



VETERANS OF FOREIGN WARS.

North Carolina

**Department of North
Carolina Standard
Operating Procedure for
Post Canteens**

As approved by the Council of Administration

6/10/2024

1. GENERAL

- A. The purpose of this Standard operating Procedure (SOP) is to set forth proper operating procedures and provide guidelines for Posts who choose to operate a Canteen, in compliance with Article XVI of the By-Laws of the VFW Department of North Carolina, all North Carolina Alcohol Law Enforcement (“ALE”) regulations.
- B. The Canteen can only admit, for service, those people listed in Article XVI of the VFW Department By-Laws. Canteens are regulated by Department By-Laws pertaining to a Post Canteen and should not be referred to any National Department or Officer. Post inquiries to the National Council of Administration will be disregarded and returned to the NC Department for its express considerations and determinations. Canteens are obligated to comply with all state and local laws, ABC regulations and any revisions of the same.
- C. Canteens are designed to support Posts in their efforts to promote camaraderie among members of the VFW, VFW Auxiliary, and, if desired by the Post, active members of the Armed Forces and their qualified guests.

2. MANAGEMENT RESPONSIBILITIES

A. HOUSE COMMITTEES

- 1 Posts operating Canteens will elect, install and maintain a House Committee to oversee and guide all Canteen operations. The House Committee is elected simultaneously with the annual election of Post officers, consisting of three (3) to five (5) members. It is recommended that these members serve in terms like that of trustees, with three (3), two (2) and one (1) year terms to provide continuity and historical reference to business operations. In addition, the Post Commander and Post Quartermaster **shall also** serve on the Committee **as a voting member**.

- 2 The House Committee will elect a Chairman, Vice Chairman, and any other officers necessary. The Post Commander and Quartermaster must be part of this committee. The Post Commander will vote only in the event of a tied vote. No Post trustee shall serve as a House Committee member. The committee will meet at least once monthly and will maintain the minutes of such meetings. Special meetings can be called only if every elected Committee member is notified with enough advance notice to attend. Non-Committee members may attend, with the permission of the Chairman, and will have no voting privilege. Non-members may not speak unless the Chairman has granted permission.
- 3 All Committee-approved plans, proposed expenditures, and operations will be read to the Post Membership by the Chairman or Vice Chairman providing the Post floor with the ability to concur or overrule the House Committee. Only with Post Membership approval, except for emergencies (such as equipment repairs in the canteen area), shall the House Committee be allowed to authorize any expenditure. It is recommended that emergency expenditure procedures be specifically detailed in Post Canteen SOPs specifying a maximum expenditure amount, and that such emergency expenditures be authorized by the Post Commander in advance.
- 4 Only the Canteen Manager, Post Quartermaster, and the Duty Bartender in the case of State Lottery payouts, have the authority to make payments as designated by their duties and authorities. House Committee members have no such expenditure privileges.
- 5 The House Committee should review the monthly profit and loss statements of the Canteen prior to presentation at the regular Post membership meetings. The House Committee should prepare a report of its proposals, plans and recommendations.

- 6 The Post Membership will determine the policies and procedures for Hall Rentals. These policies and procedures should address hall rental fees, facility use policies, persons authorized to approve rental hall agreements, and calendaring of hall rentals. These procedures should be documented in either the Post Bylaws or a Canteen/Rental Hall SOP. All conflicts in scheduling, contracts, support, insurance responsibilities, should be clearly addressed in a contract or Memorandum of Understanding, executed by both parties. In entering into Hall rental agreements, Post should make every effort to limit the liability and manage risk prior to entering into the agreement.
- 7 The House Committee shall have responsibility and authority to make final decision of staffing required for effective operation of the Canteen. This authority may include, but is not limited to, the hiring of a Canteen Manager, Bartenders, Cooks, servers, or other required employees/positions. The House Committee may also discharge personnel at their discretion. Staffing duties may be delegated to the Canteen Manager, with approval from Post Membership. Employment preference **shall** be given to members in good standing of the VFW and VFW Auxiliary, so long as there is no conflict of interest, such as being the spouse of an officer with cash-handling, oversight, or audit responsibilities. House Committee decisions may be overruled by the Post floor.
- 8 The House Committee shall be responsible for the addition or removal of any beverage or food items to the menu, along with oversight of any pricing. The Canteen Manager may provide input to the House Committee but does not have a vote in these matters.
- 9 The House Committee has the authority to suspend the canteen privileges of any member (Post or Auxiliary) guilty of any act of misconduct upon the canteen premises. The Committee may determine the appropriate length of period for suspension. The Post By-Laws should provide procedures for application of suspensions and or disciplinary actions related to the Post Canteen. See additional information under CONDUCT /OPERATING STANDARDS herein.

3. GENERAL EMPLOYMENT RULES

- A. All Canteen Managers and Bartenders shall submit to a criminal background investigation, and shall not be in violation of any offenses which would preclude them from holding such positions, as outlined in ALE regulations (i.e. felony conviction within three years, alcohol-beverage offense or misdemeanor controlled-substance offense within two years, etc.).
- B. All Canteen personnel and food handlers will submit proof of having completed the appropriate ALE beverage and/or Department of Health food handlers training certifications and will be renewed at such intervals as prescribed therein.

4. CASH HANDLING / BANKING

A. COMINGLING OF FUNDS

- 1 Canteens must be self-supporting in their purchase of saleable goods and salaries/wages, and Posts are not authorized to utilize other Post funds for this purpose.

B. PROFIT DISTRIBUTIONS

- 1 Canteens must turn over any excess profits, in an amount and time as designated by their Post Bylaws. It is recommended that a cap be set for maximum amount of cash to have on hand, and that at least monthly, any overage be authorized by the House Committee to be transferred to the Post. Canteens must have a separate bank account for the purpose of conducting Canteen operations and may not utilize any other Post accounts for the purpose of support or operations.
- 2 State Lottery / Keno / lawful gaming activities will be a self-sustaining operation and will maintain sufficient cash on hand in accordance with the N.C Lottery Retailer Rules and Regulations and other governing authority. All distributions to the providers shall be made in accordance with the governing authorities (i.e. North Carolina Educational Lottery, etc.), and all overages, as will be outlined in the Post Bylaws, will be distributed to the Post General Fund or other Post accounts (i.e. relief, building fund, etc.) as may be dictated by said Bylaws.

C. PURCHASING

- 1 If Post Bylaws permit the Canteen Manager to have purchasing authority without prior approval of the Quartermaster, such purchases shall be limited to items for re-sale, Canteen supplies, and for maintenance of food and beverage inventories.
- 2 Canteen funds may not be used for the purchase of durable goods, such as restaurant equipment, renovations, light fixtures, furniture, office equipment, or other similar items.
- 3 Canteen funds shall not be used to pay for Post utilities and services, including but not limited to, utilities, internet, P.O. boxes rentals, printing and postage, security systems, etc.

D. BANKING

- 1 Any Canteen that has elected to participate in any State-authorized gaming activities (Keno, Lottery, off track betting, etc.,) must have a separate bank account for said activities and will be responsible for the monthly reporting of said activities, to all applicable entities, such as Post, District, Department, State and Local regulators, as prescribed by such agencies.

5. INSURANCE / BONDS

- A. All Canteens must maintain liquor liability insurances, naming the Department of North Carolina Veterans of Foreign Wars of the United States as an additional insured.
- B. All Canteen Managers and Bartenders will be properly bonded as prescribed by the Department Bylaws Article XVI(6)(f). If there is a staffing change during the year, a bond must be secured for the new staff member.
- C. In accordance with VFW National directives, all canteens will have liquor liability as part of the Post insurance coverage.

6. TAXES

- A. The part of the building and grounds used by the canteen and any profit it generates are tax-exempt from local property taxes, state corporate income taxes, and federal corporate income taxes.
- B. Any rentals or leases of Post properties, Canteen facilities or other grounds and properties, to any organization of a For-Profit enterprise, will be subject to pay appropriate Property taxes. Failure to collect and / or pay said taxes could result in a tax-lien or other penalties as may be prescribed by the State of North Carolina Department of Revenue.
- C. The Canteen shall be responsible for remitting any applicable taxes for sales, non-exempt purchases, lawful gaming activities, etc. as may change from time to time by Local, State and/or Federal authorities. It is the responsibility of the canteen management to familiarize themselves with applicable laws and regulations.

7. INSPECTIONS

- A. Canteens shall be inspected twice annually. The first inspection shall occur prior to January 1 of the fiscal year, typically performed by the District Inspector during the first Post Inspection, and the second shall occur not later than 30 days prior to the Department Convention in June.
- B. Any Post with Bingo operations will also receive two inspections per year, to run simultaneously with the Canteen Inspections.
- C. Canteen Manager, Post Commander, House Committee Chairman, and Quartermaster will be present at all inspections. A copy of the inspection form may be found on the VFWNC.COM website, under resources / reports and forms. All Posts to be inspected will have ready the required documents

and will also provide the same access to the District Inspector. If a Post should fail and inspection, the canteen will be suspended until all failing items are appropriately remediated.

8. LICENSING / PERMITS

- A. **BUSINESS LICENSE** – The Post shall apply for and maintain a proper business license, and annual renewals thereof, as required by State or Local authorities.
- B. **LIQUOR LICENSES** – Canteen shall maintain the appropriate ABC licensing for each required level of beverage sales (i.e. Liquor, brown bag, fortified or non-fortified wines, malt beverages, etc.).
- C. **LOTTERY / KENO / GAMING** – If Posts elects to apply for and is subsequently granted permission to operate state run gaming and lottery, the appropriate license must be maintained at the intervals prescribed by the governing agency. When the Post manager, named on such an application for licensing changes, a new application must be filed, and the appropriate background investigations approved by licensing agency.
- D. **BINGO** – any Post with a separate Bingo operation must have separate licensing for same and must operate in compliance with state and local laws.

9. CONDUCT / OPERATING STANDARDS

- A. **GENERAL** – Operating a canteen for the furtherance of Post camaraderie and the generation of income to support VFW Programs, missions, relief, and community outreach is a privilege and must be operated with only the highest of standards. Your conduct, as it may be viewed by the community, is a direct reflection of the image of our proud organization. Any conduct unbecoming, unlawful activities, violence, disturbances, or unkept facility appearance are not to be tolerated, and could result in the loss of your privilege to operate a canteen.
- B. **CODE OF CONDUCT** – A Code of Conduct and corresponding disciplinary actions for violations of such conduct will be maintained by each Canteen. A copy of the Code of Conduct will be displayed in plain view for all Post members and authorized guests, and should also be reviewed with each new member, during the member’s orientation. Members should sign an acknowledgement of having received the Code of Conduct. Every member of the House Committee, Canteen staff, Post Commander, and line officers

are also bound by the established Code of Conduct and must conduct themselves within those standards.

- C. FACILITY MAINTENANCE / APPERANCE – The exterior portions of the Canteen and Post properties will be kept clean and free from uncontained trash, overflowing receptacles, safety hazards (potholes, debris, improper maintenance of walkways, handrails, etc. Interior maintenance must include all public safety devices, notifications, fire extinguishers, emergency exit lighting, signage, and evacuation diagrams, and/or other such aids needed to further public safety.
- D. SOCIAL MEDIA / PRESS – All members and their guests will refrain from posting images, commentary, articles in the public media without the express permissions of those individuals being mentioned, Post Commander, House Committee, or Department Commander permissions as may be required from time to time.

10. FEES

- A. Each Post shall remit a Canteen Fee of \$60, annually, to the Department, to assist in the offset of expenses incurred by District and Department Inspections.
- B. Canteen fees shall be due and payable not later than August 31st of each year, unless otherwise addressed in the General Order 1 of each command year.

11. GENERAL EMPLOYMENT RULES

- A. All employees work for the Post and may be paid by the Quartermaster or Canteen Manager, as determined by the members according to its Post Bylaws. The Post employees are paid at regular intervals from either the Post General fund or the Canteen Account in accordance with the Post By-Laws.
- B. The Quartermaster must maintain proper employment records, make appropriate deductions for state, federal, and local taxes, social security, Medicare, and any other benefits provided for and specified in the Post By-Laws.
- C. The Quartermaster shall provide all appropriate IRS forms to be filed with the appropriate agencies, as well as provide copies to the employees, in a manner and time prescribed for in IRS regulations.
- D. Each employee shall have an employment file properly maintained by the Quartermaster which shall include but not be limited to Employment

Application, background investigations, drug tests, wage and benefits records, IRS documentation, and other appropriate records.

- E. Unpaid volunteers such as Bartenders and Canteen Managers must be treated as employees for insurance coverage and bond requirements. Paid Employees that are not Independent Contractors must receive a W-2 withholdings pursuant to IRS requirements.

12. CANTEEN MANAGER AND BARTENDERS

- A. The Canteen Manager shall have a position description, which has been approved by the Post floor, outlining the Canteen Manger's area(s) of responsibility and authority, and should be included as an addendum to the Post Canteen SOP, as duties may need periodic revision. These duties may include day-to-day operations of the Canteen, hall rental scheduling, volunteer scheduling, Canteen account and cash management duties.
- B. The Canteen Manager and Bartenders are required to complete required courses prescribed by the Alcohol Law Enforcement ("ALE") and must qualify to be employed based on ALE. regulations. For example, bartenders are not permitted to be hired if they have been found guilty of certain crimes. Additionally, it is recommended that any Canteen which serves food should also require their staff to have taken and passed a food handlers course(s).
- C. Canteen Managers and Bartenders will be properly bonded by an amount at least equal to, but not limited to, twice the amount gross receipts. Posts should also obtain a "dishonest employee clause" in their Post Insurance policy, such as provided by Lockton Insurance, the recommended insurance provider by VFW National.
- D. Canteen Managers and Bartenders shall not discuss any job-related issues with anyone but the House Committee or Canteen Manager. Canteen Managers and Bartenders shall not participate in any conversation with patrons relating to other members, officers, the Post, or any other aspect of the VFW deemed to be unfavorable, negative, or derogatory in nature. SUCH CONDUCT WILL NOT BE TOLERATED.
- E. Canteen Managers and Bartenders shall not discuss any business of the VFW with any person calling the Post. All cash calls shall be referred to the Senior Post Officer present.

13. RECEIPTS / EXPENDITURES / BANKING

- A. The Post Canteen shall have a separate checking account for Canteen operations, and may have the requirement for additional accounts for State Lottery / Keno, or other revenue-generating operations.
- B. Each account held for Canteen purposes shall have a prescribed maximum amount for each function. For example, \$200 for North Carolina Education Lottery (“NCEL”), Canteen Checking \$2000, etc. Additionally, each daily cash bank shall have a predetermined float / starting amount for each shift of bartenders. For example, Cash register may have a \$200 starting bank, Keno may have a \$500 starting bank, etc. The Quartermaster must have access and be a signer on all accounts, as directed by the National By-Laws.
- C. It is recommended that daily or weekly deposits be made for the Canteen account to minimize the amount of cash on hand, provide for safekeeping, and provide for coverage of regular expenditures and wages of the Canteen operations. NCEL accounts must be deposited not later than every Monday, for their Tuesday ACH withdrawals of weekly reconciliations. Please verify these days with your NCEL account managers, as they may change from time to time.
- D. At the end of each month, the excess amounts, after deducting for any outstanding checks or ach transactions in process, will be transferred to the Post General Fund, via electronic fund transfer or check, as the Quartermaster may have outlined in the By-laws. These profits are to be reported in a monthly Canteen report at the regular meeting of the members, by either the House Committee Chair or the Quartermaster.
- E. The Canteen Manager, if outlined in their responsibilities and authorities, will reconcile all cash bags, credit card charges, and cash drawers daily, and keep appropriate records as the Quartermaster has outlined. If such responsibility has not been given to the Canteen Manager, it shall be the responsibility of the Quartermaster. Additionally, all daily cash amounts will be maintained in a separate safe, specifically for Canteen matters, and will not be comingled with the Post safe. The Quartermaster shall have access to this safe as required by the National and Department By-Laws.