



NEVADA STATE ELKS ASSOCIATION

BUSINESS PRACTICES MANUAL

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Foreword

It has been said that running a retail business, really any business these days, is a bit like juggling chainsaws while running the four hundred meter high hurdles. The constant and sometimes conflicting pressures of anticipating the marketplace, producing a high-quality, low-cost product, dealing with the needs of customers and employees, and pleasing the ever-vigilant regulatory bodies, combine to make the job of successfully managing these forces more of a black art than a true science. Oh yes, and all the while attempting to eke out some semblance of a profit!

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

The contents of this publication are not necessarily all-encompassing. While some sections may contain suggested guidelines and some "how-to" discussions, it has been purposely constructed to be fairly general in the treatment of the presented topics. This decision was made so that the publication would be useful and at the same time not be so specific that the task of maintaining its currency and accuracy would require frequent, intensive effort.

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 publication as a foundation to build upon and framework to work within is the intent and recommendation of the publishers. The Nevada State Elks Association Business Practices Committee encourages a flexible, interpretive adaptation of the principles contained herein by the person or committee assigned responsibility for their Lodge's club operation.

It is critically important that the reader understand that any discussion of legal issues as they pertain to a topic should not be construed in any way as professional advice. In other words, do not "hang your hat" on the contents of this publication in such sensitive areas as discrimination, harassment, and personnel policies. It must be the responsibility of each proprietor to seek out professional advice whenever faced with questions concerning the legality of a situation.

With these declarations and disclaimers in mind, the Nevada State Elks Association Business Practices Committee hopes the readers of this publication will find its contents useful and thought provoking. 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?

Introduction

As stated in the foreword, this publication makes no attempt to be all-encompassing, nor does it lay claim to be the final authority on issues that pertain to conducting a food and beverage operation. Although specific examples and guidelines may be highlighted, by no means do they represent every perspective concerning an issue. There are several additional excellent sources of information to utilize when questions arise. Several are listed below and doubtless there are others that an enterprising individual or Lodge will discover. It is only important that a thorough examination of an issue be made, more so than the exact means by which information is discovered and used.

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. For these reasons and others, be sure not to overlook Grand Lodge manuals as a basic source of information.

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 Nevada Tavern Owners Association and the Nevada 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.

Since Grand Lodge discourages subordinate Lodge memberships in groups such as these and Chambers of Commerce, 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. At the very least, a membership in either group will get the Lodge onto its newsletter circulation list, which is invaluable in and of it self. In the case of the Nevada 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 NRA free or at minimal cost, including forms for uniform cost deductions and the like.

The Internet

Many private and government concerns maintain an Internet page (or "Web site") which helps supply a source 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 - 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 - 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 Nevada - www.nevada.gov - Another site with a lot of valuable content, particularly useful is the list of links to state agency pages. There are also links to other governmental units at the federal, county, and municipal levels.

The Review Journal - www.reviewjournal.com - The Review Journal newspaper has a very information-rich Web site. In particular, their seven-page business resources section is chock-full of pertinent links to security exchange sites, tax-related private and government sites, small business resource sites, and several more.

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 Advocate Newsletter" is available by using the "E-newsletters" option. This is a government site that's very practical in its approach to business informational

needs. Consumer Information Center - www.pueblo.gsa.gov - 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.altavistadigital.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 as 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.

However, it is also easy to overstate the potential benefits and underestimate the amount of time and effort required to prepare and maintain information stored by a computer. Understanding the magnitude of the investment of time and money required to install and maintain a computer system is important to the ultimate success of the project. Equally important is managing the expectations of the people who will be the hands-on users of the system(s) and the people who depend on information from the system(s) to assist them in their job responsibilities and duties.

What to Computerize?

There are two primary areas of an Elks Lodge that usually seem obvious targets to most people for applying computerization. Often an area that receives attention in early discussions about this topic is club finances and the related area of product inventory. "If we could just get a handle on where our money comes from and where it goes," the prevailing train of thought states, "it would be easy to make decisions about what needs to be improved and changed. We'll get a computer to keep track of these things."

Another area, and one that often receives secondary attention, is the Lodge Secretary's responsibilities. A great deal of the Secretary's energy is devoted to maintaining membership records and accessing them for mailing lists, reports, etc. While a manual system based on the Grand Lodge ledger cards has been in use for decades and is workable, the time spent on maintaining records in this manner is enormous, even in a relatively small Lodge. A system of this type is inadequate for producing mailing lists and labels, and of limited value for producing selective membership lists such as PER's, Old Timers, and the like. Add the yearly task of filing the change-of-address report required by the Elks Magazine, and it becomes easy to envision the savings of time and effort that a computer would make possible.

The Secretary's Office

The Secretary's office is probably the best place to get started with a computer in a Lodge if the decision is made to proceed. The investment in software is relatively small (\$100-\$400) for word processing, and "zero" for the Chicago Elks Lodge Membership System (CLMS). The increased ability to easily produce many of the reports and lists dealing with membership early in the life of the system provides a very good cost/benefit ratio.

Another reason for this recommendation is that the Secretary's duties are generally easy to recognize and define. This makes it a low-risk situation to see if Lodge officers will be comfortable with working on a computer. It affords them the chance to accustom themselves to a particular system and gain experience with using it. By starting out in a fixed, small-scale scope of use, the

Lodge leadership team will recognize that using computers requires a certain investment of time, and then decide whether to apply what they've learned to club and Lodge finances.

It also provides a chance to expose club management and staff to a computer and judge their level of acceptance to the idea that a computer might assist them in some of their duties. The feeling-out process can take place well before any decision is made to expand the computer's use into the club operation area. This will help greatly to head off sudden, unexpected resistance to a computer system that the club operation employees had no advance warning about and possibly had no voice in choosing.

Lodge And Club Finances

The decision whether or not to computerize Lodge and club finances should be made carefully. It should be studied in detail and should consider several factors before proceeding with an installation plan. Dealing with abstract ideas of the costs and benefits will make a successful implementation very difficult to achieve. Concrete expectations of what tasks the system will assist with and the information it will provide is a must. These expectations will help provide criteria against which various systems can be judged during the selection process.

Knowing what the system is expected to do and what it will provide will also go a long way in identifying what kinds of information will be required to be input into the computer. 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

The Chicago Lodge Membership System (CLMS) became mandatory on 31 October, 2008 as announced at Grand Lodge Session in Anaheim. Please be advised that CLMS is the only membership tracking device authorized by Grand Lodge. Penalties will be invoked on the Lodges that do not comply with the mandated use of the CLMS program. It should be noted the CLMS program is free of charge to all Subordinate Lodges as is the use of the helpdesk. Grand Lodge has also established CLMS Coordinators across the country to assist you with any issues and questions that may arise.

It will no longer be required to file the monthly membership reports or annual and semiannual reports as long as the Lodge is using the current version of CLMS and the Lodge Secretary is completing the offsite backup weekly. This CLMS membership information will be available to state membership chair, state secretaries, DD's and PER's through the CLMS data base. The only exception will be if one of the above does not have web-access to Chicago and requires it sent by mail.

Financial Software

Consider some of the popular small-business financial packages such as 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. QuickBooks will also interface with the CLMS Membership software provided by Grand Lodge. Ultimately Grand Lodge will provide a financial software package similar to CLMS that will directly interface with it.

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. While the benefits of conducting business over the Net may not be clearly defined today, the progress in this direction seems inexorable. Some day, your Lodge may be sending correspondence not only to members, but also to other businesses, other Lodges, and possibly to the Grand Lodge, using Internet facilities.

It is not necessary to purchase Internet browser software separately as there are many free browsers available.

Hardware

In determining the desired hardware configuration, don't forget to consider relatively low-cost accessories like a modem for connecting to the Internet, a vendor's bulletin board, or an on-line order placement service. As a rule of thumb, get the fastest modem that the local Internet access provider supports. Don't worry about other services or sites being slower than this speed. Modems are able to adjust their speed downward to match that of the modem to which they connect.

When choosing printers, gauge the need for features with the amount of purchasing power your budget allows. For example, if the computer will not be used for desktop publishing of newsletters or flyers, a laser printer is probably not necessary and an ink-jet printer will suffice.

If the computer in question is to run Lodge or club financial software, a 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. A CD-ROM or "Thumb Drive" makes an ideal backup system. In any 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, 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.

Conclusion

Introducing a computer into the Lodge can benefit several people in many different ways. It is not a panacea for proper internal procedures and controls. The degree of success the Lodge will

experience with the installation of a system will frequently depend upon the strength of procedures and controls already in place. Properly studying the needs and expectations from a computer system and then matching them to software and hardware should result in a positive experience. It is also important to involve the hands-on users of any system in the decision-making and selection process. Do not expect to computerize all possible tasks at once, but implement computerized solutions gradually and systematically, building success in one area upon the foundation of experience gained from another.

Safeguard your data! Don't skimp on proper backup devices and procedures, especially if your financial records are kept on the computer. It would not be considered "overkill" to back up twice daily, with the day-end backup going to a bank safe-deposit box or similar secure facility. Wherever backups are kept, consider how safe they are from fire, flood, theft, and other catastrophe.

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 Page 27 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. Are products and supplies stored safely? If they are out of ordinary reach, is there a safe way to access them, such as a sturdy ladder? Are all safety devices, such as fire suppression systems and extinguishers, in proper working order? Are appliances clean and properly maintained? 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.

Hiring Practices and Discrimination

Nevada 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.

When interviewing an applicant, avoid "loaded" questions. Employers have the right to ask questions that will help them determine the best-qualified applicant for the job. Likewise, there are

several areas to which they cannot legally direct their questions. Some questions that have been considered "traditional" may be illegal, or interpreted as discriminatory.

Some examples of interview questions that may be asked and should be answered by the applicant:

- Where have you worked before?
- What duties did you perform on previous jobs?
- What are your short and long term career goals?
- Why are you interested in this job?
- What education level have you completed?
- How did you learn about this job?
- What is your Social Security number?
- Who is prepared to provide references for you?
- What is your address and phone number?
- What special qualifications or skills do you have?
- What are your greatest strengths and weaknesses?
- Tell me about yourself.
- Are there questions I can answer about this job or organization?
- Do you have a license to perform this job? (If required)

Note that these types of questions focus on the job, the specific qualifications required for it, and the applicant's career goals.

Some examples of interview questions you should not ask and the applicant is not obligated to answer:

- Are you married?
- With whom do you live?
- Do you have children or expect to have any soon?
- What does your spouse do?
- How old are you?
- Were your parents born in this country?
- How old are you? (But you may ask if they are legally old enough to work)
- Have you ever been arrested? (But you may ask for information about criminal convictions)
- Are you physically handicapped?
- What is your military service status?
- What is your height / weight? (But you may ask if the job has height or weight requirements.)
- What memberships do you hold in social, religious, and community groups?
- Where do you bank?
- What are your day care arrangements for children?

Note that the above questions delve into the applicant's personal life and are not legitimate occupational questions.

Word your questions carefully, making sure they relate directly and specifically to the qualifications for the job for which the applicant is interviewing. Be sure to check the applicant's

references, either by phone or mail. If the applicant is not selected, let them know as soon as possible but do not feel obligated to address specific reasons for their rejection.

Another point to make – if you are using an employment application form that is over 2 years old, you are probably asking questions that are illegal. Go out to the local office supply store and buy some current applications. Also, if you are not using employment applications, you are playing with fire. An employment application is a guide to questions you can ask and leave out the questions you can't. Not using one is only inviting those who are interviewing to ask discriminatory questions.

Protected Classes, Nev. Rev. Stat. 613.320, *et seq.*

Generally, employers may be held accountable for practices that discriminate against a legally protected class, whether purposely discriminatory or merely having an unintended discriminatory effect. In general, you should be prepared to explain your reasoning whenever a member of a protected class is terminated, not hired, does not receive or is not considered for a promotion, is recalled from a layoff or strike in any order other than by seniority, or is compensated differently than other employees of substantially equal skill, responsibility or experience.

Nevada's equal opportunities law covers employment practices of all employers, public and private, with fifteen or more employees for each working day in 20 or more calendar weeks in the current or preceding year, but it excludes from coverage the U.S. government, Indian tribes, and private membership clubs with 501(c)(3) tax exempt status. Specifically, it is unlawful to discharge or fail to hire any individual or otherwise to discriminate against any individual with respect to compensation, terms, conditions or privileges of employment because of such individual's:

- Sex
- Color
- Disability
- Race
- Creed (religion)
- Age (40 and older)
- Use Of Service Animal
- Lawful Use Of Product When Not At Work
- National Origin
- Pregnancy or Childbirth
- Sexual Orientation (does not apply to organizations with Federal 501(c)(3) tax exempt status)
- Genetic Testing
- Citizenship Status
- Opposing Unlawful Employment Practices

It is also unlawful under Nevada law to ask or encourage a prospective employee to submit to a genetic test or to require or administer a genetic test as a condition of employment. Nor may you deny employment, alter the terms, conditions or privileges of employment, or terminate employment based on genetic information.

These actions are unlawful not only for employers, but also for any employment agency or labor organization, or in the admission into any program established to provide apprenticeship or other training. In addition, such organizations are required to permit employees with aural or visual disabilities to keep their guide dog, hearing dog, or other service animal with them at all times in their place of employment.

It is not unlawful to take or fail to take action on the basis of religion, sex, sexual orientation, national origin, age, or disability (but not race) in certain instances in which such status is a bona fide occupational qualification reasonably necessary for the normal operation of that particular business or enterprise. Nor is it unlawful for an employer to apply different standards of compensation, or different terms, conditions or privileges of employment based on a bona fide seniority, merit, or piecework system so long as those differences are not the result of an intention to discriminate based on one of the protected categories.

An employee must file a charge of discrimination with the Nevada Equal Rights Commission within 180 days of the act complained of. Accordingly, you should make it a practice to retain job applications and other relevant records of rejected applicants for at least a year after the decision not to hire, and at least a year after terminating an employee.

See Appendix I for a copy of the above poster regarding Nevada's Labor Law, which needs to be posted in your Lodge where your employees will see it.

Pregnancy, Employment, And The Law, Nev. Rev. Stat. 613.335

Nevada law requires that, if an employer grants leave with pay, leave without pay, or leave without loss of seniority to its employees for sickness or disability because of a medical condition, it must extend the same benefits to pregnant female employees. Female employees must be allowed to use the leave before and after childbirth, miscarriage, or other natural resolution to their pregnancy.

Persons With Disabilities On The Job, Nev. Rev. Stat. 613.310

Because of the nearly identical language of the Nevada disability law and the Americans with Disabilities Act, Nevada courts will look to federal ADA cases in applying the Nevada anti discrimination statute. Under Nevada law, disability is defined as, with respect to a person:

- a physical or mental impairment that substantially limits one or more of the
- major life activities of the person;
- a record of such an impairment; or
- being regarded as having such impairment.

This law applies to virtually every private and public employer, regardless of the number of employees, and protects persons with disabilities against discrimination. A person with a disability may be passed over if the disability is reasonably related to the person's ability to adequately and safely perform job-related duties. An employer has a legitimate interest in maintaining a safe workplace, but may not reject applicants simply because they have disabilities. An employer is required to make a reasonable accommodation for disabilities unless it would result in hardship to the business.

Examples of reasonable accommodations would include installing a ramp for wheelchair access, equipping restrooms for disabled access, installing special telephones, raising or lowering the height of a desk or chair, providing reserved parking areas, etc.

Employment Of Minors, Nev. Rev. Stat. 609.190, et seq.Employment Of Minors Under 16

1. Minors under the age of 16 shall be employed, permitted to suffer or work in any capacity in, about or in connection with:
 - a. Preparation of any composition in which dangerous or poisonous acids are used
 - b. Manufacturing of paints, colors or lead
 - c. Dipping, drying or packaging matches
 - d. The manufacturing of goods for immoral purposes
 - e. Any mine, coal breaker, quarry, smelter, ore reduction works, laundry, tobacco warehouse, cigar factory or other factory where tobacco is manufactured or prepared.
 - f. Any distillery, brewery, or other establishment where malt or alcoholic liquors are manufactured, packed, wrapped or bottled
 - g. Any glass furnace, smelter, outside erection and repair of electric wires, running or management of elevators, lifts or hoisting machines, or oiling hazardous and dangerous machinery in motion
 - h. Switch tending, gate tending or track repairing
2. No child under the age of 16 years shall be employed or permitted or suffered to work as a brakeman, fireman, engineer, motorman or conductor upon any railroad in or about establishments where nitroglycerin, dynamite, dualin, guncotton, gunpowder or other high or dangerous explosives are manufactured, compounded or stored.
3. No child under the age of 16 years shall be employed or permitted or suffered to work in any other employment declared by the Labor Commissioner to be dangerous to the lives or limbs, or injurious to the health or morals, of children under the age of 16 years.

Maximum Hours For Minors Under 16, Nev. Rev. Stat. 609.240

Minors under the age of 16 cannot work more than 8 hours in any one day and 48 hours in any one week, except if working in domestic service, on a farm, or as a performer in the production of a motion picture.

Employment Of Minors Under 14, Nev. Rev. Stat. 609.245-.260

Minors under the age of 14 may be employed but require a permit signed by a district court judge of the county of the child's residence, a juvenile master, referee, or a probation officer. Although minors under 14 are allowed to work with a permit, they are not allowed to work during school hours unless a child has 1) been excused from attendance by the school district or juvenile or family court, or 2) the minor is working as a performer in a motion picture.

Employment Of Minors Under 18, Nev. Rev. Stat. 609.230, and 202.057

No minor under the age of 18 may be employed as a messenger for a telegraph or messenger company in the distribution, transmission or delivery of goods or messages before 5 a.m. or after 10 p.m. of any day. It is also unlawful to employ minors under the age of 18 to distribute

promotional materials that include an offer for alcoholic beverages for a business. This does not apply to distribution of publications that include alcoholic beverage advertisements that are incidental to the publication. In addition, minors cannot be employed in brothels. Nor can a minor be used as a messenger for delivering letters, telegrams, packages or bundles to a brothel.

Employment Of Persons Under 21, Nev. Rev. Stat. 463.350

It is unlawful to employ a person under the age of 21 as a gaming employee, except in a counting room.

For further details see NRS 609-Child Labor (Chapter 609 – Employment of Minors).

Unemployment Compensation

Unemployment compensation is based on the number of workweeks during the past year from the date of filing. Do not be confused between definitions of full time, part time, temporary work, or probationary periods. The workweek depends solely on hours worked and wages earned. If an employee is subject to layoff for disciplinary reasons, be sure that the progressive disciplinary theory has been carried out. For further details see NRS 612-Unemployment Compensation (Chapter 612 – Unemployment Compensation).

For assistance contact the Nevada Department of Employment, Training & Rehabilitation, 500 East Third Street, Carson City, NV 89713, (775) 684-3849, FAX (775) 684-3850 or http://www.ui.nvdetr.org/UI_Agreement.html.

Minimum Wage

Pursuant to Article 15, Section 16(A) of the constitution of the State of Nevada; as of 1 July 2008, the Nevada minimum wage is the same as the federal minimum wage – \$6.85 per hour without insurance and \$5.85 per hour with insurance. Where the employee earns the lower wage because of tips, the total of the wages plus tips still needs to get up to \$6.85 per hour. Copies of the annual bulletin may be obtained from the Labor Commissioner's Offices at: 675 Fairview Drive, Suite 226, Carson City, Nevada 89701, (775) 687-4850 or 555 East Washington, Suite 4100, Las Vegas, Nevada 89101. (702) 486-2650. Copies may also be obtained on the internet at; {[4-1-08 MV 4-1-08 ANNUAL BULLETIN MW\[1\].doc](#)}.

Overtime

Employers must pay 1 ½ times an employee's regular wage rate whenever an employee who is paid less than 1 ½ time the applicable minimum wage rate works more than 40 hours in any workweek or more than 8 hours in any workday, unless otherwise exempted. Employers should refer to NRS 608.018 for further details on overtime requirements (Elks Lodges are not exempted).

Employers may demand that adult employees work overtime. Employers may reduce or increase the hours of work in any given day or week. A week is considered to be the established reoccurring 7 consecutive day periods. It is against the law for employers and employees to agree not to pay overtime. Hours paid for time not worked such as sick leave, vacation or holidays not worked do not count as hours worked for computing overtime pay

The following amounts are the wage rates below which daily overtime may be applicable. These rates are effective as of July 1, 2008. There is a lower minimum wage for employees to whom qualifying health benefits have been made available by the employer (\$8.775 per hour). For all other employees the rate is \$10.275 per hour. Copies of the annual bulletin may be obtained from the Labor Commissioner's Offices at: 675 Fairview Drive, Suite 226, Carson City, Nevada 89701, (775) 687-4850 or 555 East Washington, Suite 4100, Las Vegas, Nevada 89101. (702) 486-2650. Copies may also be obtained on the internet at; {[4-1-08 MV 4-1-08 ANNUAL BULLETIN OT\[1\].doc](#)}

Persons Exempt From Overtime in Certain Businesses and Circumstances as Provided In NRS 608.018 – Compensation for Overtime: Requirements; exceptions:

The following employees are not covered under the overtime provisions: (1) employees not covered by the state minimum wage provisions; (2) employees who receive compensation at a rate not less than one and one-half times the state minimum rate; (3) outside buyers; (4) retail commission salespersons whose regular rate is more than one and one-half times the minimum wage and more than half of their pay comes from commissions; (5) bona fide executives administrative or professional personnel; (6) those covered by collective bargaining agreements providing for overtime; (7) drivers, drivers' helpers, loaders and mechanics covered under the Motor Carrier Act of 1935; (8) railroad employees; (9) air carrier employees; (10) drivers or drivers' helpers making local deliveries and paid on trip-rate basis or other delivery plan; (11) taxi and limousine drivers; (12) agricultural employees; (13) employees of businesses that net less than \$250,000 annually; and (14) automobile salespersons.

Effective July 1, 2005, employees who earn one and one-half times the hourly minimum wage are not exempt from the overtime pay rules.

Wage Garnishment, Nev. Rev. Stat. 31.249 et. seq.

Garnishments involve a court proceeding regarding the non-payment of a debt in which a court instructs the employer to withhold the proper amount from the employee's pay and send it directly to the creditor. Employers should notify an employee of any withholding. In Nevada, the maximum amount of an employee's disposable earnings subject to garnishment depends on numerous factors.

- a. Generally, the amount subject to garnishment cannot exceed 25% of disposable earnings (the part of earnings remaining after taxes are deducted) in a pay period; or the amount by which disposable earnings for each week of that period exceed 30 times the federal minimum hourly wage, whichever is less.
- b. If the garnishment is for a bankruptcy, or a state or federal tax lien, there is no restriction on the amount subject to garnishment.
- c. If the garnishment is for the support of a person, the maximum amount of disposable earnings subject to garnishment cannot exceed 50% for a person supporting a spouse or child other than the spouse or child for whom the order of support was rendered. If the employee is not supporting a child or spouse, the amount increases to 60%. Employers are allowed a \$3.00 fee from the person receiving the garnished wages for each withholding made from an employee's earnings.

Work Hours

Nevada law requires that employees who work at least 8 continuous hours be permitted a meal period of at least 30 uninterrupted minutes, but it does not require this be paid time. All employees must also be allowed to take rest periods of 10 minutes for each 4 hours continuously worked as paid time. The rest periods should occur in the middle of each work period. The law does not apply to situations where only one person is employed at a particular place of employment or to employees covered by a collective bargaining agreement.

Record Keeping Requirements, Nev. Rev. Stat. 608.115

Nevada law requires employers to establish and maintain records of wages for the benefit of its employees, showing for each pay period: gross wage or salary other than compensation in the form of services, food, housing or clothing; deductions; net cash wage or salary; total hours employed in the pay period; and date of payment. You must maintain these records for 2 years.

Harassment

The wise employer thinks "prevention", seeking to understand what sexual harassment is, how it can affect the workplace, and how to prevent or stop it. This is important because employers may be held liable whether or not they knew or should have known about inappropriate conduct. By definition, sexual harassment comprises any unwelcome sexual advance, request for sexual favors, or other verbal or physical conduct of a sexual nature. It is illegal when it is either an implicit or explicit condition of employment, factors into employment decisions such as the granting of a promotion, unreasonably interferes with work performance, or creates a hostile, intimidating, or offensive work environment.

Offending behavior can come from fellow employees and non-employees, including Elk members and their guests. It can be verbal, non-verbal, written, or in the form of touching - anything that demeans or degrades an employee because of gender, male or female. Nonverbal behavior could include displaying suggestive or pornographic pictures or cartoons, staring, sexual gestures, or throwing kisses. Verbal behavior could include unwanted requests for dates, questions about one's personal life, lewd comments, and dirty sexual jokes, inappropriate comments on appearance, and catcalls or whistling. Written materials may include unwanted love poems, letters or cards, even e-mail with a sexual tone.

To prevent and stop sexual harassment, it's important to develop and distribute a clear sexual harassment policy as part of a manual that outlines specific inappropriate conduct. It's also important to establish a complaint procedure that enables employees to call specific people - other than the employee's immediate supervisor - within the organization when there is a problem. Having a complaint procedure can reduce the chances of liability. (See the Appendix II for The Sample Harassment Policy. Every employee should see this, both current and new. Also, it should be posted so that the membership can see it also, as it affects them as well.)

Educate all employees on the issue, making sure they know they have a right to complain and how to do it. Supervisory training should include the topic of harassment and what to do about it. An employer will always be held liable for the acts of a supervisor, regardless of whether they were

authorized or forbidden and regardless of whether the employer knew or should have known of their occurrence.

If a complaint is made, it should be taken seriously. It should be investigated immediately, as thoroughly and confidentially as possible. Confront the alleged offender to get his or her version, and then separate the complaining employee from the alleged offender until the matter is resolved. Make sure no retaliation occurs as the result of the complaint.

If corrective action is indicated, discipline the offender in accordance with the procedures set forth in your sexual harassment policy statement. Make absolutely no exceptions to the fair and even application of these procedures. If corrective action was taken, follow up to make sure the harassment has actually stopped.

When we think of this terminology, we usually think of a large corporate entity. *Sexual Harassment*, however, can occur in a business with one or two employees as easily as with large companies. Remember that all of our Lodges can be considered a "business" of one size or another.

Sexual Harassment is one of the items not covered under the Elks Grand Lodge Master Liability Program. For this protection, all Lodges should have "Directors and Officers Liability Insurance". This is more commonly referred to as, "**D&O**" insurance. This coverage can be obtained from a local, Independent Insurance Broker or may be obtained from the Elks insurer, "Marsh". I have spoken with the District Deputies over the years, as well as at many individual district clinics and written articles in this paper, of the coverage afforded by the "D&O" policy and the exposure a Lodge can face by not having this type of insurance. The D&O insurance coverage is a "must" to properly protect the Lodge, its assets, its officers and committee members and their personal assets. Please remember however, even if you have D&O insurance, you must still have a Sexual Harassment policy in place.

If your Lodge has not adopted a Sexual Harassment Policy, it should be done so immediately. Our Grand Lodge has one that can be used or modified to fit each subordinate Lodge. It is printed on **page 18** of the "Accident Prevention Claim Manual" that each Lodge Secretary has received. It is my strong suggestion that the Board of Trustees of each Lodge reviews and implements this if not done so already. Each existing employee should receive a copy and sign for it. Any new employees should receive a copy at the time of hiring.

Make no mistake: Sexual Harassment is a form of discrimination and must not be tolerated. Recent legislation in this respect mandates the necessity of each Subordinate Lodge having a published and posted policy for sexual harassment.

Performance Reviews

This responsibility is frequently mentioned as one of the most uncomfortable for supervisors, and typically both employer and employee dread the performance review process. Yet, with a well thought-out procedure in place to which the employer and employee both contribute, the review can become an important tool to fully develop staff skills.

The cornerstone of an effective employee development process is a document that lists major job objectives or key responsibilities, the expectations or standards for them, and the degree of success to which the employee attained them. A sample of a document that can be used for this purpose is found in the Appendix III, titled "Performance Planning, Feedback and Development".

A document such as this serves a number of very useful purposes. First, it allows the employer and employee to jointly develop a specific list of duties and skills that identify ongoing accountabilities. Second, it provides a method to jointly set specific goals for improvement of current skills and acquisition of new skills. Third, it provides a structured framework from which to conduct a performance evaluation by using an objective list of evaluation criteria. Fourth, it provides a specific list of topic areas pertinent to the employee and the job that can serve as the basis of discussion. During the evaluation, a new copy of the form should be completed to reflect the same information for the ensuing period.

An example of a job description for the position of Club Manager may be found in Appendix V.

A document that describes how, and how often, the performance review will be conducted is an important part of the employer's policy manual. An example of this type of document is found in the Appendix IV, titled "Performance Planning and Evaluation". Clearly declaring the purpose, frequency, and responsibilities of all parties involved in the review will leave little room for misunderstandings or errors of omission. Consistent application of the statements made in this document is the key to its effectiveness.

Each Lodge must decide how to conduct their performance review process. When the final procedures have been developed, they should be included in a policy statement that is always on file and is distributed to all current and future employees.

Disciplinary Procedures

This is probably one of the most delicate and sensitive responsibilities of a manager or supervisor. It is seldom a pleasant experience for the employer or employee. Because disciplinary actions can lead to termination, care must be exercised to consistently follow prescribed procedures or the terminated employee may seek legal recourse, claiming the termination was unfair, unjustified, or discriminatory.

Current popular sentiment favors a procedure known as "progressive disciplinary theory". Under this practice, specific infractions that justify disciplinary action are described along with the action taken for the first, second, third, etc. violation of the work rule. Some infractions may be considered more "minor" than others and thus actions taken for repeated violations are "progressively" more severe. Labor arbitration and hearing bodies favor this type of disciplinary approach when it is applied and documented consistently.

All instances of work rule violations and resulting disciplinary actions must always be documented and kept in the employee's personnel file. This will help avoid litigation over the application of disciplinary action, and provide the basis for defense against a charge of unfair treatment or termination.

Lodges are encouraged to adopt and carry out this type of discipline policy. Because the job descriptions and duties of employees vary greatly from Lodge to Lodge, it is practically impossible to use any form of standard policy. Lodge managers may refer to books; examples obtained from area businesses, or even specially developed computer software to help them develop their own policies and procedures in this area. Failure to create a disciplinary policy and consistently enforce it can lead to a negative workplace environment with unmotivated and unhappy staff.

Job Descriptions

Job descriptions that address the specific duties of all employees, no matter how "major" or "minor", should be on file in each Lodge and distributed to all employees. These will help provide the basis for performance review criteria, employee development, and in some extreme cases, disciplinary action. Without an appropriate job description, it can also be difficult to identify the best-qualified candidate for an open staff position.

An example of a detailed job description can be found in the Appendix V, titled "**Job Description: Club Manager**". Because of the individuality of each Elks Lodge, the Lodge should expect to develop their own descriptions to fit their staffing arrangement. Here again, referring to books, other examples, and computer software will prove helpful.

Employee Handbooks

All Lodges should have employee handbooks. An employee handbook spells out: Benefits, policies of the Lodge, work hours, personal conduct, conditions of employment, termination of employment, etc. A well written employment handbook can take out a lot of the uncertainty in an employees mind, and in a lawsuit. With a employee handbook, there is also a chance that it is not well written, that it can be used against the Lodge in a court of law. Some tips on employee handbooks from lawyers:

- Avoid using general phrases such as "employees may only be terminated for cause".
- Avoid phrases such as employment continues so long as the employee "does a satisfactory job".
- Say what you mean and mean what you say.
- State that the employee relationship is an at-will relationship and can be ended at any time.
- Don't make reference to long-term employment, uninterrupted employment, continuing employment.
- Make sure supervisors know the terms and procedures in the handbook and follow them.
- Don't make promises to employees in the handbook.
- Update handbooks and review them periodically.
- Make sure employees receive copies of changes and modified handbooks, and that they acknowledge receipt of the handbook.

Tips and Service Charges

Tips and services charges received by employees of the Lodge generally are taxable income to the employees, and the lodge needs to report the income on the employees W-2, and also withhold payroll taxes from the amount reported.

A distinction needs to be made between **tips** and **service charges**: A tip is a “free-will offering”, such as the cash left on the dining room table or left in the jar of the bartender. The customer is free to give what they want, even free to leave no tip at all. Tips also include tips left on a credit card, as long as they are “free will offerings”. A service charge is one that is not a “free-will offering”. Examples of service charges are the standard percentage added to a dining bill when there is a party that is over a certain number of guests; or a charge put on the beer kegs at a wedding, with the money going to the bartenders. The customer does not have a choice in paying the charge because the charge is added on automatically.

All **tips** received by an employee are taxable income subject to federal income tax. All tips paid in cash (or checks or other cash equivalent, including charged tips of \$20 or more that an employee receives in a calendar month while working for any one employer are wages subject to Social Security and Medicare taxes, FUTA, and income tax withholding.

Tips of less than \$20 received by an employee during a calendar month while working for a particular employer are not wages for Social Security and Medicare taxes, FUTA or federal income tax withholding purposes, even though such tips are taxable income (Which means that the employee should still report the tips on his/her personal tax return, but the employer is not required to withhold taxes, nor report on the employees w-2).

Once the amount of tips received in a calendar month reaches \$20 from any one employer, the entire amount of tips received is included in wages, not just the amount over \$20. An employee who receives \$20 or more in tips must report those tips in writing to the employer by the tenth day following the month in which the tips are received. The employee should use the Form 4070 and 4070A to report these tips to the Lodge (See Appendix VI and VII for a copy of the Form 4070 and 4070A).

Service charges should automatically be added to the employees’ W-2’s, with corresponding withholdings taken out of their paycheck.

Common sense would dictate that each employee who receives tips should have the IRS rules explained to them regarding their duty to report tips to the Lodge.

Large employers (Those employing 10 full time employees or more on an average day, and where tips are customarily given) have a higher reporting duty to the IRS. They must annually file the form 8027 (Employer’s Annual Information Return of Tip Income and Allocated Tips – see Appendix VIII for a copy of this Form).

Large employers also have to make sure that the tips claimed by the employees’ equal at least 8% of the Gross Sales. If they don’t equal at least 8%, the Lodge needs to allocate income to the employees, as if they had received it, to get the tips reported up to the required 8%.

Available Posters

Posters are required to be posted in a clear location in the workplace.

Posters and information are available from Nevada Office of the Labor Commission, 555 E. Washington Avenue #4100, Las Vegas, NV 89101, (702) 486-2650 or 675 Fairview Drive Suite 226, Carson City, NV 89701, (775) 687-4850. There are also a number of private providers of Nevada Labor Posters.

OSHA Requirements

General Information, Nev. Rev. Stat. 618.005, et seq.

The Nevada Occupational Safety and Health Act is administered by the Nevada Division of Occupational Safety and Health/Department of Industrial Relations. Under the law, employers are required to provide safe places of employment free from known hazards likely to cause death or serious injury. You must also assign at least one person to be in charge of occupational safety and health. When new employees are hired, you must provide them with a video or document of the employer's rights and responsibilities in promoting safety in the workplace. Additionally, employers with 11 or more employees must provide a safety training program.

An employer is required to post notices throughout its workplace informing employees of their rights under the law. Penalties for failing to have the required notices can result in fines of up to \$7,000, and repeated and willful violations can result in fines of up to \$70,000.

In addition, employers must label or post warning signs regarding hazards in its workplace, including information on precautions, symptoms, and emergency treatment in case of exposure to harmful or toxic substances. You must also promptly notify employees of their potential exposure to toxic or hazardous materials and what corrective action has been taken.

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 Nevada, 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.

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 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/Use Tax. Contact the Nevada Department of Taxation at 1550 E. College parkway, Suite 115, Carson City, NV 89706-737, (775) 684-2020, Las Vegas (702) 486-2300, Henderson (702) 486-2300, Reno (775) 688-1295 and Elko (775) 753-1115.

A Nevada Business License is not required as a result of our 501(c)(8) classification. Modified Business Tax: Effective 10/01/03, every employer who is subject to Nevada Unemployment Compensation Law (NRS 612) shall be subject to pay the excise tax on wages as approved by the 20th Special Session of the Nevada Legislature, in SB8 (NRS 363B). The tax is on total gross wages less a qualified deduction for employee health insurance benefits paid by the employer. Total gross wages are the total amount of all gross wages and reported tips paid for a calendar quarter (same amount as reported on Line 3 of ESD Form NUCS 4072.) From 10/1/03 to 6/30/04 the tax rate for General Employers was 0.7%; from 7/1/04 to 6/30/05 was 0.65%. Effective 7/1/05, the rate for General Employers has been reduced to 0.63%. Also effective 7/1/05, an exception was added for non business employers with household employees.

Federal Licenses

As "Retail Dealer" engaged in selling or offering for sale beverage alcohol products to any person other than a dealer you are required to file form ATF F-5630.5d to the Bureau of Alcohol, Tobacco, and Firearms (BATF). Examples are package stores, restaurants, bars, private clubs, fraternal organizations, grocery stores or supermarkets which sell such beverages.

The special (occupational) tax on producers and marketers of alcohol beverages was repealed by Section 11125 of Public Law 109-59, effective July 1, 2008. However, tax liability and the registration requirement for periods before that date remain. If you need to file a delinquent or amended registration for a period through June 30, 2008, please use TTB Form 5630.5a, Alcohol Special (Occupational) Tax Registration and Return – For Periods Ending On or Before June 30, 2008.

Although no money due, the Lodges **must** bring their filings current up to and including 1 July 2008 to 30 June 2009. After 30 June 2009 the form only needs to be filed if a change is made to the name, address, phone, EIN, responsible Lodge officers (Ownership Information), status of Lodge, etc. The changing of Officers each year will most likely force us to file on an annual basis, even though no money will be due. After the filings are brought current you **must** contact TTB National Revenue Center at 1-800-937-8864 or 1-877-882-3277 for a “Control Number”.

The required form may be found at <http://www.ttb.gov/forms/f56305d.pdf>.

Personal Licenses

Alcohol Awareness Training is required in Nevada Counties with a population of 400,000 or more Effective July 1, 2007 (TAM Card). These provisions do not apply to a: Nevada Licensed Wholesale Dealer or a private club or other facility which is not open to the public. You will need to contact your local authorities determine if this is a requirement for your Lodge.

A list of approved Alcohol Awareness Training Schools can be found at:
<http://www.cpe.state.nv.us/forms/Approved School List.doc>

Some Counties and/or municipalities require a Food Handlers Card and/or Health Card. You will need to contact your local authorities determine if this is a requirement for your Lodge. For more information, contact the Southern Nevada Department of Health District, at (702) 759-1099 or Washoe County Health District, at (775) 328-2400.

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.

For all practical purposes, therefore, it is no longer necessary for Lodges to obtain licenses from or pay royalties to ASCAP, BMI and SESAC unless they use recorded, reproduced or live music for financial gain, or to which the general public is invited 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.

To prevent misunderstanding and to avoid violating copyright laws when bands perform copyrighted material in the Lodge facilities, the following is a clarification of the amendment to United States Code, Section 110, Title 17, which took effect November 25, 1982, and pertains to provisions for performance of music under copyright law.

An event held for MEMBERS AND GUESTS is NOT an infringement of the Copyright if the PROCEEDS from the social function, after deducting reasonable cost, are USED FOR CHARITABLE PURPOSES. Reasonable cost could include many facets of overhead expenses and other cost items. It is also suggested that where recorded, reproduced or live music is engaged for a Lodge social function, the event be labeled for a charitable cause or purpose.

It is recommended that a simple record be maintained whenever recorded, reproduced or live music is used, showing the income produced, the total reasonable costs of producing the performance, and the charity to which the remaining proceeds were contributed. That record can simply be included in the minutes of the Lodge meeting at which a report of the event is made.

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.

Kitchen ANSUL Systems

When installing an ANSUL system, obtain proper building permits, ensure the installation meets appropriate codes, and submit a copy of your maintenance contract to your insurance carrier. A typical contract provides for inspections every six months, and reporting favorable inspections to the insurance carrier will keep rates at their minimum.

Raffles, Pull-Tabs & Bingo

Have you ever wondered why you can double down on blackjack or place a bet on the Patriots but can't buy a Powerball ticket without crossing the state border? In a strange twist of history, Nevada is the only state in the Union that prohibits lotteries but permits casino gaming. Although charitable lotteries are allowed, they are strictly regulated by the Nevada Gaming Commission and State Gaming Control Board.

Because of Nevada's lottery prohibition, charitable organizations planning a lottery, as well as commercial organizations planning a lottery, as well as commercial organizations planning a raffle or sweepstakes-type product promotion, need to understand Nevada's lottery laws to avoid liability for conducting an illegal lottery.

History of Nevada's lottery law

Article 4, Section 24 of the Nevada Constitution provides that “. . . no lottery shall be authorized by this State, nor may lottery tickets be sold.” This prohibition goes back to an old English law that considered lotteries to be a public nuisance. Nevada Gaming Law, Third Edition, Lionel Sawyer & Collins, p. 393 (2000) (citing *Ex Parte D.L. Blanchard*, 9 Nev. 101 (1874)).

When the laws to allow casino gaming were passed, the laws prohibiting lotteries were left in place. Thus, to this day, conducting or assisting in conducting a lottery is a misdemeanor crime—punishable by a fine of not more than \$1,000 or by imprisonment in a county jail for not more than 6 months. NRS §§ 462.250-462.330, 193.120. In addition, all money and property offered for distribution in an illegal lottery will be forfeited to the state. NRS § 462.330.

In 1990, however, Nevada voters passed a Constitutional amendment that allowed the Legislature to amend the law to permit charitable organizations to conduct fundraising lotteries. The Legislature amended Nevada Revised Statutes Chapter 462 in 1991 to allow limited charitable lotteries, finding it to be the public policy of this State that “[t]he operation of legitimate charitable lotteries by bona fide charitable and nonprofit organizations is beneficial to the general welfare of this state.” NRS § 462.015(1).

Charitable Lottery (Raffles)

Anytime an organization sells tickets for a chance to win cash or prizes, it's considered a lottery. This includes all Lodge raffles held in Nevada - from raffling shirts to raffling prizes at fundraising events.

Although charitable lotteries are allowed, the general prohibition against lotteries means that charitable organizations have a framework of rules and approvals they must abide by to ensure their lottery is legal. Like casino gaming, charitable lotteries are regulated by the Nevada Gaming Commission and State Gaming Control Board, under the provisions of NRS Chapters 462 and 463.

The first issue is, of course, that the organization must be a “bona fide” charitable organization. As defined in the statutes, this means a “charitable, civic, educational, fraternal, patriotic, political,

religious or veterans' organization that is not operated for profit." NRS § 462.125. In practice, the organization must be able to provide the Nevada gaming authorities with proof of its charitable or nonprofit status, with documentation such as a Nevada tax exempt certificate.

The level of approval needed for the organization to conduct a lottery will depend upon the size of the proposed prize pool:

Prize Pool of \$2,500 or Less: Charitable organizations wishing to host a fundraising lottery with a prize pool that will not exceed \$2,500 per event do not need prior approval from state gaming authorities so long as: a) the organization operates no more than two charitable lotteries per calendar year; or b) the tickets are sold only to members of the organization and guests of those members while attending an event sponsored by the organization and the total prize pool for the organization does not exceed \$15,000 per calendar year. NRS § 462.140(3).

Prize pool of \$25,000 or less: Charitable organizations planning a lottery with \$25,000 or less in prizes do not need prior approval of the state gaming authorities. However, such organizations do need to register with the State Gaming Control Board (the "Board"). Information required for registration includes a listing of persons responsible for the lottery and their relation to the organization, a description of all prizes to be offered during the upcoming calendar year, proof that the organization is a qualified organization, and a description of the intended use for the net proceeds of the lottery. NRS § 462.160(1)(a).

In addition, the total value of all prizes offered in lotteries by the organization may not exceed \$25,000 for the calendar year. NRS § 462.140(2). Unless earlier revoked, the registration of a qualified organization is valid for the calendar year and expires on December 31. NRS § 462.150(3). After completion of their lottery and no later than the end of the same calendar year, the organization must submit a financial report to the Chairman of the State Gaming Control Board with expenses incurred in the operation of the charitable lottery, and the amount and use of net proceeds of the charitable lottery.

More than \$25,000 in prizes: An organization planning to offer prizes totaling in excess of \$25,000 must obtain prior approval from the Board. This approval must be applied for before the organization does any advertising for the event. The information required for approval is the same as for registration, however some additional information, including the anticipated expenses of conducting lotteries during the calendar year and copies of proposed agreements with suppliers of material for the operation of the lotteries, is required. NRS § 462.160(1)(a) (4).

As with registration, unless earlier revoked, the approval of a qualified organization to hold charitable lotteries is valid for the calendar year and expires on December 31. NRS § 462.150(3). Once approval is obtained, the organization must keep track of the prizes offered and ensure that the total value does not exceed \$500,000 in one calendar year, must submit a financial report describing all prizes awarded to the Board, and may not hold more than one charitable lottery per quarter without specific authorization from the Board. NRS §§ 462.140(1), 462.180.

Other requirements and considerations: Other general requirements include that tickets or chances for a charitable lottery can be sold only in the Primary County where the lottery is operated and Nevada counties that border the primary county. NRS § 462.180. This means that ticket sales

outside of Nevada are prohibited and, for charitable lotteries held in Clark County, tickets may only be sold in Clark, Nye, and Lincoln counties. An organization should be cautious that direct mail solicitations for lottery ticket sales are not sent to addresses outside of the appropriate counties and should avoid electronic mail or phone sales because it is difficult, if not impossible, to determine the geographic location of the termination point of such communications.

Beyond compliance with gaming regulation, an organization planning a charitable lottery should also consider making the official rules clearly available to all participants and having any winners of high-value prizes sign an affidavit of eligibility and a publicity release. These precautions are important to protect the organization from liability if there is an issue with a prize or an issue over who won the prize, and to allow the organization to use the name and likeness of prizewinners in publicity.

Conclusion: Even though Nevada has no state lottery, you don't have to travel across the border to enjoy lottery play. But if you are planning either a charitable lottery or commercial promotion, be sure to check the rules to avoid criminal liability.

Charitable Lottery (Pull-Tabs)

“Pull-Tabs” or “Rip-Tickets” are considered to be Charitable Lotteries and are regulated by the Nevada Gaming Commission and State Gaming Control Board, under the provisions of NRS Chapters 462 and 463. Pursuant to NRS 462.130 each game set (“Deal”) requires a new registration to be requested by the Lodge. See Appendix X for details.

The net proceeds of the lottery (Pull-Tabs) must be utilized for the nonprofit or charitable activities in this state.

Considering the heavy penalty of criminal prosecution for illegal gambling, loss of liquor license, and possible revocation of Lodge charter, it seems foolhardy for the Lodge to even consider not complying with NRS Chapters 462 and 463.

IRS Requirements Regarding Pull-Tab Games and Taxes

If your Lodge sells Pull-Tab games, it may be required to pay certain taxes on the proceeds. There are two tests to see if your Lodge is responsible for paying **wagering excise taxes** on Pull-Tab games it sells:

1. Are the Pull-Tabs sold to the general public?

If **no**, then your Lodge does not have to pay wagering excise tax and there is no private inurement for the Lodge or members.

If **yes**, then the wagering excise tax may be due.

2. If Pull-Tabs are sold to the general public, are the profits used to subsidize the cost of operating the Lodge and, as an indirect benefit, members pay less in dues or fees?

If **no**, then your Lodge does not have to pay the wagering excise tax and there is no private inurement for the Lodge or members.

If **yes**, then the members receive private inurement and, as a result, both the wagering excise tax and the wagering occupational tax are due.

If you have concerns about the tax issues related to your Lodge's Pull-Tab sales, contact the IRS, state gaming commission or your local Certified Public Accountant.

Charitable Bingo

The Lodge must comply with the state and local laws in regard to bingo. You may have non-members participate. The activity must be staffed solely with volunteers and no individual or private interest should profit from the activity. It is required that you have a separate budget and bank account for the bingo. The Lodge must institute the proper accounting system as to revenue and expenditures for the bingo operation. Section 513(f) of the Internal Revenue Service Code removes proceeds from certain bingo games from the term “unrelated trade or business.” In order to be eligible for exemption, the bingo game must neither violate state or local law nor compete with any commercial activity.

Bingo is a form of gaming that is also sanctioned under Nevada Revised Statute 463 and regulated by the State Gaming Control Board and Nevada Gaming Commission. Inquiries about the licensing should be directed to the following Gaming Control Board Enforcement Division Offices:

Las Vegas; 555 East Washington Avenue, Suite 2600, Las Vegas, NV 89101, (702) 486-2020

Reno; 495 Apple Street, Suite 102, Reno NV 89502, (775) 688-1115

Elko; 557 West Silver Street, Suite 207, Elko, NV 89801, (775) 738-7191

Carson City; 1919 East College Parkway, Carson City, NV 89702, (775) 687-6595

Laughlin; 650 South Pointe Circle, Suite 215, Laughlin, NV 89029, (775) 298-0669

Revenue Restrictions

Accounting for revenues and profits from legal raffles, bingo games, and pull-tabs must meet strict requirements for each game as set forth by the Nevada Gaming Commission. The legal requirements state, “Gross receipts derived from the conduct of bingo shall not be commingled with any other funds of the licensed organization. Keep raffle funds and pull tab monies separate”.

In addition, it is generally required that the profits be used only for the organization's purpose for existence and may **not** be used to purchase items such as beer, liquor, pop, bar or kitchen supplies, and the like.

Insurance

There are two mandatory insurance programs:

1. Grand Lodge Liability Group Policy

Grand Lodge statutes provide for liability self-insurance for Subordinate Lodges of the Order through Elks National Headquarters. This should not be confused with the Property Plus insurance coverage, which is provided by a private carrier.

The Grand Lodge Liability provides coverage for incidents on Lodge premises, and for official Lodge activities carried on outside the premises, such as Hoop Shoot, Soccer Shoot-Out, etc. Inclusions and exclusions of the policy itself changes frequently, so specific questions about liability coverage should be directed to the Nevada Elks Association's insurance advisors or the Grand Lodge.

This policy is liability only. Property coverage for fire, theft, vandalism, etc. is not included. Also included in this policy is bonding for Lodge officers and Lodge employees. There is no reason to purchase a separate policy.

The payment for this coverage comes out of the Grand Lodge assessment.

2. Property Plus Group Policy

The Grand Lodge Trustees have recently made this program a self-insured program also. Aon is the administrator of the program. This policy covers Lodge and personal property only. No liability coverage is provided by this policy.

Each Lodge should have a Grand Lodge-issued manual in their possession that explains terms of coverage and claims procedures. Included in this manual are procedures for contacting representatives of Marsh Risk and Insurance Services, Inc. with any questions about coverage. The insurance advisors to the Nevada Elks Association can also be of assistance to answer questions.

Worker's Compensation

Worker's Compensation Insurance is required by the State of Nevada and is not provided by either of the two insurance plans mentioned previously. Each individual Lodge must arrange for their Worker's Compensation insurance.

If local insurance agencies are unwilling or unable to provide Worker's Compensation insurance for your Lodge because liability and property/casualty are not also being purchased, inquire about inclusion into the Assigned Risk program administered by the State of Nevada.

Other Insurances

Each Lodge should consider, on at least an annual basis, the need for other special coverage and riders. For example, Officers and Directors liability policies are available as a separate policy from the Order's property insurer, Aon. If your Lodge is incorporated, Errors and Omissions coverage

for the corporation's directors can be examined for consideration. Separate policies for sexual discrimination and harassment are available and should be considered.

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

Introduction

There are many types of financial recordkeeping systems that meet the needs of a small business. Some record and retain only the bare necessities, while others track and retain large amounts of detailed transaction information in addition to that which is required by various regulatory bodies. How much information a Lodge collects and keeps on file will be determined by its individual needs.

Regardless of how much or little recordkeeping goes on in a Lodge, there are certain minimum standards that should be met for their retention. Lodges that determine their needs require additional recordkeeping are encouraged to define and implement a workable recordkeeping policy.

What Records To Retain?

Two primary forces drive the definition of a minimum standard for record retention in an Elks Lodge: Government agencies and Grand Lodge mandates. When considering the needs for tax and financial record retention, meeting the requirements of government agencies will nearly always satisfy the corresponding Grand Lodge guidelines as well.

State and federal agency requirements usually receive the greatest attention when financial records retention is considered, but check to be sure that any county or city requirements are taken into account.

Financial-related forms and reports that are required filings with regulatory agencies are an obvious place to start when developing a list of records to retain. Some of them consist of forms that can be duplicated and filed; others are deposit coupons that are kept by the institution receiving the payment. In the case of the latter, the filer usually generates some sort of report internally, which summarizes information for this purpose. Keeping this summary should be adequate for retention purposes in most cases, but if you're more comfortable with making a copy of the deposit coupon to keep along with the report, by all means do so.

Listed below are reports and deposit forms required by state and federal agencies. Whether the item is a filed report, deposit coupon, or internally generated deposit summary report, a copy of each one should be retained

STATE

Sales and Use Tax Return (TXR-01.01b)

Nevada State Business License [Not Required]

Modified Business Tax Return - General Business (TXR-020.01) [Not Required]

State Unemployment Tax (SUTA)

Application for Sales/Use Tax Exemption (App-02.01)

Resale Certificate

FEDERAL

941 Federal and FICA Withholding Reconciliation
940 Federal Unemployment Tax (FUTA)
W-2 Wage Statements
W-3 Annual Reconciliation of W-2 Information
990 / 990T Annual Statement

Financial records kept by a Lodge will vary greatly, mainly because the type and volume of day-to-day records and documents created by each Lodge will reflect their individual needs and style of operation.

An example of this is daily receipts recording. By now, every Lodge should have a cash register that records a master transaction tape; ideally, a second tape for customer receipts should also be in use. The master tape should be "rung out" every day, with the department and grand total revenue figures transferred to a weekly or monthly running tally. This report usually provides the basis for reporting sales and calculating sales taxes payable.

If the Lodge generates a periodical payroll register, it should be part of a records retention program. Lodges that contract their payroll or directly print payroll checks using a computer may not generate a payroll register for each pay cycle. In cases such as these, quarterly reports should be generated to provide the basis for filing state SUTA and federal 941 reconciliation reports. These reports should be retained.

Any documents that are directly used to prepare financial performance statements or any of the above required governmental filings should be part of a retention program.

How Long to Retain Them

Please refer to the Appendix IX for a schedule regarding how long to retain specific records.

Disposal

Once the appropriate retention period has lapsed, it is important to dispose of records properly. It is likely that they contain information that would be considered sensitive, confidential, or personal. Rather than simply discarding them in recycle bins or in trash receptacles, these records should be shredded or otherwise destroyed so that the information contained in them cannot be retrieved or reconstructed.

Internal Controls

What are 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 12.060 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: $\text{cost of sales} \div \text{sales} = \text{ratio}$.
 - Employee expenses should not exceed 35% of sales. Ratio determined by the formula: $\text{Total salaries and wages} + \text{employee meals} + \text{payroll taxes and benefits} \div \text{sales} = \text{ratio}$.
 - Entertainment cost should not exceed 6% of sales. Ratio is determined by the formula: $\text{Total entertainment cost of bar and/or dining room (depending upon whether one or both receive benefit)} \div \text{sales} = \text{ratio}$.
- 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 31st.
- A member of the Auditing & Accounting Committee or an Officer should supervise taking the inventory and spot check pricing and extending.

The Budget Process

General

One of the most important aspects of running a business is to have financial statements prepared on a monthly basis, and comparing these actual numbers to those that were budgeted for at the beginning of the Lodge year.

The budget process is that phase of accounting dealing with planning the activities of a Lodge in financial terms and comparing actual progress with the plan. It is a management tool that is most effective when actual revenue and expenses are compared to the budgeted amounts periodically, during the year, and management decisions are made to adjust operations as needed. This enables the Lodge to manage its operations to attain a profit sufficient to finance the Lodge's fraternal and charitable objectives, to provide for growth and prevent year-end losses.

Preparation of the Budget

According to the Grand Lodge Auditing, Accounting and Management Manual, the initial action should be the Exalted Ruler-elect requesting from each of his committee chairmen their best estimate of fund-raising income and a detailed estimate of their expenses. The Secretary, Treasurer and Trustees should commence early to assemble estimates of those budget line items that do not require prior year actual data, such as dues and fees income, mortgage principal, interest expense, insurance, etc. With an effective accounting system, where postings are kept current, the General Ledger should provide actual income and expense data for the prior year within a short time after March 31st. The Exalted Ruler-elect, the Lodge Trustees, the club operations manager, and other relevant members should convene budget meetings. They should develop the best available estimates, giving consideration to the Exalted Ruler-elect's plans, the committee estimates, and prior year experience. The following should be considered:

- Prepare worksheets in advance. (Examples are shown in the manual)
- Budget by same line items that are used to record income and expenses.
- Prepare income section first on the theory that you should not spend more than you expect to receive. Be realistic and conservative.
- When preparing the expense sections, estimate fixed and semi-fixed expenses first, i.e., those over which the Lodge has little or no control.
- Prepare separate schedules where more detail is desired, such as a detailed list of charity donations to be made.
- When budgeting activities that generate income, such as bingo or fund-raising events, always budget gross receipts and expenses, never the net income.
- Do not overlook capital items that are not "expenses", such as purchase of equipment, mortgage principal, bond redemptions, etc.
- Budget may include an amount for contingent purposes to cover unforeseen emergencies. Expenditures there from require a two-thirds affirmative vote of the Lodge.
- It is not good business practice to prepare a deficit budget. Keep expenses within the limits of anticipated income.

- It is advisable that the Lodge Trustees coordinate the various budgets to prevent overlapping and duplication.

Periodic Budget Review

According to the Grand Lodge Auditing, Accounting and Management Manual, the periodic budget review is the most important phase of the budget process. The Trustees, the Club supervising or managing body, and other entity managers should give this high priority on the agenda of their meeting. Regular reports for the accounting system providing actual revenue and expenses to date are required. Comparing this actual progress to the budget will point up variances of material amounts that require action or further investigation. It is important that management decisions be made at this time to adjust for shortfalls in income or excess expenses, such as implementing conservation measures, eliminating non-productive hours of Club operations, reducing labor costs, raising selling prices, etc., in order to prevent a loss at the end of the year.

Personnel Records And Right-To-Privacy

The Need For Confidentiality

Increasingly, laws and courts are shaping the rights and responsibilities of employers and employees with respect to the information kept in employment files. Recent court cases at the state and Federal level have affirmed that employees do have the right to a certain amount of privacy. The rapid development of electronic communications has highlighted the fact that it can be easy to violate an individual's privacy, and thus legal and societal consciousness of the privacy issue is likely to remain high.

It is very important for Elks Lodges to create and adhere to a responsible policy concerning the employment records of all its employees. Despite the fact that some Lodge members might consider themselves to be "part owners" of the Lodge, and therefore entitled to review employee records, this practice will put the Lodge and its officers at risk of civil action for failing to safeguard the employees' right to privacy.

Likewise, it is critical that authorized access to these records not be abused. Someone who has the authority to view and update personnel records also bears the responsibility to keep their contents strictly confidential within the definition of the Lodge's policy concerning the employee's right to privacy. If the contents of an employee's file are made public through discussion, reproduction, or publication, courts have ruled in favor of that employee's right to collect damages for invasion of privacy.

Obviously, only persons who are able to carry this responsibility should be granted this privilege.

Who Should Access Personnel Records?

The simplest way to form an employee records access policy is to specifically state which management and supervisory positions have the responsibility for the maintenance of their contents, and to exclude all other individuals. This policy is recommended to be included in House Rules as a formal statement. Describing who may and may not access personnel records and making it known in printed form provides a strong basis to deny access to someone who should not have it.

It is recommended that only direct supervisors and their managers have access to an employee's records. For example, a head bartender who has supervision responsibilities for shift bartenders should be allowed access to their records. A head waitress or chef with supervisory responsibilities should likewise have access to the personnel records of the wait staff. Any managers that supervisors report to should likewise have access to these records. The position of club manager or Steward should be responsible for the security of these records and everyday enforcement of the access policy.

The Lodge office to which the manager or Steward directly reports is the only member who needs or should have access to employee records. Assuming that the manager or Steward reports directly to the chair of the Board or Governors or House Committee, then only that committee chair and vice-chairman should have access to these employee records. Other members of these committees,

Lodge Officers, and general membership should not be given access to employee records. Granting access to a second person such as a vice-chairman helps ensure consistency of policy enforcement and keeps it from being abused.

By tightly restricting access to confidential records in this manner, a Lodge has a reasonable chance to maintain them accurately and with the necessary confidentiality. Opening up access to a wider circle of officers, committee members, or general membership greatly increases the chances that the employees' privacy may be invaded. At the risk of sounding trite, common sense should and must prevail here!

Employment Records to be Kept by the Employer

NAC 284 Nevada Administrative Code provides that:

(1) Employers in the State of Nevada must make and keep payroll or other records for three years for each of their employees which contain:

- (a) Name and address.
- (b) Date of birth.
- (c) Date of entering and leaving employment
- (d) Time of beginning and ending of work each day.
- (e) Time of beginning and ending of meal periods:
 1. When employees' meal periods are required or when such meal periods are to be deducted from work time.
 2. This requirement shall not apply when work is of such a nature that production or business activity ceases on a regularly scheduled basis.
- (f) Total number of hours per day and per week.
- (g) Rate of pay and wages paid each payroll period.
- (h) The amount of and reason for each deduction from the wages earned.
- (i) Output of employee, if paid on other than a time basis.

(2) The required records or a duplicate copy thereof shall be kept safe and accessible at the place of employment or business at which the employee is employed, or at one or more established central record keeping offices in the state.

Personnel Records Retention

Keep personnel records on each employee for as long as the Lodge employs him or her.

Personnel records should be kept for a minimum period of five full years after termination, and it is not uncommon for longer retention periods to be the case. Several large companies with fully developed Human Relations departments often keep the files of terminated employees for 12 to 15 years after their termination date.

Employees who are involuntarily terminated by the Lodge rather than resigning of their own accord will sometimes pursue legal action to collect compensatory damages for unfair or illegal employment practices, whether real or imagined. Other than the collective memories of the employee's supervisors and managers, personnel files are often the only tangible source of documentation that a Lodge may use on behalf of its own defense. For this reason, a Lodge may

adopt a two-tier retention schedule; one shorter period of time (remember, a minimum of five years) for resignations; and a second, longer period of time for an involuntary termination situation.

Personnel Records Open to Employees, Nev. Rev. Stat. 613.075 and 618.370.

Under Nevada law, employees must be given, upon request, a reasonable opportunity to inspect and copy their employment records concerning their qualifications and discipline they have received, including termination. However, you are not required to grant employees access to confidential reports from prior employers or investigative agencies, other confidential investigative files concerning the employee or concerning the investigation, or criminal information, nor are you required to provide copies of any employment records to former employees who were employed less than 60 days.

Employees are, however, entitled to access any records in their employer's possession that indicate their exposure to toxic materials or harmful physical agents. If an employee or former employee requests such records, an employer must provide them within 72 hours of the request.

What records are considered open to employees and former employees?

The right to inspect "personnel documents" extends to documents which are used, or which have been used, to determine qualifications for employment, promotion, transfer, additional compensation, termination or other disciplinary action, and medical records.

Liability For Disclosure Of Employee Information, Nev. Rev. Stat. 41.755, et seq.

Employers who provide accurate information about a former employee's job performance to a prospective employer are immune from civil liability and other consequences of the disclosure so long as the employer did not act with malice or ill will. An employer acts with ill will or malice when it knowingly, recklessly, or intentionally discloses false or misleading information to a prospective employer and it can be liable to a former employee for damages. Additionally, you may not disclose information that federal law requires be kept confidential, or information that you have agreed with an employee will be kept confidential.

Records Law?

The right of the employee to inspect (or have copies of) his or her personnel records does not apply to:

- Records relating to the investigation of possible criminal offenses committed by that employee;
- Letters of reference for that employee;
- Any portion of a test document, except that the employee may see a cumulative total test score for either a section of the test document or for the entire document;

- Materials used for staff management planning (projections);
- Information of a personal nature about a person other than the employee if disclosure would constitute an invasion of that other person's privacy;

Records that are not kept;

- Records relevant to any other pending claim between the employer and the employee that may be discovered in a judicial proceeding.

How can an employee act to correct inaccuracies in the personnel records?

If an employee disagrees with any information contained in the records, the employer and employee may agree to correct or remove the information. If agreement cannot be reached, the employee may submit a written statement explaining his or her position. The employer is required to attach this statement to the disputed item, and release it whenever that disputed item is released to a third party. This statute is enforced by a complaint being filed with The Equal Rights Division within 2 years.

Disposal

Regardless of the length of retention chosen for personnel files, it is paramount that they be kept strictly confidential even up to the point of their disposal. Disposing of these records needs to be done with care also. By their nature, these records contain confidential information that should not be viewed by unauthorized individuals. Simply discarding them in a recycling bin or trash receptacle is not acceptable. They should be destroyed in such a manner that the information they contain cannot be retrieved or reconstructed. Shredding or other similar destruction is strongly urged.

Unrelated Business Taxable Income

General

Although the Lodge is a not-for-profit entity, and as such does not pay income taxes, the Lodge can be hit with taxes on unrelated business income. Unrelated business income arises when a lodge undertakes a business or activity that competes with for-profit entities. Examples of this would be if the Lodge has a dining room open to the public, or has a hall rental when the Lodge has a mortgage, or the Lodge has the bar open to the public. Because not-for-profit entities have an unfair advantage over for-profit entities (we do not pay income tax on our profits), the IRS has a rule that evens the playing field (They will tax your profit).

Exceptions to the Tax

There are several exceptions that allow income from unrelated sources to not be taxed as an unrelated business. One of these exceptions is that bingo is automatically exempted from this tax. Another exception is where substantially all of the labor to put on the event or activity is done by unpaid workers. So if you have a Friday night fish fry open to the public, there would be no tax due to unrelated business income as long as the workers are all unpaid (You will run into a problem though, if the bar is open and you have paid bartenders. This income would be taxed as unrelated business income)

Other areas that the IRS has deemed are unrelated business income are the monies collected to advertise in the monthly newsletter. Again, as long as unpaid workers do substantially all of the work getting the advertisers and collecting the monies, you will not get taxed on the income. (This also means that your Lodge Secretary should not be the one doing this work, as they are paid employees).

An exception to outside party hall rentals (on mortgaged property) being taxed as unrelated business income would be where the time that the Lodge is open for the rentals, compared to the total time the Lodge is open, is less than 15%.

One way to make sure that you don't run afoul of these IRS rules would be to follow Grand Lodge advice, and keep your Lodge open only to the membership. If in doubt about which of your different activities may fall under the unrelated business income rules, ask your outside accountant.

Sales Tax Issues

General

State sales tax issues are a field of landmines, all ready and waiting for you to take one false step. It seems that for every rule there are 100 exceptions. Here are a few items to help your Lodge make it thru a sales and use tax audit with flying colors.

Paying Sales Tax

There is a lot of confusion in Elks Lodges as to whether we should be paying sales tax when we purchase tangible personal property. The answer is yes – we need to pay tax. It is true that an Elks Lodge is tax exempt, but that is for income taxes only. We still have to pay sales and use tax.

There are tax-exempt entities who do not pay sales and use tax, but these are charitable organizations (charitable organizations are exempt by the IRS as 501(c)(3) organizations, where an Elks Lodge is exempt as a 501(c)(8). We are fraternal, not charitable, in the eyes of the IRS).

Items purchased for resale

There is an exception to what is said above in that we should be paying sales tax on all tangible personal property. That exception is when we purchase something for resale, such as when we buy snacks for the bingo refreshment stand, or food for the dining room. The Lodge will be charging the customer sales tax when they sell the item to their customer, so if we were to pay the tax also when we purchased the item, the state would be collecting the tax twice.

There are two ways to not pay the sales tax on purchases made for resale. One is to give the vendor a Certificate of Exemption, (A copy is included in the Appendix XI) and there is also a line on the sales and use tax return for taking a deduction for sales tax paid on items purchased for resale.

Use Tax

Generally, an out of state vendor with no presence in the State of Nevada will not charge you Nevada sales tax. This does not mean that you do not have to pay a tax. Where the state was not allowed to charge a sales tax, the state imposes a use tax. The rate is the same as the sales tax you would have paid. Instruct the office to review all vendor invoices, and to keep track of all out of state vendor invoices where no Nevada sales tax was charged. Use tax is paid in with the same return used to pay sales tax.

Sales Tax Collected on a Catered Affair

When a caterer is used, and the Lodge collects the money from its members and then turns around and gives the money to the caterer, the Lodge should retain the portion that is for the sales tax. This is because even though the bulk of the money is going to the caterer, the Lodge is responsible to the state for the sales tax. You may not give the sales tax to the caterer and have them turn it in to the state.

If the state were to come in and audit, they would assess the tax to you. They do not care that you gave the tax to the caterer, even if the caterer did indeed turn in the money to the state. The only recourse you would have is have the caterer file an amended tax return with the state, and then hope that the caterer will refund you the money. In the meantime, the Lodge would probably have to try and talk it's way out of some hefty penalties and interest.

If the caterer collects the money from the Lodge members, then the caterer keeps the sales tax money collected and reimburses it to the state. The Lodge has been kept out of the circle, and has no duty to the state.

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 Nevada Administrative Codes

- Employment Law - Nevada's Legal Aid Resource Center
<http://www.nvlawdirectory.org/bysubemployment.html>
- Department of Commerce Sections including electrical, plumbing, building inspections
- State Gaming Control Board and State Gaming Commission
- Nevada Revised Statutes 462 (Lotteries) and 463 (Licensing and Control of Gaming)
- Department of Health and Family Services
- Department of Revenue
- Department of Workforce Development including worker's compensation and unemployment

Employer's Equal Opportunity Notice

It is the policy of this organization to provide equal employment opportunities to all individuals without regard to race, color, sex, religion, age, national origin, ancestry, marital status, sexual orientation, or physical or mental disability. This policy applies to all aspects of employment, including recruitment, hiring, promotion, transfer, demotion, discipline, termination, and benefits. Any individual who believes they have been discriminated against should contact the Equal Opportunity Officer at (702) 486-1100.

Notice to Employees

The Nevada Equal Rights Commission (NERC) is a state agency that enforces laws that prohibit discrimination in the workplace. NERC is responsible for investigating complaints, mediating disputes, and conducting hearings. If you believe you have been discriminated against, you should file a complaint with NERC as soon as possible. For more information, visit www.nerc.state.nv.us.

NEVADA LABOR POSTINGS

NEVADA SAFETY AND HEALTH PROTECTION ON THE JOB

The Nevada Department of Industrial Safety and Health (DISH) is committed to ensuring that all workers in Nevada have a safe and healthy workplace. DISH enforces the Occupational Safety and Health Act (OSHA) and the Nevada Occupational Safety and Health Act. If you believe you are working in an unsafe or unhealthy environment, you should report it to DISH. For more information, visit www.dish.state.nv.us.

RULES TO BE OBSERVED BY EMPLOYEES

Employees are expected to follow the following rules in the workplace:

1. Arrive on time for work.
2. Follow all safety and health rules.
3. Do not drink alcohol or use drugs while working.
4. Do not use company equipment for personal use.
5. Do not engage in any activities that could distract you from your work.

Nevada Labor Postings – Appendix I

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Sample Sexual Harassment Policy – Appendix II***Sample Sexual Harassment Policy:***

Statement of Philosophy: This Subordinate Lodge is proud of its tradition of maintaining a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in an atmosphere, which promotes equal opportunities and prohibits discriminatory practices, including sexual harassment. Sexual harassment is unacceptable and will not be tolerated by this Lodge.

The definition of Sexual Harassment: For purposes of this policy, sexual harassment is defined as unwelcome or unwanted conduct of a sexual nature (verbal or physical) when:

- 1) submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, promotion or other aspects of employment
- 2) this conduct substantially interferes with an individual's employment or creates an intimidating, hostile or offensive work environment.

Examples of sexual harassment include but are not limited to:

PHYSICAL: Any physical interference with normal work or movement when directed at an individual. Touching, pushing, pinching, patting, grabbing, brushing against, or poking another employee's body. Hazing or initiation that involves a sexual component. Requiring, requesting, or suggesting that an employee wear sexually suggestive clothing.

VISUAL: Threatening gestures, derogatory posters, cartoons, or drawings. Displaying derogatory or sexual pictures, writing, or objects, obscene letters or invitations, staring at an employee's anatomy, leering, sexually oriented gestures, unwanted letters or notes.

SEXUAL: Unwanted attention or advances including those, which condition an employment upon exchange of sexual favors. Continued requests for dates. Any threat of demotion, termination, etc, if requested sexual favors are not given. Making or threatening reprisals after negative response to sexual advances.

Persons Covered: This policy covers all Members and employees of this Lodge. The Lodge will not tolerate, condone or allow sexual harassment whether engaged in by fellow employees, Supervisors, Directors, and Members or by others who have contact with this Lodge.

Enforcement of Policy: In accordance with the By-Laws of the Lodge, and conforming to GLS 16.040 and other Statutes of the Order, a committee shall be established for enforcement of the provisions of this policy. If a particular incident involves a Committee Member, he shall not participate in its proceedings.

The Committee will publish the name of the person appointed as Policy Representative to receive and investigate complaints, formulate procedures with respect to their handling and report his or her findings with recommendations to the Committee for appropriate action. Any person who feels that he or she has been a victim of sexual harassment shall bring the problem to the immediate attention of the Policy Representative. If the complainant is not satisfied with the handling of the complaint by the Policy Representative, or if that person is the subject of the complaint, he or she shall report the matter to any Member of the Committee for further consideration.

Any Allegation of sexual harassment is brought to the attention of the Policy Representative will result in a mandatory, confidential investigation of the incident.

It is intended that the privacy of the persons involved will be protected. All reports of sexual harassment shall be kept in confidence, except as is necessary to investigate the complaint and to respond to any legal and/or administrative proceedings arising out of or relating to the sexual harassment report.

Individuals who have engaged in such conduct will be disciplined up to and including discharge if employed, and appropriate action will be taken under the Order's Statutes if a Member.

For employees the Enforcement Committee shall have sole discretion and authority to finally determine the discipline and to enforce its terms except that if a Member of the Committee is a person charged with an offense, final decision with respect to his or her disciplinary action shall be with the Commission, Committee or Subcommittee having jurisdiction over his or her employment.

Retaliation in any form against a complainant who exercises his or her right to make a complaint under this policy is strictly prohibited and will itself be cause for appropriate disciplinary action.

- Exalted Ruler _____
- Esteemed Leading Knight _____
- Esteemed Loyal Knight _____
- Esteemed Lecturing Knight _____
- Chairman Board of Trustees _____
- Board of Trustees _____
- Board of Trustees _____
- Secretary _____
- Treasurer _____
- Tiler _____
- Esquire _____
- Inner Guard _____
- Chaplain _____

Performance Planning, Feedback and Development – Appendix III

1. Introduction

The Performance Planning, Feedback and Development Guidelines have been developed as a companion piece to the performance management policy for P/M and staff members and the PPFD tools. They are intended to be used as a resource by Reviewers and staff members.

The PPFD process incorporates three critical components of performance assessment (i.e. planning, feedback and development) and is designed to:

- Link individual efforts to University goals and priorities;
- Provide an opportunity for staff input regarding expectations and professional development;
- Formally recognize the accomplishments and areas of special competence or strength of staff;
- Provide an opportunity for constructive feedback regarding areas of performance requiring improvement;
- Create supportive structures for career development and succession planning, and;
- Provide an objective link between performance results and merit pay decisions.

2. Components

Performance Planning

Performance planning is the beginning of the annual review process. It involves the forward planning of objectives, expectations and development plans for the coming year. The time spent in this part of the process is considered to be an investment in developing the knowledge, skills and abilities, i.e. the competencies of staff. As the year progresses and changes to the objectives and expectations occur, further refinements to the plans are made.

For staff members performance planning is an integrated process of planning and implementation that will be continuously reviewed throughout the year, and provides an opportunity to:

- Clarify roles to meet the University's strategic plan;
- Clarify divisional and departmental requirements;
- Continually realign individual objectives with the University's initiatives;
- Obtain agreement on what results and development are expected; and
- Develop objectives/expectations that describe results.

Best practice identifies that objectives are easily understood and acted upon when they are specific, measurable, achievable, realistic and time specific. The acronym SMART is an aid to remember those components.

To set SMART objectives it is important to:

- Identify the outcome expected, the 'what';

- Provide indicators to measure the degree of achievement;
- Create an objective that constitutes a challenge within the staff member's capabilities;
- Take into account available resources; and
- Include a target date or response time.

To effectively set expectations and/or goals with Employees it is helpful to identify the standards of quality (how well), quantity (how much) and time (deadline) for each area of responsibility. It is expected that expectations and/or goals can be fluid, changing as new information or events occur throughout the year. There could be changes to priorities, resource changes, program or service changes, all of which could effect the individual's expectations and development plan. The reviewer and staff member can establish the expectations that are important for consideration together.

Feedback

Feedback involves observing how well the staff member achieves expected results and the degree to which the relevant competencies are demonstrated. Competencies provide detailed descriptions of the behaviors, knowledge, skills and abilities typically demonstrated by a staff member while carrying out his or her role. The descriptions provide specific and objective terminology to help frame feedback discussions and can be found in Appendix A - Competencies Worksheet.

Performance feedback involves informal discussions throughout the year regarding progress on the objectives/expectations and development plans and can include:

- Adjustment of priorities;
- Problem solving on any obstacles encountered;
- Advantage taken of any opportunities;
- Fulfillment of professional development;
- Positive recognition; and
- Corrective instruction.

Feedback may also be solicited from those in contact with the staff member in the course of his or her duties, for example, students, faculty, clients, or colleagues. This process should be a transparent one with the Reviewer and staff member identifying who should be contacted for what type of information together. The staff member should include all contact information for those they would like the reviewer to contact in the appropriate section of Part A: Activity Report. Feedback on performance from any source and any positive recognition or corrective instruction should include the specific event, a description of performance, the importance or impact on work and any follow up necessary. A summary of the feedback should be included in the appropriate section of Part C: Comments and Overall Performance rating so that the employee can benefit developmentally from the information.

Feedback should be provided as events occur and recorded as a reference so that the formal summary discussion at the end of the review period will not provide any surprise information regarding performance.

Development

Development involves growing knowledge, skills, abilities and competencies through a variety of methods for the current job and evolving career. This involves:

- Developing new competencies;
- Identifying gaps through discussion and mutual understanding; and
- Building on strengths identified in feedback conversations.

Competencies that are most relevant to the position are reviewed. The staff member's performance level is assessed for each relevant competency and development is planned that will enhance job performance, provide an opportunity for career development, or address areas that need improvement. For staff members, Appendix B - Competency Development Guide supplements Appendix A - Competencies Worksheet. It provides suggestions on what activities the staff member may undertake to acquire the competencies identified in the performance discussion. Development plans may consist of a combination of learning opportunities as well as formal training programs.

A sample list of developmental activities follows:

- Use as a resource related to a particular competency any books, videos, DVDs and/or audiotapes;
- Participate in the Rose Patten Leadership Program;
- Work on self-study or computer based courses/programs;
- Attend a U of T Organizational Development & Learning Centre training program or outside course, seminar or conference;
- Use the competencies worksheet as a self-assessment tool;
- Maintain a developmental journal, keeping track of successes, failures and development goals;
- Meet with someone who has progressed through similar career stages;
- Serve on a project or committee or cross-functional team;
- Seek additional challenges - work for short periods in other departments;
- Coach another individual on aspects of a job done well; and
- Spend time with an 'expert' on some aspect of the job.

3. Signatures

After the form is completed, it should be signed and dated by the Reviewer and the staff member. The signature of the staff member indicates that the staff member has had a discussion regarding the contents of the completed form. If the staff member does not agree with the content, he or she should provide comments in Part C under the Employee Comments section. A copy of the completed form is given to the staff member, a copy is placed in the staff member's departmental file and a copy is sent to the decentralized HR office. Human Resources will review the PPF form for quality, consistency and any training needs.

Performance Planning & Evaluation – Appendix IV

Position Identification Information			
Employee Name _____		Banner ID _____	
Position Title _____		Position # _____	
Evaluation Period	From _____	To _____	
Department _____		Division _____	
Supervisor's Name _____		Supervisor's Position # _____	
Reviewer's Name _____		Reviewer's Position # _____	

PERFORMANCE PLANNING		
JOB/CORE RESPONSIBILITIES	OBJECTIVES/EXPECTED RESULTS	RELATIVE WEIGHT *

**Use 1 to 5 scale; 5= Most Important 1= Least Important*

OPTIONAL ASSIGNMENTS/EXPECTED RESULTS

CHANGES TO PERFORMANCE PLAN	INITIALS	DATE

VERIFICATION OF PLAN			
<i>By signing this form, you confirm that you have discussed this plan in detail with your supervisor and that you agree with this plan.</i>			
Employee's Signature _____	Date		
Supervisor's Signature _____	Date		
Reviewer's Signature _____	Date		

Performance Evaluation

Position Identification Information

Employee Name

Banner ID

Role Title

Position #

Evaluation Period From

To

Department

Division

Supervisor's Name

Supervisor's Position #

Reviewer's Name

Reviewer's Position #

PLANNING AND COUNSELING					
BASIC COMPETENCIES	LEVEL OF COMPETENCE**				
	5	4	3	2	1
JOB KNOWLEDGE/PROFESSIONAL DEVELOPMENT Technically & professionally skilled in all position responsibilities and duties. Seeks new skills & opportunities for self development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LEADERSHIP SKILLS/PEOPLE DEVELOPMENT Displays initiative. Motivates subordinates. Fosters teamwork. Develops high professional goals, objectives and deadlines.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>PROBLEM SOLVING/DECISION MAKING Gives reasonable consideration to all facets of issues that may arise. Gathers & analyzes information. Seeks input & positive feedback from others. Makes timely decisions. Communicates decisions to all affected parties. Resolves conflict in a positive manner.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>RELATIONSHIP BUILDING Maintains healthy working relationships. Team player. Good listener. Appreciates diversity of others.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>COMMUNICATION SKILLS Is skilled at oral & written communications. Demonstrates effective interpersonal communication with subordinates, peers & supervisors.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>SUPPORTING SCHOOL'S MISSION Participates in and contributes to the School's mission. Embraces new initiatives. Aligns efforts behind the common goals of the School</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>** LEGEND 5 = Exceptional Achiever 4 = High Achiever 3 = Achiever 2 = Fair Performer 1 = Unsatisfactory Performer</p>					

PERFORMANCE EVALUATION	
COUNSELING SUMMARY	SIGNIFICANT COMMENTS
Strengths:	
Suggested Improvements:	

JOB/CORE RESPONSIBILITIES AND DUTIES (Describe in order of importance)	LEVEL OF				
	5	4	3	2	1
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- Exceptional Achiever (5)** – An employee whose work is characterized by sustained exemplary performance throughout the rating period and who provides excellent service in support of the mission of the organization. The employee’s performance consistently exceeds and sometimes far exceeds the criteria of the job responsibilities; consistently demonstrates initiative for the benefit of the College and department; and typically demonstrates full mastery of knowledge, skills and abilities, required work, and behavioral competencies.
- High Achiever (4)** – An employee whose work is characterized by a consistently high level of accomplishment; meeting and often exceeding performance expectations of core responsibilities; providing significant service in support of the mission of the organization. The employee typically independently demonstrates highly proficient knowledge, skills, and abilities, required work and behavioral competencies.
- Achiever (3)** – An employee whose work is characterized by achieving results at a level that generally meet and from time-to-time may exceed performance targets of core responsibilities; providing commendable support to the contributions of the organization. The employee typically demonstrates fully proficient knowledge, skills and abilities, required work, and behavioral competencies with only a few areas in need of some improvement.
- Fair Performer (2)** – An employee whose work requires substantive improvement to fully meet the performance targets of core responsibilities in one or more areas; providing basic support to the mission of the organization. The employee typically performs at the beginner or developmental stage of demonstrable knowledge, skills and abilities and exhibits inadequate behavioral competencies when expectations are that the employee would be beyond this stage. An employee in this category would be provided guidance and training to improve performance and would only be eligible for a market increase.
- Unsatisfactory Performer (1)** – An employee whose work fails to meet the criteria of the job function; generally falling well short of performance targets of core responsibilities (even though sometimes approaching targets); providing minimal support to the mission of the organization. The employee generally performs below the beginner or developmental stage of demonstrable knowledge, skills and abilities, required work and behavioral competencies. An employee who is given an unsatisfactory rating is not eligible for a salary increase. To encourage performance improvement, an employee rated in this category would be given a performance improvement plan and would be reevaluated in three months to determine if performance has improved.

VERIFICATION OF EVALUATION

*By signing this form, you confirm that you have discussed this review in detail with your supervisor. Signing this form does **NOT** necessarily indicate that you agree with this evaluation.*

Employee’s Signature _____	Date		
Supervisor’s Signature _____	Date		
Reviewer’s Signature _____	Date		

To be completed by Human Resources Only

EEO Skill Code:	FLSA Status: <input type="checkbox"/> Exempt <input type="checkbox"/> Non-Exempt
Position Level Indicator: <input type="checkbox"/> Employee <input type="checkbox"/> Supervisor <input type="checkbox"/> Manager	
Occupational Family & Career Group:	
SOC Title & Code:	

Sample Job Description: Club Manager – Appendix V**I. POSITION Club Manager**

- **Department:** Food and Beverage
- **Reports To:** Governing Body
- **Status:** Non-Exempt

II. JOB SUMMARY

The Club food and beverage service staff is directly responsible for member and guest Satisfaction in all food and beverage operations including dining, banquets and bar service. Their purpose is to provide friendly, knowledgeable and efficient service to the members and guests in accordance with Club standard operating procedures, mission statement and core values. Seek opportunities to create memories by anticipating needs, exceeding expectations and building relationships.

III. QUALIFICATION STANDARDS**Education and Experience:**

- High School Diploma preferred or equivalent
- At least 2 years previous service experience in a luxury private club, resort or high-end restaurant
- Strong knowledge of the following: English language; five star customer service; casual, fine dining and banquet food and beverage service; liquor, beer and wine knowledge
- CPR/1st Aid Certification (if not already acquired, will acquire upon employment)
- Food Safety Certification and Business Council on Alcohol Education Certification (if not already acquired, will acquire upon employment)

Physical Requirements:

- Flexible and long hours sometimes required; long hours standing and/or walking
- Medium work – Exerting up to 50 pounds of force occasionally, and/or 25 pounds of force frequently or constantly to lift, carry, push, pull or otherwise move objects
- Must have high level of physical fitness
- Unusual working conditions: May be scheduled nights, weekends, holidays and occasional overtime; may work indoors or outdoors in a variety of weather conditions; working with wet/slippery floors, sharp objects, fumes and electrical equipment

Mental Requirements:

- Must be able to convey information and ideas clearly
- Must be able to evaluate and select among alternative courses of action quickly and accurately
- Must work well in stressful, high pressure situations
- Must maintain composure and objectivity under pressure

IV. DUTIES AND FUNCTIONS**Essential:**

- Employee leads by example, consistently conveying a positive attitude, passion and pride in your work

- Approach all encounters with members, guests and fellow employees in a gracious, attentive, courteous and service-oriented manner
- Conduct all business for the club as an ambassador of the Lodge – with integrity and in a professional manner at all times
- Respect all stakeholders’ privacy, perspective, priorities, time and resources
- Keep fiscal responsibility and member satisfaction in mind when making all decisions
- Take part in keeping the Club clean and litter free.
- Maintain regular attendance in compliance with Lodge standards, as required by scheduling, which will vary according to the needs of the Club
- Maintain high standards of personal appearance and grooming, which include wearing proper attire and nametag when working
- Comply at all times with Lodge standards and regulations to encourage safe and efficient Club operations
- Maintain a warm and friendly demeanor at all times
- Maintain and increase departmental revenues – Promote and maximize profitability via suggestive selling techniques and being aware of upcoming special events and promoting them verbally to the members
- Assist team in monitoring and controlling departmental expenses and payroll
- Cross-train and perform duties of all food and beverage service positions (food server, bartender, hostess and bus person) as scheduled or needed using standard operating procedures
- Responsible for completing detailed opening, mid-shift and closing duties
- Responsible for accurate billing of food and beverage services via point of sale system; complete end of shift closing procedures
- Maintain and ensure immaculate facilities for guests - Monitor and maintain the cleanliness and orderliness of the front of house and back of house areas using a ‘clean as you go’ philosophy
- Maintain sanitary conditions in all dining, kitchen and bar areas in accordance with state and local regulations
- Inform the Governing Body immediately of any equipment not in proper condition or good working order
- Inform Governing Body immediately of needed equipment, supplies, liquor, beer and wine, etc.
- Communicate all guest/member complaints and suggestions to the Governing Body promptly
- Follow all food and beverage service and club policies
- Performs other duties as required by the Governing Body

Marginal:

- Attend meetings as required by management
- Perform other duties as required

Sample 4070A Form

Form **4070A**
 (Rev. August 2005)
 Department of the Treasury
 Internal Revenue Service

Employee's Daily Record of Tips

This is a voluntary form provided for your convenience.
 See instructions for records you must keep.

OMB No. 1545-0074

Employee's name and address		Employer's name	Month and year
		Establishment name (if different)	

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
1					
2					
3					
4					
5					
Subtotals					

For Paperwork Reduction Act Notice, see Instructions on the back of Form 4070.

Page 1

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
Subtotals					

Page 2

Sample 4070A Form

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Subtotals					

Page 3

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
26					
27					
28					
29					
30					
31					
Subtotals from pages 1, 2, and 3					
Totals					

1. Report total cash tips (col. **a**) on Form 4070, line **1**.
2. Report total credit and debit card tips (col. **b**) on Form 4070, line **2**.
3. Report total tips paid out (col. **c**) on Form 4070, line **3**.

Page 4

Sample 4070 Form

Form **4070**
 (Rev. August 2005)
 Department of the Treasury
 Internal Revenue Service

**Employee's Report
 of Tips to Employer**

OMB No. 1545-0074

Employee's name and address	Social security number
Employer's name and address (include establishment name, if different)	1 Cash tips received
Month or shorter period in which tips were received	2 Credit and debit card tips received
Signature	3 Tips paid out
from _____, _____, to _____, _____	4 Net tips (lines 1 + 2 - 3)
	Date

For Paperwork Reduction Act Notice, see the instructions on the back of this form.

Cat. No. 41320P

Form **4070** (Rev. 8-2005)

Employee's Report of Tips to Employer (4070) – Appendix VII

Form 8027 Department of the Treasury Internal Revenue Service	Employer's Annual Information Return of Tip Income and Allocated Tips ▶ See separate instructions.	OMB No. 1545-0714 <div style="font-size: 2em; font-weight: bold; text-align: center;">2008</div>
Name of establishment _____ Number and street (see instructions) _____ City or town, state, and ZIP code _____		Employer identification number _____ Type of establishment (check only one box) <input type="checkbox"/> 1 Evening meals only <input type="checkbox"/> 2 Evening and other meals <input type="checkbox"/> 3 Meals other than evening meals <input type="checkbox"/> 4 Alcoholic beverages
Employer's name (same name as on Form 941) _____ Number and street (P.O. box, if applicable) _____ Apt. or suite no. _____ City, state, and ZIP code (if a foreign address, see instructions) _____		Establishment number (see instructions) _____
Does this establishment accept credit cards, debit cards, or other charges? <input type="checkbox"/> Yes (lines 1 and 2 must be completed) <input type="checkbox"/> No		Check if: Amended Return <input type="checkbox"/> Final Return <input type="checkbox"/>
Attributed Tip Income Program (ATIP). See Revenue Procedure 2006-30 <input type="checkbox"/>		
1 Total charged tips for calendar year 2008.	1	
2 Total charge receipts showing charged tips (see instructions)	2	
3 Total amount of service charges of less than 10% paid as wages to employees.	3	
4a Total tips reported by indirectly tipped employees	4a	
b Total tips reported by directly tipped employees Note. Complete the Employer's Optional Worksheet for Tipped Employees on page 6 of the instructions to determine potential unreported tips of your employees.	4b	
c Total tips reported (add lines 4a and 4b)	4c	
5 Gross receipts from food or beverage operations (not less than line 2—see instructions)	5	
6 Multiply line 5 by 8% (.08) or the lower rate shown here ▶ _____ granted by the IRS. (Attach a copy of the IRS determination letter to this return.) Note. If you have allocated tips using other than the calendar year (semimonthly, biweekly, quarterly, etc.), mark an "X" on line 6 and enter the amount of allocated tips from your records on line 7.	6	
7 Allocation of tips. If line 6 is more than line 4c, enter the excess here ▶ This amount must be allocated as tips to tipped employees working in this establishment. Check the box below that shows the method used for the allocation. (Show the portion, if any, attributable to each employee in box 8 of the employee's Form W-2.)	7	
a Allocation based on hours-worked method (see instructions for restriction) <input type="checkbox"/> Note. If you marked the checkbox in line 7a, enter the average number of employee hours worked per business day during the payroll period. (see instructions) _____		
b Allocation based on gross receipts method <input type="checkbox"/>		
c Allocation based on good-faith agreement (Attach a copy of the agreement.) <input type="checkbox"/>		
8 Enter the total number of directly tipped employees at this establishment during 2008 ▶ _____		
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.		
Signature ▶ _____	Title ▶ _____	Date ▶ _____
For Privacy Act and Paperwork Reduction Act Notice, see page 6 of the separate instructions. Cat. No. 49989U Form 8027 (2008)		

**Employer's Annual Information Return of
 Tip Income and Allocated Tips (8027) – Appendix VIII**

How Long to Retain Records – Appendix IX

TYPE OF RECORD	RETENTION PERIOD YEARS	AUTHORITY
ACCOUNTING & FISCAL		
Accounts Payable Invoices	3	STATE
Accounts Payable Ledger	Permanently	Administrative Decision
Accounts Receivable Invoices & Ledgers	5	Administrative Decision
Balance Sheets	Permanently	Administrative Decision
Bank Deposits	3	Administrative Decision
Bank Statements	3	Administrative Decision
Capital Asset Record	3 after sale	Administrative Decision
Cash Receipt Records	7	Administrative Decision
Check Register	Permanently	Administrative Decision
Checks, Dividend	6	
Checks, Payroll	2	STATE
Checks, cancelled	3	STATE
Cost Accounting Records	5	Administrative Decision
Earnings Register	3	STATE
Entertainment Gifts & Gratuities	3	Administrative Decision
Expense Reports	3	Administrative Decision
Financial Statements, Certified	Permanently	Administrative Decision
Financial Statements, Periodic	2	Administrative Decision
General Ledger Records	Permanently	Code of Federal Regulations
Labor Cost Records	3	Code of Federal Regulations
Note Register	Permanently	Administrative Decision

TYPE OF RECORD	RETENTION PERIOD YEARS	AUTHORITY
Payroll Registers	3	STATE
Petty Cash Receipts	3	Administrative Decision
P & L Statements	Permanently	Administrative Decision
Salesman Commission Reports	3	Administrative Decision
Travel Expense Reports	2	Administrative Decision

How Long to Retain Records – Appendix IX

Work Papers, Rough	2	Administrative Decision
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ADMINISTRATIVE RECORDS

Audit Reports	10	Administrative Decision
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Classified Documents: Inventions, Reports, Receipts	10	Administrative Decision
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CORPORATE

Annual Reports	Permanently	Administrative Decision
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Authority to Issue Securities	Permanently	Administrative Decision
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Bonds, Surety	3	Administrative Decision
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Capital Stock Ledger	Permanently	Administrative Decision
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Charters, Constitutions, Bylaws	Permanently	Administrative Decision
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Contracts	Permanently	Administrative Decision
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Corporate Election Records	Permanently	Administrative Decision
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Incorporation Records	Permanently	Administrative Decision
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Stock Transfer & Stockholder	Permanently	Administrative Decision
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Insurance Policies	Permanently	Administrative Decision
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Patents & Related Material	Permanently	Administrative Decision
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Trademark & Copyrights	Permanently	Administrative Decision
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PERSONNEL

Accident Reports, Injury Claims, Settlements	30	STATE
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Applications, Changes & Terminations	5	Code of Federal Regulations
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Attendance Records	7	Administrative Decision
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Employee Contracts	6	Administrative Decision
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Fidelity Bonds	3	Administrative Decision
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Garnishments	5	Administrative Decision
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Health & Safety Bulletins	Permanently	Administrative Decision
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Injury Frequency Charts	Permanently	Code of Federal Regulations
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Insurance Records, Employees	11	INS
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Job Descriptions	2	Code of Federal Regulations
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Rating Cards	2	Code of Federal Regulations
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How Long to Retain Records – Appendix IX

Time Cards	2	Code of Federal Regulations
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PLANT & PROPERTY RECORDS

Depreciation Schedules	Permanently	Administrative Decision
Inventory Records	Permanently	Administrative Decision
Maintenance & Repair, Building	10	Administrative Decision
Maintenance & Repair, Machinery	5	Administrative Decision
Plant Account Cards, Equipment	Permanently	Code of Federal Regulations
Property Deeds	Permanently	Administrative Decision
Purchase or Lease Records of Plant Facility	Permanently	Administrative Decision

TYPE OF RECORD	RETENTION	AUTHORITY
TAXATION		
Annuity or Deferred Payment Plan	Permanently	Code of Federal Regulations
Depreciation Schedules	Permanently	Code of Federal Regulations
Dividend Register	Permanently	Code of Federal Regulations
Employee Withholding	4	Code of Federal Regulations
Excise Exemption Certificates	4	Code of Federal Regulations
Excise Reports (Manufacturing)	4	Code of Federal Regulations
Excise Reports (Retail)	4	Code of Federal Regulations
Inventory Reports	Permanently	Code of Federal Regulations
Tax Bills & Statements	Permanently	Administrative Decision
Tax Returns	Permanently	Administrative Decision
Sales Tax Returns	Permanently	Administrative
Decision Payroll Tax Returns	7	Years Administrative Decision
Pension Returns	Permanently	Administrative Decision

In a nutshell, to be conservative keep documents a minimum of 7 years if the document supports a deduction on your tax return. If the outlay or deposit of cash resulted from acquiring or selling an asset, keep the documentation for 7 years after the sale of the asset. Keep tax returns permanently (except payroll returns may be discarded after 7 years after the expense was reported). Keep all personnel records as per schedule above and keep year end financials and general ledger and year end inventory reports permanently.

How Long to Retain Records – Appendix IX

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that, any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding any tax related penalties that may be imposed on you or any other person under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed in this communication

Charitable Lotteries – Appendix X**NRS 462.130 Administration of chapter; regulations.**

1. The Board and Commission shall administer the provisions of this chapter for the protection of the public and in the public interest in accordance with the policy of this state.
 2. The Commission, upon the recommendation of the Board:
 - (a) May adopt such regulations as it deems desirable to enforce the provisions of this chapter; and
 - (b) Shall adopt regulations providing a procedure to appeal the denial of the approval of the Executive Director pursuant to [NRS 462.150](#), pursuant to the procedure set forth in [NRS 463.145](#).
- (Added to NRS by 1991, 2258)

NRS 462.140 Conditions for operation of charitable lottery. A qualified organization may operate a charitable lottery if:

1. The organization is approved by the Executive Director and the total value of all the prizes offered in charitable lotteries operated by the organization during the same calendar year does not exceed \$500,000;
 2. The organization registers with the Executive Director and the total value of all the prizes offered in charitable lotteries operated by the organization during the same calendar year does not exceed \$25,000; or
 3. The total value of the prizes offered in the charitable lottery does not exceed \$2,500 and:
 - (a) The organization operates no more than two charitable lotteries per calendar year; or
 - (b) The tickets or chances for the charitable lottery are sold only to members of the organization, and to guests of those members while attending a special event sponsored by the organization, and the total value of all the prizes offered in charitable lotteries operated by the organization during the same calendar year does not exceed \$15,000.
- (Added to NRS by 1991, 2258; A 1997, 294)

NRS 462.150 Registration or approval of qualified organization: Conditions; revocation; period of validity.

1. The Executive Director shall:
 - (a) Register a qualified organization that complies with the requirements of [NRS 462.160](#).
 - (b) Approve a qualified organization if:
 - (1) The organization complies with the requirements of [NRS 462.160](#); and
 - (2) The Executive Director determines that the approval of the organization would not be contrary to the public interest.
 - (c) Provide a qualified organization, within 30 days after its submission of an application pursuant to [NRS 462.160](#), with written notification of the basis for any refusal by the Executive Director to register or approve the qualified organization pursuant to this section.
 2. The registration or approval of a qualified organization is a revocable privilege. No person has any right to be registered or approved by the Executive Director or acquires any vested right upon being registered or approved by the Executive Director.
 3. Unless earlier revoked, the registration or approval of a qualified organization is valid for the calendar year and expires on December 31.
- (Added to NRS by 1991, 2258)

NRS 462.160 Registration or approval of qualified organization: Application; fee; expenditure of application fees.

1. To register with or request the approval of the Executive Director, a qualified organization must submit to him:
 - (a) A written application containing:
 - (1) The name, address and nature of the organization.
 - (2) Proof that the organization is a qualified organization.
 - (3) The names of the officers or principals of the organization, and of any person responsible for the management, administration or supervision of the organization's charitable lotteries and any activities related to those lotteries.
 - (4) A description of all the prizes to be offered in charitable lotteries operated by the organization during the calendar year to which the application pertains and, if the approval of the Executive Director is required, a summary of the anticipated expenses of conducting those lotteries, including copies of any proposed agreements between the organization and any suppliers of material for the operation of those lotteries.
 - (5) A description of the intended use of the net proceeds of charitable lotteries operated by the organization during the calendar year to which the application pertains.
 - (6) The designation of a primary county in which charitable lotteries will be conducted by the organization during the calendar year to which the application pertains.
 - (7) Any other information the Executive Director deems appropriate.
 - (b) A nonrefundable fee of:
 - (1) For registration, \$5; or
 - (2) For a request for approval, \$25.
2. A qualified organization shall submit such additional information as necessary to correct or complete any information submitted pursuant to this section that becomes inaccurate or incomplete. The approval of a qualified organization is suspended during the period that any of the information is inaccurate or incomplete. The Executive Director may reinstate the approval of the organization only after all information has been corrected and completed.
3. The money collected pursuant to this section must be expended to administer and enforce the provisions of this chapter.
(Added to NRS by 1991, 2259)

NRS 462.170 Registration or approval of qualified organization: Commission may require finding of suitability; costs of investigation; effect of failure to submit application for finding; effect of finding of unsuitability.

1. The Commission may, upon recommendation of the Board, require:
 - (a) A qualified organization that registers with or requests the approval of the Executive Director to file an application pursuant to [chapter 463](#) of NRS for a finding of suitability to operate a charitable lottery in this state.
 - (b) Any person who is employed by, a member of or otherwise associated with such an organization to file an application pursuant to [chapter 463](#) of NRS for a finding of suitability to be associated with the operation of a charitable lottery in this state.
2. The Board may conduct an investigation of the qualified organization or associated person and submit recommendations to the Commission. The qualified organization or associated person must deposit with the Board a sum of money which the Board determines will be adequate to pay the anticipated costs of the investigation and shall upon the completion of the investigation

pay to the Board any additional money necessary to reimburse the Board for the actual cost of the investigation. The Board shall refund any overpayments.

3. The Commission may revoke the registration or approval of a qualified organization if:
 - (a) An application for a finding of suitability is not submitted to the Board, together with the deposit required by subsection 2, within 30 days after the qualified organization receives written notice that it is required pursuant to paragraph (a) of subsection 1 to file an application for a finding of suitability.
 - (b) The qualified organization is found unsuitable to operate a charitable lottery in this state.
 - (c) An application for a finding of suitability is not submitted to the Board, together with the deposit required by subsection 2, or the association of the person with the organization is not terminated, within 30 days after the qualified organization receives written notice that an associated person is required pursuant to paragraph (b) of subsection 1 to file an application for a finding of suitability.
 - (d) The associated person is found unsuitable to be associated with the operation of a charitable lottery in this state and the qualified organization does not terminate its association with that person within 30 days after receiving written notice of the finding of unsuitability.
- (Added to NRS by 1991, 2260)

NRS 462.180 Sale of ticket or chance for charitable lottery prohibited in certain areas; limitation on number of lotteries conducted by approved organization without specific authorization. A qualified organization shall not:

1. Sell any ticket or chance for a charitable lottery outside of:
 - (a) The primary county in which the charitable lottery is being conducted; and
 - (b) Any counties that border on the primary county.
 2. If the organization has been approved by the Executive Director, conduct more than one charitable lottery in any calendar quarter without the specific authorization of the Executive Director.
- (Added to NRS by 1991, 2260)

NRS 462.190 Limitations on compensation for prizes and supplies and compensation of persons for services; exceptions. A qualified organization shall not:

1. Compensate any person for the provision of prizes and supplies used in the operation of a charitable lottery, except to pay the fair market value of the prizes and supplies necessary for the operation of the charitable lottery.
 2. Provide:
 - (a) Any compensation to a person who is not a regular employee of the organization; and
 - (b) Any additional compensation to a person who is a regular employee of the organization, for his services in organizing or operating a charitable lottery or assisting in the organization or operation of a charitable lottery. This subsection does not prohibit a qualified organization from compensating a person for the fair market value of services that are ancillary to the organization or operation of a charitable lottery.
- (Added to NRS by 1991, 2260)

NRS 462.200 Limitation on expenditure of net proceeds of charitable lottery; annual financial report required.

1. A qualified organization shall expend the net proceeds of a charitable lottery only for the benefit of charitable or nonprofit activities in this state.

2. A qualified organization approved by the Executive Director shall, after the completion of a charitable lottery and no later than the end of the same calendar year, submit to the Executive Director a financial report on the charitable lottery. The financial report must include a statement of:
 - (a) The expenses incurred in the operation of the charitable lottery; and
 - (b) The amount and use of the net proceeds of the charitable lottery.

(Added to NRS by 1991, 2261)

Charitable Lotteries – Appendix X



KENNY C. GUINN
Governor

STATE OF NEVADA
GAMING CONTROL BOARD

1919 E. College Parkway, P.O. Box 8003, Carson City, Nevada 89702
555 E. Washington Ave., Suite 2600, Las Vegas, Nevada 89101
3650 South Pointe Cir., P.O. Box 31109, Laughlin, Nevada 89028
557 W. Silver St., Suite 207, Elko, Nevada 89801
6980 Sierra Center Parkway, Suite 120, Reno, Nevada 89511

DENNIS K. NEILANDER, Chairman
BOBBY L. SILLER, Member
MARK A. CLAYTON, Member

CHARITABLE LOTTERIES
APPLICATION FOR APPROVAL OR REGISTRATION

(Applicants are responsible for complying with state laws related to charitable lotteries, specifically NRS 462 and 463.)

Organization Name _____

Street Address _____

City, County, Zip Code _____

Nature (Type) of Organization _____

When Organization was Established _____

Contact Person _____ Telephone _____

Signature _____ Date _____

Is this an application for registration or approval for a charitable lottery? (Check below.)

_____ Registration _____ Request for approval

{Approval is required if the total value of all prizes offered in charitable lotteries operated by your organization during the same calendar year is more than \$25,000 and less than \$500,000.

Registration is required if the total value of all prizes offered in charitable lotteries operated by your organization during the same calendar year is more than \$2,500 and less than \$25,000.

No application is required: 1) If the total value of prizes does not exceed \$2,500 and your organization operates no more than two charitable lotteries per year, OR 2) If the total value of the prizes does not exceed \$2,500 and the tickets or chances are sold only to members of your organization, and to guests of those members while attending a special event sponsored by your organization, and the total value of all the prizes offered in charitable lotteries operated by your organization during the same calendar year does not exceed \$15,000.}

Rev. 3/01

Charitable Lotteries – Appendix X

CHARITABLE LOTTERIES APPLICATION
PAGE 2

Officers/Board of Directors:
Name

Title

Telephone

Persons responsible for operation of the lottery and their relationship to the organization (i.e., member, volunteer, employee, independent contractor, etc.):

Name

Relationship
to Organization

Telephone

Description and value of lottery prizes in this calendar year:

If this is a request for approval, what are the anticipated expenses of conducting lotteries during this calendar year? Attach copies of any proposed agreements between your organization and any suppliers of material for the operation of your lotteries.

Describe the intended use of net proceeds from your charitable lotteries during this calendar year. Indicate approximate percentage of proceeds to be allocated to various uses such as activities, equipment, supplies, transportation, salaries, general administrative costs, etc.

Charitable Lotteries – Appendix X

CHARITABLE LOTTERIES APPLICATION
PAGE 3

Name of the primary county in which the lotteries will be conducted.

{State law provides that sales of tickets or chances for a charitable lottery must be in the primary county or Nevada counties that border on the primary county. Ticket sales outside Nevada are prohibited.}

	Date Ticket Sales Begin	Date, Time, & Place of Drawing
1st Quarter	_____	_____
2nd Quarter	_____	_____
3rd Quarter	_____	_____
4th Quarter	_____	_____

Under Nevada Revised Statute 462:

- ◆ If your registration or request for approval is denied, your organization will be notified in writing within 30 days after the submission of this application. A denied application may be appealed to the State Gaming Control Board and Nevada Gaming Commission.
- ◆ In the category which requires approval, organizations are limited to one charitable lottery during each calendar quarter unless specifically authorized by the Chairman of the Gaming Control Board.
- ◆ Unless revoked by the Nevada Gaming Commission, registration or approval is valid for the calendar year and expires on December 31.
- ◆ After completion of your lottery and no later than the end of the same calendar year, your organization must submit a financial report to the Chairman of the State Gaming Control Board (c/o Enforcement Division). The financial report must include a statement of expenses incurred in the operation of the charitable lottery, and the amount and use of net proceeds of the charitable lottery.

Charitable Lotteries – Appendix X

CHARITABLE LOTTERIES APPLICATION
PAGE 4

Please attach the following documents:

- Proof of charitable or nonprofit status (such as copy of a Nevada tax exempt certificate).
- Nonrefundable fee in the form of a check or money order made payable to the State Gaming Control Board (\$5 for Registration; OR \$25 for Approval).
- If you are requesting approval, copies of proposed agreements with suppliers of material for the operation of your lotteries.

The applicant, by signature on this application, certifies that, pursuant to Nevada Statutes, the proceeds of the charitable lottery will be expended only for the benefit of charitable or nonprofit activities in the State of Nevada.

Applications must be submitted 30 days prior to the commencement of any lottery activity, including advertising or ticket sales. Organizations are encouraged to file applications earlier than the required 30 days. Questions regarding the application process may be directed to the Enforcement Division, Operations Section in Las Vegas (486-2020).

Mail applications to: **STATE GAMING CONTROL BOARD
ENFORCEMENT DIVISION
OPERATIONS UNIT
SUITE 2600
555 EAST WASHINGTON AVENUE
LAS VEGAS, NEVADA 89101**



JIM GIBBONS
Governor
THOMAS R. SHEETS
Chair, Nevada Tax Commission
DINO DICIANNO
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: <http://tax.state.nv.us>
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada, 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 688-1295
Fax: (775) 688-1303

HENDERSON OFFICE
2550 Paseo Verde Parkway Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

March 31, 2009

Account Number: **RCE-012-450**

Exp date: **March 31, 2014**

CARSON CITY ELKS LODGE #2177
515 N NEVADA STREET
CARSON CITY NV 89703

Pursuant to NRS 372.3261 and related statutes, CARSON CITY ELKS LODGE #2177 has been granted sales/use tax exempt status as a charitable organization. Direct purchases of tangible personal property made by CARSON CITY ELKS LODGE #2177 are exempt from sales/use tax. Fraudulent use of this exemption letter is a violation of Nevada law.

Vendors selling tangible personal property to CARSON CITY ELKS LODGE #2177 are authorized to sell to them tax exempt. The vendor shall account for the exempt sale on its sales/use tax return under exemptions. For audit purposes, a vendor must have a copy of this letter in order to document the transaction was tax exempt.

This letter only applies to Nevada sales/use tax and does not provide exemption from any other tax.

This exemption applies only to the above named organization and is not extended to individuals, or contractors or lessors to or for such organizations.

Any vendor having questions concerning the use of this sales/use tax exemption letter may contact the Department at one of the district offices listed above.

If, upon further or future review by the Department, it is determined the above named organization does not meet or no longer meets the criteria outlined in NRS 372.348, this letter of exemption will be revoked.

Sincerely,

Dino DiCianno
Executive Director

Sample ATF F-5630.5d Form – Appendix XII

OMB NO. 1513-0112 (12/31/2008)

SECTION 3 – OWNERSHIP INFORMATION

INDIVIDUAL OWNER PARTNERSHIP CORPORATION LLC OTHER (Specify) 501(c)(8)

FULL NAME	RESIDENCE ADDRESS	POSITION
William M. Wiseman	9801 Biscayne Lane, Las Vegas, NV 89117-3646	President
John C. Stevens	906 River Mountain Drive, NV 89015-2737	Chairman, Board of Trustees
Kenneth E. Bazar	933 Pigeon Forge Ave., Henderson, NV 89015-5817	Secretary
Richard E. Letendre	271 Far Away Street, Henderson, NV 89074-8776	Treasurer
FULL NAME	RESIDENCE ADDRESS	POSITION

INSTRUCTIONS

GENERAL INSTRUCTIONS

This registration is for use on and after July 1, 2008. If you are engaged in one or more of the alcohol activities listed on this form, you are required to file this form before beginning business. If there is a change in your business, you need to report it on or before the next July 1 (see CHANGES IN OPERATIONS, below). You may file one registration to cover several locations or several types of activity operating under the same Employer Identification Number (EIN).

NOTE: The special (occupational) tax on producers and marketers of alcohol beverages was repealed by Section 11125 of Public Law 109-59, effective July 1, 2008. However, tax liability and the registration requirement for periods before that date remain. If you need to file a delinquent or amended registration for a period through June 30, 2008, please use TTB Form 5630.5a, Alcohol Special (Occupational) Tax Registration and Return – For Periods Ending On or Before June 30, 2008.

SIGNING YOUR REGISTRATION

This form must be signed by the individual owner, a partner, or, in the case of a corporation or LLC, an individual authorized to sign on behalf of the corporation or LLC.

SECTION 1 – IDENTIFYING INFORMATION

Complete Section 1, Identifying Information, as specified on the form. Your registration must contain a valid Employer Identification Number (EIN). The EIN is a unique number for business entities issued by the Internal Revenue Service (IRS). You must have an EIN whether you are an individual owner, partnership, corporation, LLC, or a government agency. If you do not have an EIN, contact the Internal Revenue Service immediately to obtain one. While TTB may assign a temporary identification number (beginning with XX) to allow initial processing of a return which lacks an EIN, do not delay submission of your registration pending receipt of your EIN. If you have not received a number by the time you file this return, write "number applied for" in the space for the number. Submit your EIN by separate correspondence after receipt from the IRS.

PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. This information is used to ensure compliance with Section 11125 of Public Law 109-59, and the Internal Revenue Laws of the United States.

The estimated average burden associated with this collection of information is .8 hour per respondent or record keeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to the Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, D.C. 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current, valid OMB control number.

SECTION 2 – PREMISES LOCATIONS

Enter the requested information in Section 2 for each premises location even if this repeats the business information listed in Section 1. If you are reporting a change, enter the date of the change in the appropriate space in Section 1. If additional sheets are needed, make a copy of page 1 of this form or enter the requested information on a separate sheet of paper with your EIN and Company's name.

SECTION 3 – OWNERSHIP INFORMATION

Please complete the ownership information in Section 3. Supply the information specified for each individual owner, partner or responsible person. For a corporation, partnership or association, a responsible person is anyone with the power to control the management policies or buying or selling practices pertaining to alcohol. For a corporation, association, or similar organization, it also means any person owning 10 percent or more of the outstanding stock in the business.

CHANGES IN OPERATIONS

If there is a change of your company's name, trade name, address, premises location, telephone number, ownership information, type of business, or EIN, complete TTB F 5630.5d and submit it no later than the next July 1 after the change. Check the box, Existing Business with Change(s), complete all fields in Section 1, and complete Sections 2 and 3 as necessary to show any changes there. Upon going out of business, submit TTB F 5630.5d within 30 days, checking box b in Section 1. If you are still in business but there are no changes since your last registration, this form does not need to be submitted.

MAILING INSTRUCTIONS

Please sign and date this registration and mail it to:

Alcohol and Tobacco Tax and Trade Bureau
550 Main Street, Suite 8002
Cincinnati, OH 45202-5215.

CONTACT INFORMATION

For further assistance, contact TTB National Revenue Center at 1-800-937-8864 or 1-877-882-3277; or email to ttbtaxstamp@ttb.gov. Additional information is also available at our Web site, www.ttb.gov.

Sample ATF F-5630.5d Form – Appendix XII

OMB NO. 1513-0112 (12/31/2008)

SECTION 3 – OWNERSHIP INFORMATION

<input type="checkbox"/> INDIVIDUAL OWNER <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION <input type="checkbox"/> LLC <input checked="" type="checkbox"/> OTHER (Specify) 501(c)(8)		
FULL NAME	RESIDENCE ADDRESS	POSITION
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