of the Post money and property and garnishments or other collection efforts against the Post extending far into the future. Remember, that Section 709 of the By-Laws requires that Posts owning or operation canteens and other facilities must maintain adequate liability insurance and shall name the Department and National organization as additional insured's.

SUMMARY: The DPA understands that not all canteens operate the same in the various countries where they are located; however, the policy presented herein is furnished with this in mind and comes from past experience in reviewing Post Canteen By-Laws and House Rules. With that said

when submitting new by-laws, revision or amendments to by-laws and house rules for approval the policy set forth in this memorandum should be review for compliance. It must be remembered that the canteen is merely an activity of the Post and must be treated as such. **In no case is it a separate entity.** (Note: If desired, a sample of by-laws and house rules may be provided by the Department legal office upon request for review of content and formatting of documents.)

APPROVAL: This Policy Memorandum shall be effective upon approval of the Department Convention or Council of Administration. It shall be a standing policy that may be amended or revised by two-thirds (2/3) vote at a Department Convention or by the Council of Administration.

This Policy Memorandum the "Guide to Good Management of Post Clubs/Canteens" was approved by the Department of the Pacific Areas Council of Administration April 7, 2010, by electronic ballot vote.

**Department of Pacific Areas
Veterans of Foreign Wars of the United States**

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