



**ZONE COMMANDER'S
HANDBOOK**

July 2022

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WELCOME! - and thank you for accepting the position of Zone Commander. You - along with your District Commander have the responsibility of assisting Ontario Command with the administration of The Royal Canadian Legion in your Zone.

As you know the title of any position in the Legion comes with many tasks to be performed. (See GBLO, Article VIII)

This handbook is designed as a reference to assist you with those tasks and points you to the various Legion Manuals available for the most up-to-date information. It is by no means all-inclusive and will be updated when needed. *Always use the current manuals as your principle guide.*

LEGEND:

- **AGCO** Alcohol & Gaming Commission of Ontario
- **BOT** Break Open Tickets
- **BOT** Board of Trustees
- **GBL** General By-Laws
- **GBLO** General By-Laws (Ontario Provincial Command)
- **GBLB** General By-Laws for Branches of the Ontario Provincial Command
- **NPO** Non-Profit Organization
- **OTF** Ontario Trillium Fund
- **PEC** Provincial Executive Council
- **PAC** Provincial Administrative Council
- **SEO** Senior Elected Officer

SOME MANUALS AVAILABLE

The 5 main manuals that you should have in your possession at all times – *current edition*:

- General By-Laws
- General By-Laws of the Ontario Provincial Command
- Rules of Procedure for Legion Meetings
- Ritual Protocol and Awards Manual
- Legion Officers' Manual

SOURCES OF INFORMATION

The Dominion Command and Ontario Command websites are a vast source of information, including forms and manuals at your fingertips. Because of the high cost of postal mail and the labour involved in processing it the Legion is rapidly transitioning towards electronic communications at all levels. Therefore, it is essential to have access to a computer. Share all information received with your Council and Branches.

Dominion Command website address is www.legion.ca

Ontario Command website address is www.on.legion.ca

GOVERNANCE

Some basic information...

The Legion was founded and incorporated under an act of parliament. The Secretary of State first awarded letters patent in 1926 under the companies act - and this in fact became our Charter but the Legion pushed to have the organization recognized and proclaimed with its own Act.

The Royal Canadian Legion is incorporated at the national level only: For purposes of opening new bank accounts, applying for grants or loans and other such services Branches are asked for Corporation information about our organization. Here is the information needed:

Corporation Number 058870-9

Business Number (BN) 107928798RC0001

Corporate Name: The Royal Canadian Legion.

Governing Legislation: Special Act of Parliament-1948-06-30. Legion Act 1990

Registered Office Address

86 Aird Place Ottawa ON K2L 0A1

The Branches and Provincial Commands are chartered by Dominion Command in accordance with the Act to Incorporate as per Chapter 84 of the Statutes of 1941 amended in 1981 and the General By-Laws of The Royal Canadian Legion. The Act also specifies that Branches are autonomous with respect to their affairs and have the power to make by-laws and regulations to govern their activities *provided they are consistent with the Act to Incorporate and the General By-Laws of Dominion and Ontario Commands.*

The Royal Canadian Legion and all **Branches** operate as non-profit organizations under the Income Tax Act (see Section 149 (1) (l) and the Legion Officers Manual for more information.

A **non-profit organization (NPO)** is a club, society, or association that's organized and operated solely for:

- social welfare
- civic improvement
- pleasure or recreation
- any other purpose except profit.

RESOLUTIONS – *how to prepare...*

Information is contained in the following publications:

GBLO - *Section 312 & 313*

GLB - *Sections 919 to 925*

Officers' Manual - Branch Section

Changes to our By-Laws can only be made through the proper use of the resolution process. It is a formal expression of an individual (or committee – Provincial/National) placed before a meeting (branch general meetings or conventions) for acceptance. Resolutions should only address one topic or issue.

The “Whereas” sections should contain accurate information, be concise to understand the rationale and kept to a minimum. The “Resolved” section should clearly state what action should be taken.

Zones and District **do not** have authority to make resolutions. Branches **do not** have to submit resolutions to Zones and Districts for approval, although **it is preferred in order to get additional membership support** at Conventions. Resolutions forwarded to Provincial Headquarters must contain at least ONE original signature.

PETITIONS

The use of petitions created to show a non-confidence vote within a Branch, Zone, District, and/or Provincial Command are meaningless. While they may serve to show dissatisfaction, they can not affect change. As stated above, only a resolution can do this.

ADMINISTRATION

GENERAL DUTIES OF THE ZONE COMMANDER:

The Zone Commander, as the Chief Executive Officer of the Zone, should be familiar with the GBL and GBLO. It shall be your responsibility to exercise a general supervision over all Branches within your Zone. Refer to ‘*General Responsibilities of a Zone Commander*’ Legion Officers Manual for more information. You are a member of the PEC and your District Council.

STARTING YOUR TERM BASICS:

- Appoint a Zone Secretary and a Zone Treasurer (or Secretary/Treasurer)
- Appoint a Chair for each Zone Standing Committee
- Complete a Zone Profile of all Officers & Standing Committee Chairs and send it to the District Commander & Provincial Headquarters, your Zone Council and Branches in your Zone. Branch Presidents within your Zone are members of Zone Council, as are District Officers and Chair of District Standing Committees being a member of a Branch within the Zone.
- Arrange to complete Zone Signing Authority at the Bank for all accounts.
- Schedule Zone Council Meetings and Conventions – dates and venues and confirm in writing to the District Commander and host Branches.
- Schedule an orientation/information meeting with your Zone Council at the beginning of the term to review with them their duties, policies and procedures related to the Zone.
- Forward copies of all Council and Convention Minutes to Provincial Headquarters for information purposes.

CHAIRING A MEETING:

Always have handy the Rules of Procedure for Legion Meetings for information and guidance on Chairing a meeting, responsibilities of members in attendance, rules and procedures for processing

motions. All Legion Officers and Branches should also have this manual. (Download/print from Dominion Command – *Branches/Command Resources – By-Laws and Branch Management*).

REPORTING:

The Zone Commander is expected to attend District Council Meetings and District Conventions and will present a written report on activities within their Zone since the last District Convention Report. The Zone Commander should ensure they pass along the reporting procedures to the Deputy Zone Commander (or whomever the incoming Zone Commander may be) - For example, what type of information do the reports usually contain, does the Zone Commander read their report at the District Council Meeting and again on the Convention floor, or just at Council, or just at Convention etc. The Zone Commander should encourage branches to send delegates and observers to all conventions.

ZONE STANDING COMMITTEE CHAIR

GBLO Section 807. (1) states the following Standing Committee Chairs are appointed by the Zone Commander and these Zone Chairs assist and advise their appropriate Branch Standing Committee Chair in their work and it is recommended they meet with the Branch Committee Chairs in the Zone for information and training purposes, to organize training seminars and establish reporting requirements – at least once per year and always be available for questions and guidance. Zone Chairs are encouraged to form a committee which can include the applicable Branch Chairs and to ensure that information from District Chairs are forwarded to the Branch.

- Legion Seniors Program
- Membership
- Poppy
- Public Relations
- Sports (elected or appointed)
- Track & Field
- Leadership Development
- Veterans Services
- Youth Education

PROVINCIAL CONVENTIONS AND PEC MEETINGS

The Zone Commander is a full member of the PEC and, as such, is encouraged and expected to take part in all decisions. Expenses are paid by Provincial Headquarters per the Expense Account Policy. The PEC is held in November, usually the Saturday following November 11th each year. Following Saturday's meeting there is a reception/dinner. Dress is Business Attire. An escort is included in the invitation. There is usually a cost for the dinner to the Zone Commander (deducted from your per diem). You will be advised of the cost in advance. Sunday morning is usually a Zone Commanders' Meeting. You will be advised the location, time and dress (usually casual).

The Zone Commander holds a vote by virtue of their office at the Provincial Convention but cannot carry proxies if they attend as a PEC delegate rather than as a Branch delegate (cannot be both).

Provincial Conventions are held every second year (odd number) usually commencing on the 1st or 2nd Sunday in May.

DOMINION CONVENTIONS

As a Zone Commander you do not hold a vote at Dominion Conventions by virtue of your office.

You could attend as a delegate of your own Branch and carry up to four (4) proxies or attend as a delegate of Ontario Command and carry zero (0) proxies.

You are expected to attend all Conventions and the PEC meetings - to participate, to learn and to enjoy.

EXPENSE POLICY

The following is general information only, please refer to the Ontario Command Expense Account Policy for further information.

SECTION A

GENERAL INFORMATION

The Expense Account Policy is an Ontario Command document established to determine expenses that will be compensated to various individuals in the performance of their duties as directed through their various responsibilities. The following procedures are to be followed regarding such expenses.

1. Expenses are to be submitted monthly and/or within **sixty (60) days** following the end of the month in which the expense is incurred; otherwise, they will not be honoured.
2. **All expenses incurred prior to May 31st in any year must be submitted to Provincial Headquarters for payment, no later than June 15th each year.**
3. There are only two expense account forms on the Ontario Command website at www.on.legion.ca under Member Resources. Submit only the **most current** forms.
4. **The Out-of-Pocket Expense Form** is used for claiming expenses. **The Per Diem Voucher** (Per Diem rate currently \$185.00 per day (\$115.00 for rooms and \$70.00 for meals)) is only used when sent out by Provincial Headquarters for specific meetings, Provincial and Dominion Conventions.
5. Both forms must record the date the form was completed, the date that the travel occurred, the Office that you hold with respect to that travel, the purpose of the travel, the kilometres travelled, etc. Receipts must be submitted for air, train, taxi or bus fares, accommodation, postage, (only when applicable) etc. Any claim submitted without the required information will be returned. Please note **all expense forms must be signed.**
6. The Ontario Command Expense Account Policy does not provide for the payment of expenses incurred by any Officer or Standing Committee Chair that **extends beyond the term of office.**
7. Any member of the District or Zone, or member of a Provincial Standing Committee residing outside of the District or Zone, will be permitted **mileage from their resident Branch** (not from

one's place of residence) for travel within the District or Zone in carrying out the duties and responsibilities of their office.

8. If a **Per Diem Voucher** has been submitted for any meeting that **you were unable to attend**, all funds must be made payable to Ontario Command and returned to Provincial Headquarters within 14 days of said meeting.
9. Any expenses not covered in this policy will be the responsibility of the District, Zone or Individual.
10. All expenses must be submitted to Provincial Headquarters on the **Out-of-Pocket Expense Form** or **Per Diem Voucher**. Any District, Zone or individually fabricated form will be returned to the individual for resubmission on the proper form.
11. When in doubt – ask your Chain of Command before incurring any expenses.

SECTION B

PER DIEM VOUCHER

1. The Per Diem rate (currently \$185.00 per day) includes accommodation and meal costs, (\$115.00 for rooms and \$70.00 for meals) and is paid to all members of the Provincial Executive Council to attend PEC (held in November on the weekend following November 11th. When November 11th is close to or on the weekend, the PEC meeting moves to the following weekend), Provincial Standing Committee meetings, Provincial and Dominion Conventions.
2. Two days Per Diem is paid for attending all PEC events during the PEC weekend.
3. When hotel accommodations are not required, ***mileage and reasonable meal expenses may be paid. (alcohol or tips not included)***
4. Senior Elected Officers, PEC members, Standing Committee Chairs, and Committee members who reside 600 km or more (one way) may be permitted additional expenses (if required with prior approval by Provincial Headquarters). The additional expense shall be made on an **Out-of-Pocket Expense Form** accompanied by the hotel receipt and reasonable meal receipts (**alcohol or tips not included**). This clause does not apply to Provincial and Dominion Conventions.
5. In extenuating circumstances such as storms, freezing rain, etc., you may be reimbursed should a stop over be necessary and approved by Provincial Headquarters. This claim will be submitted on an **Out-of-Pocket Expense Form** accompanied by the hotel receipt and reasonable meal receipts (**alcohol or tips not included**).
6. For Dominion and Provincial Conventions, PEC members may claim reasonable accommodation costs in excess of \$115.00 per day (hospitality suites excluded) on an **Out-Of-Pocket Expense Form**. All other expenses not covered under District/Deputy District, Zone Commander sections shall be at the cost of the District or Zone. The **Provincial** President reserves the right to put a ceiling on such additional cost.

SECTION C

OUT-OF-POCKET EXPENSE FORMS

1. Mileage is at the Ontario Command rate of \$0.70 cents per kilometre (temporarily). Local bus or taxi fare must include a receipt. Air, train, long distance bus travel must be approved by Provincial Headquarters in advance of travel.

2. If the Officer resides within 50 km, (one way) hotel accommodation may not be claimed other than, PAC meetings, Provincial and Dominion Conventions. Should extenuating circumstances apply prior approval may be granted from Provincial Headquarters. Meal expenses must be reasonable. **(alcohol or tips not included) NOTE: Spouse's meal is not included.**
3. Senior Elected Officers, PEC members, Standing Committee Chairs, and Committee members who reside 600 km or more (one way) may be permitted additional expenses (if required and approved in advance by Provincial Headquarters). The additional expense shall be made on an **Out-of-Pocket Expense Form** accompanied by the hotel receipt. This clause does not apply to Provincial and Dominion Conventions.
4. As most documents are sent electronically, reasonable postage may be paid however this does not include the cost of an all-Branch mailing or wide distribution throughout the District or Zone.
5. As most documents are sent electronically, photocopying costs will be limited. The cost of multiple copies for attendees at a seminar or convention will be an expense to the District or Zone.

SECTION F

ZONE COMMANDER EXPENSES

1. Zone Commanders are compensated for travel expenses in the pursuit of their duties and within the areas that are under their jurisdiction from point of residence. The only Officers authorized to represent a Zone Commander is the Deputy Zone Commander(s) respectively. Also see Section C.
2. May receive 5 days Per Diem plus registration to attend a Dominion Conventions.
3. May receive 4 ½ days Per Diem plus mileage and registration for a Provincial Convention.
4. Alternates are not permitted unless prior approval from Provincial Headquarters due to extenuating circumstances.
5. May claim expenses to attend seminars in their area. The subject/seminar may only be claimed once.
6. May claim a maximum of two (2) Zone Council meetings to be held annually in conjunction with Zone Conventions.
7. Is restricted to three (3) visits per year to any Branch within the Zone (One (1) visit - Annual Inspection, one (1) visit for elections or installations of Officers and One (1) additional visit for a social functions i.e., Branch Anniversaries, Honours and Awards, Legion Week, Remembrance Day Ceremonies and Banquets. The **Out-of-Pocket Expense Form** must be completed, signed and a copy of the original invitation attached and forwarded to your District Commander for verification and signature. Provincial Headquarters may approve additional visits to a Branch if warranted.
8. May claim expenses to attend District Conventions and District Council Meetings.
9. Non-Legion functions will not be honoured unless prior permission has been granted from Provincial Headquarters.
10. Zone Commanders must obtain prior approval from Provincial Headquarters to accept an invitation to a Ladies Auxiliary function (one (1) LA function at Ontario Command expense during the term of office).
11. When a Dominion sporting event is hosted by a Branch in Ontario, all arrangements are the responsibility of Dominion Command. Any expense associated with a Zone Officer is an expense

of the Zone. The Provincial President or designate will be the official representative of Ontario Command.

12. Expenses for Zone **Officers** are an expense to the Zone in question.
13. Zone **Officers** attending a meeting to plan and or organize a Zone Convention, *will be a Zone expense*. This responsibility lies with the Zone Commander.
14. Branch functions are the responsibility of the Branch and do not require a visit from a Zone Commander for organizational purposes.

SECTION G

DEPUTY DISTRICT AND DEPUTY ZONE COMMANDERS' EXPENSES

1. Deputy District Commanders may receive 5 days Per Diem, plus travel allowance and registration to attend a Dominion Convention.
2. Deputy District Commanders may receive 4 ½ days Per Diem plus mileage and registration fee to attend Provincial Conventions.
3. Deputy District Commanders are authorized to attend their own District Conventions and Council Meetings at Ontario Command expense.
4. Deputy District Commanders are authorized to attend seminars in their area. The subject/seminar may only be claimed once.
5. The expenses of a **Deputy Commander** to attend a function that is also attended by the District/Zone Commander are an expense to the **District or Zone**.
6. Deputy Commanders are entitled to expenses from Ontario Command when **deputized** by their respective District or Zone Commanders. The District or Zone Commander must be unable to attend the function on that date. A Deputy District Commander or Deputy Zone Commander may be deputized to attend the following:
 - a) Branch Anniversary Celebrations commencing with the 10th year and at 5-year intervals thereafter.
 - b) Presentation of Branch Charters.
 - c) Official Opening Ceremonies of new Branch property.
 - d) Mortgage Burning Ceremonies.
 - e) Legion Week Celebrations.
 - f) Events of historical interest or local celebration in which the Legion Branch plays an integral part.
 - g) November 11th celebrations, parades, etc.
 - h) Zone Conventions or Zone Council Meetings.
 - i) In extenuating circumstances, **and subject to prior approval by Provincial Headquarters** a Deputy Zone Commander may attend a Dominion or Provincial Convention when the Zone Commander is unable. The Deputy would receive the same expenses as the Zone Commander.

Although prior approval from Provincial Headquarters will not be required in most instances to be deputized, a copy of the original invitation to the District/Zone Commander to attend the Branch function must be included with the completed **Out-of-Pocket Expense Form**, signed, and forwarded to your respective District or Zone Commander for verification and signature.

VISITATION POLICY

The visitation Policy can be found in the Officers' Manual.

Proper Reception of a Provincial Command Officer

Information regarding proper protocol can be found in the Officers' Manual, Protocol Section and in the Ritual, Awards and Protocol Manual.

Should you wish the attendance of a Command Officer at a function, Visitation forms can be obtained from the Ontario Provincial Command website under Committee forms and must be completed and sent to your District Commander for their approval.

Visits by a District Commander

In some situations, you may want to invite the District Commander to a Zone function; or a Branch may ask you about the proper procedure of inviting a District Commander to a Branch function.

The Officers' Manual deals with visits by a District Commander, for example, visiting each Zone at least once per year and attending Zone Drumhead Services. It is best, however, to simply ask your District Commander how they would like the invitation extended. They will know what is and isn't allowed, who pays their expenses, etc., and if the Visitation Request Form is required.

MANUALS NEEDED BY ALL BRANCHES - CURRENT EDITIONS

General By-Laws of The Royal Canadian Legion	Dominion Command
General By-Laws of Ontario Provincial Command	Provincial Command
General By-Laws Ladies' Auxiliary, Ontario Provincial Command	Provincial Command
Officers' Manual	Provincial Command
Act to Incorporate	Dominion Command
Ritual, Awards and Protocol Manual	Dominion Command
Rules of Procedure Legion Meetings	Dominion Command
Branch Leadership Manual (for historical purposes only)	Dominion Command
Membership Guides	Dominion Command
Sports Guide – (Dominion)	Dominion Command
Sports Guide – (Provincial)	Provincial Command
Poppy Manual	Dominion Command
Public Relations Manual	Dominion Command
Service Officers Handbook	Dominion Command
Real Property Development Handbook	Dominion Command
Chaplain's Manual	Dominion Command

Some manuals are available in printed form from Provincial Headquarters at a reasonable cost.

DISTRICT BRANCH ADVISORY COMMITTEE

The District Branch Advisory Committee provides financial and administrative assistance, training and guidance to branches in the District who are experiencing financial/administrative problems that the Branch officers may not have recognized or cannot resolve on their own as per the GBLO Section 503 (3). The Zone Commander and Deputy Zone Commander are members of this committee for their Zone.

HANDLING OF COMPLAINTS

Full instructions and information on the Legion's Complaint Procedure can be found in the GBL Article III and the Legion Officers Manual provides additional details. The Zone Commander does not get involved with complaints against Branch members, unless instructed by Provincial Headquarters. A Zone Chaplain is an obvious choice to handle the mediation process. It is a good idea to appoint a team of members within the Zone in preparation to handle complaint hearings should it become necessary rather than wait weeks and struggle to find members for this task. Past Zone Commanders might be good candidates. Training should be given on the hearing process.

The Zone Commander should ensure that all Branch Presidents and Secretaries are familiar with the complaint procedure should a complaint be received.

Complaints against a Ladies' Auxiliary member may only be lodged by another Ladies' Auxiliary member and the provisions of GBL Article III shall apply in respect of procedures.

Complaints against a Zone Officer are processed directly with Provincial Headquarters.

NOMINATIONS, ELECTIONS, AND INSTALLATION OF OFFICERS

Read the "Guide to Nomination and Election of Branch Officers" section in the Officers' Manual for more in-depth information.

If you are asked to conduct Branch elections, you must make sure you have at least two scrutineers. The scrutineers must be people who will not vote in the election - a good idea is to have members from another Legion Branch. Of course, all scrutineers are reminded that the number of ballots cast for each candidate is secret and results must not be divulged to anyone other than the election Chair. Always have a current copy of the Branch Regulations available for the Election Meeting.

Installation of Officers Information can be found in the Officers' Manual and the Ritual Protocol and Awards Manual.

PROCEDURE FOR SURRENDER OF A CHARTER BY A BRANCH OR A LADIES' AUXILIARY TO A BRANCH

Should the unthinkable happen after all other options have been considered, you may be asked to assist the Branch with the proper procedure which can be found in the Legion Officers' Manual.

PROPERTY COMMITTEE ONTARIO COMMAND

Information regarding borrowing, mortgaging, selling and/or leasing of property and branch construction can be found in the Legion Officers' Manual. NOTE: Lines of credit represent potential borrowing by a branch and are subject to the same procedure as other borrowing. This includes a review by Ontario Command. Please ensure that the lines of credit follow the same procedure as required for all other borrowing and the documentation noted in the Procedure, apply for lines of credit.

The establishment of the property committee was done to ensure that the branch is proceeding on the basis of sound financial rationale and with the necessary expertise. The Property Committee may recommend the assistance/intervention of the Branch Advisory Committee where indicated, before proceeding further.

ANNUAL BRANCH INSPECTIONS

You are expected to visit all Branches within your Zone annually and to complete the Annual Branch Inspection Form following your visit. This form must be submitted to your District Commander in a timely manner.

Preparing for the Annual visit — you should:

1. Advise the Branch in writing the date you desire to attend at least one month in advance.
2. List in your letter those items that you are requesting to inspect, and the number of copies needed of each item (see suggested checklist under Forms)
3. Also advise the Branch of the time, prior to meeting, that you wish to meet with the Branch Executive in order to review and inspect the items requested.
4. Prior to visit make sure to have a copy of the Branch's Regulations.
5. Prior to visit review the last Zone Commander Inspection Report and any follow-up information - note any unfinished items or any that need special attention for further review at the next visit.

All of the requested annual accounts are required by By-Law, to be reviewed with a Certificate of Compliance and a copy of the Financial Review Committee Report (copy near end of booklet) which is

presented to the Branch Executive by 29 August (90 days after year end), then presented to the next General Meeting for approval. (see GBLB Article XII)

We do NOT REQUIRE you to collect copies of the Poppy Trust Fund financial statements nor copies of the Ladies' Auxiliary Financial Statements, nor do we require detailed itemized transaction reports, trial balances etc. from the General Ledger or Lottery Trust Account.

Complete the Branch Inspection report online according to latest procedures - after you have had time to review all of the submitted reports. After signing, email a copy to your District Commander along with the required statements and information copies and keep one copy for the Zone file. These items are marked on the form with an asterisk. Pay attention to deadlines.

During your visit - monitor that:

- The Branch Officers are in uniform (RAP Manual)
- The full opening and closing ceremonies are conducted properly (RAP Manual)
- Meetings are held in accordance with the Rules of Procedure for Legion Meetings
- All correspondence is read, in particular any correspondence from Dominion and Provincial Headquarters.
- Membership applications are presented to the General Meeting for Approval
- New Members are properly initiated according to the Ritual and Insignia Manual
- Adequate financial statements are presented to the General membership for approval for all accounts.
- All correspondence from the Branch is initiated through the Secretary
- That the Branch Profile is up to date and Zone Secretary is notified promptly of any changes
- Address Profiles for the Zone and District are up to date & distributed to the Executive.
- Take a walk around the Branch to check the physical condition of the facilities.

After your inspection visit is completed, you should not linger at the Branch too long. Often Branch Members may want to corner you with their own personal internal problems and complaints which may already being handled by the Branch President, and you do not want to overstep or interfere in their authority in such matters. If this occurs, encourage the member to take the matter up with the President.

It is wise to check with the Branch President by phone the day before your visit to make sure the Branch is ready for your visit. You would not want to waste a trip which has happened more than once.

WHEN DOES A BRANCH NEED ASSISTANCE? (formerly known as ‘red-flagged’)

Here are some of the major reasons or combination thereof why a Legion Branch can be flagged for further review and assistance in the best interests of helping Branches become safe and sound financially, administratively and in compliance with Legion policies and procedures. Not in order of importance.....

- Non-compliant financial reporting
- Not providing the required financial reports at time of Zone Commander's Inspection and/or refusing to provide financial statements or other documentation as required for review.
- Financial statements showing financial losses, especially repeated year after year
- Co-mingled financial reporting.
- Non-compliant Lottery activities and reporting.
- Financial statements not reviewed or audited in compliance with By-Laws including no Financial Review Committee written report of findings.
- Financial Statements with no certificate of compliance
- Not following By-Laws and/or Branch Regulations
- Not completing Special Use Forms as required for Poppy Fund expenditures
-

**** Addendum – Branch Inspection Handbook ****

FINANCIAL ADMINISTRATION

ZONE FINANCE POLICY – ONTARIO COMMAND

The following Finance Policy will apply to all Zones within Ontario Command...

1. All monies shall be deposited to a Canadian Banking Institution that is federally licensed in the name of the Zone
2. The signing authorities for all Zone bank accounts shall be the Zone Commander, Deputy Zone Commander(s), Treasurer, Secretary and/or Secretary/Treasurer
3. Two signatures are required on all cheques and at no time shall a blank cheque be signed
4. A complete written financial statement of all Zone accounts must be made at all Zone Council and Zone Conventions
5. All invoices, expense accounts and donations must be paid by cheque
6. A complete Zone financial review/audited statement must be presented to the Fall Convention or Council following the end of each fiscal year or no later than the end of October of the applicable calendar year. The statements would then appear in the council minutes at the Spring Convention
7. A copy of the complete financial review/audited statement of all accounts including Sports - for the end of each fiscal year must be sent through the District Commander to Provincial Headquarters on or before 31 October of each calendar year and must include a list of all investments (see note below)
8. All excess Sports Funds must be returned to the Zone General Fund at the end of each term of office. It is noted that a Zone may establish and retain an amount at the beginning of each term that may be held by the Zone Sports Officer
9. Zones are responsible to submit any reports required by the federal or provincial government related to their finances
10. Zone Commanders are responsible to ensure that all Branches submit financial reports to the District Commander and Provincial Headquarters within the specified time period
11. All investments must be in the name of a Zone and not individual members
12. Funds can be invested in but not limited to the following: Guaranteed Investment Certificates, Bankers' Acceptance, Treasury Bills, government of Canada Bonds
13. All Investments, including renewals, must be approved at a meeting of the Zone Council

NOTE: The complete review/audited statement (item 7) must include the following accounts, General, Sports, Bursary, Disaster Relief, Track & Field, Veterans Comfort Fund, Youth Sports, Lottery, Hospital Fund and any other funds not listed.

A copy of the Certificate of Compliance and Financial Review Certificate for Zone is found under the FORMS section of this handbook.

LEGION BRANCH BANK ACCOUNTS

General Operating Account: (for the general business of the Branch.)

- Bank Account with cheque writing ability, as approved by the Branch.
- Fiscal year: 01 June to 31 May with audited/reviewed Financial Statement to be presented to the Membership 90 days after the fiscal year end: *GBLO Section 922 (3)*
- Financial Statements for this account do not include the Lottery Trust, Poppy Trust, or Ladies' Auxiliary Accounts.
- All cheques to be pre-numbered and signed by two persons who are authorized according to the by-laws.

Lottery Trust Account: (for revenue and expenses for the Lottery Trust Fund from Break Open Tickets, Bingo, Blanket License for raffles and draws and other similar authorized/licensed lotteries.)

- Separate Bank account with cheque writing ability, as approved by the Branch
- Fiscal year: 01 June to 31 May with a certified audited/reviewed Financial Statement separate to the General Account, to be presented to the Membership 90 days after the fiscal year end *GBLO Section 922 (3)*
- Funds in this account are not a Branch Asset except for allowable expenses which are to be paid from the Lottery Account to the Building Maintenance Account by cheque.
- All cheques to be pre-numbered and signed by two persons who are authorized according to the by-laws.

Poppy Trust Account: (for revenue and expenses for the Poppy Trust Fund.)

- Rules of administration according to the Poppy Manual
- Separate Bank Account with cheque writing ability, as approved by the Branch
- Fiscal year: 01 January to 31 December with a certified audited/reviewed Financial Statement to be submitted to Provincial Headquarters by the following 31 January. The Financial Statement must be published to the public, annually, prior to the next campaign beginning. (*Poppy Manual Section 606*)
- Funds in this account are not a Branch Asset. These are public funds administered by the Branch Poppy Trust Committee and are reported separately.
- All cheques to be pre-numbered and signed by two persons who are authorized, one of whom must be The Poppy Trust Fund Chair. *GBLO Section 920*

Any other accounts within the General Account or separate Trust Accounts as approved by the Branch General Meeting to follow the same financial reporting principles.

WHAT TO LOOK FOR IN BRANCH FINANCIAL STATEMENTS

- Is there a negative bank balance, if so how does this compare to the previous year?
- Is there a net income at the end of the fiscal year – or a loss?
- If there is a loss, how does this compare with the previous and historical years (check the file)
- Ask for reasons why there is a net loss and what corrective action is being planned
- Make sure to get a copy of the current financial statements at time of visit, perhaps a negative situation has been corrected.
- What percentage is payroll expense to net income? Payroll includes benefits and contracted services such as janitor and bookkeeping.

General Operating Account - Statement of Profit and Loss

You need to see Balance Sheet and P&L from books of original entry with previous year comparison. The computer can produce this report which is what is required.

Is a summary of all monies collected and paid out during the period provided to the General Meeting by the Treasurer? See sample Standard Treasurer Report Form – under FORMS

Depreciation - Furniture and equipment depreciation is not required.

Replacement of furniture and equipment that has worn out or broken is a normal part of the functioning of a Legion Branch – but the accounting for those costs has become inconsistent and confusing for members and The Royal Canadian Legion. As Branches are not-for-profit organizations and as such do not file income tax returns or report earnings to the Canada Revenue Agency - the income tax act is not a relevant guideline. Branches are required however to report their transactions to both their membership and The Royal Canadian Legion. It was decided that this is the time to standardize the reporting of furniture and equipment purchases and as such all furniture and equipment purchases should be reported as an operating expense in the year that the purchase occurs. This change will provide the membership with clearer reporting of the true cost transactions that have occurred and will enable the Legion to consistently assess operating results.

Consolidated Statements are not acceptable

Lottery Accounting

The Legion operates its lottery activities for draws, raffles, break open tickets and bingos under the direction of the AGCO not the Ontario Lottery & Gaming!

Upon approval of the local municipality, Branches may be allowed an Eligible Use percentage of the NET proceeds of each Lottery Licence. The Eligible Use proceeds are to be deposited into a Building Maintenance Account - instructions are contained in Chapter 2 of the AGCO Policy Manual.

2.7.4(f)(ii)(1) Eligible uses of lottery proceeds which says The Legion may use up to two (2) per cent of the net lottery proceeds to pay the general operating expenses of these premises. The licensing authority may increase the maximum allowable expenses for maintenance if the organization can prove the need for the funds and show that the facility is offered free of charge to charitable organizations more than two (2) per cent of the time. The licensing authority could increase the maximum allowable amount to a percentage proportional to the time the facility is used free of charge for eligible charitable purposes. The maintenance costs may include:

- municipal taxes;
- utilities;
- liability insurance on the building; and
- cleaning and general maintenance.

Please note that the two per cent of net proceeds allowed for general maintenance is in addition to the percentage of gross receipts a licensee is permitted to retain from the licensed lottery events in order to cover the costs of conducting and managing the event. Ask to see this in writing from the municipality.

HANDLING OF TRILLIUM OR OTHER GRANTS IN THE BRANCH ACCOUNTING SYSTEM

A Trillium or any other type of Grant is not to be considered Branch General Operating Account income. A Grant is for a specific purpose and the management of the Grant received is specifically under the direction of the Ontario Trillium Foundation or other Grant provider.

Ideally, when a Grant is received, a bank account will be opened for that specific purpose – to manage the expenses and specific reporting to the OTF or Grant provider. These Grants may be subjected to an Audit, therefore it is essential to keep these financial transactions and complete documentation separate from the General Operating Account of the Legion Branch.

Deposit the money into the new account and show it as an asset on the balance sheet. Any project expenses are paid directly out of the new account and recorded in a separate ledger with its own Financial Statements of income & expense. The following must be observed that...

1. This money is not getting mixed with the operating funds.
2. These funds can only be spent on the purpose of the grant
3. When the project is finished it is much easier for the branch to perform a Project End financial report for the members as well as to the organization that provided the grant.
4. Many times a project will overlap the legion fiscal year and a separate statement can be provided for this account
5. By keeping it separate you are not inflating the Operations of the General Account.
6. Also for the smaller branches which may not be bookkeeping literate this would be much simpler.

Knowing and understanding the tremendous fees charged by the Banks, a separate bank account may not be desirable and **provided** the Treasurer has sufficient skills to manage the Grant and the executive is accountable for the fund in its entirety - the branch must set up income and expense accounts within the General Ledger called Grants Income or something similar as a main (header) account and then enter sub accounts like Trillium etc. and the grant is deposited in the bank along with all the other income entered and then the bills are paid out and recorded as an expense. The Grant funds are NOT to be spent for any

other purposes than what the Grant was intended for and must be noted in all financial reporting so as not to inflate the appearance of Branch operating finances.

Be aware that a Trillium or other Grant Project may overlap the Legion fiscal year and the Legion Election Term – so a policy must be in place to ensure that both the outgoing and incoming Executives understand and are committed to the required management of the Fund. A separate bank account will make this whole process much easier to manage.

GENERAL INFORMATION

ONTARIO PROVINCIAL HEADQUARTERS:

The Royal Canadian Legion

89 Industrial Parkway N.

Aurora, Ontario L4G 4C4

Phone: 905-841-7999

Toll-free: 888-207-0939

Fax: 905-841-9992

www.on.legion.ca

rclontariocommand@on.legion.ca

Executive Director: Pamela Sweeny

Assistant Executive Director: Juanita Kemp

SENIOR ELECTED OFFICERS:

President

Derek Moore

Immediate Past President

Garry Pond

First Vice-President

Lynn McClellan

Vice-President

Diane Condon

Vice-President

Crystal Cook

Vice-President

Mark Rogers

Chair

Ron Goebel

Vice Chair

Ron Crown

Honourary Treasurer

Ed Pigeau

Legion members are reminded that any communication of Legion business should be through the established Chain of Command. Individual members should communicate to Provincial Headquarters through their Branch, Branches through their respective Zone Commanders and Zone Commanders through their respective District Commanders. Members of Provincial Committees should direct their inquiries to their respective Provincial Committee Chair.

Insurance Coverage

Provincial Headquarters has policies to cover the following:

- General Liability - for general claims against the Zone, District or Provincial Command.
- Directors' and Officers' Liability – covers all PEC positions, Deputy Zone Commanders and all other elected and appointed officers at the Provincial, Zone and District level.
- Travel Insurance for death and dismemberment - limited coverage for death and dismemberment in accordance with the policy for the following members:
PEC, CF Directors, Members serving on Boards of Trustees or Branch Advisory teams, all elected and appointed officers at Provincial, District and Zone levels.
- Dishonesty policy - covers the following positions: Signing officers of Provincial Headquarters, District Commander, Deputy District Commander, District Treasurer, District Sports Officer, Zone Commander, Deputy Zone Commander, Zone Treasurer, and Zone Sports Officer.

Claims must be reported immediately to Provincial Headquarters and coverage is only to the extent of the provisions of the insurance policy applicable. In accordance with the Act to Incorporate, Branches are autonomous with respect to their operations and are not covered by the insurance policies purchased by Ontario Command.

Zone Commanders should be aware that a volunteer at any of the Branches in the Zone that does NOT have “volunteer” coverage as an “extra” is putting their volunteers at risk such as when someone who is not on the executive but helps out at the meat draw and breaks their arm. A cadet that goes poppy tagging is not covered unless they have the “extra”. A volunteer bartender is not covered, etc. Most people believe everyone at the branch whether executive member or volunteer member is covered.

Party Alcohol Liability insurance (PAL) is another “extra” that we suggest is added as an option to any hall rental contract. It is about \$75 for the “event”. If a couple is having a “stag and doe” at the branch and have rented the upper hall, people are not only suing the Legion Branch if someone leaving the stag and doe gets into an accident, or slips and falls on the stairs or in the parking lot.....they are also are suing the “hosts” of the function. Whether it’s a private party, wedding, Jack & Jill, birthday celebration.

FORMS

The following forms are printable for your use from our website (www.on.legion.ca)

Certificate of Compliance (ZONE)

Sample Branch Treasurer Summary Report

Submission Checklist for Zone Visitation

Financial Review Certificate

CERTIFICATE OF COMPLIANCE (ZONE ACCOUNTS)

We, the undersigned Financial Review Committee, appointed by the Zone on _____ to conduct an annual Review of the Zone _____ Account, do hereby attest and declare that we have completed the Financial Review in accordance with the guidelines and that we have conducted sufficient tests of those accounting records which are susceptible to testing to satisfy ourselves that the financial statement for the period 01 June _____ to 31 May _____ present fairly and reasonably the financial position of the **Zone** _____ **Account**.

Zone: _____ Date: _____

Review Committee Chair: _____

Committee Members: _____

Comments by Review Committee:

Approved at the Zone Convention held: _____

Signed: Zone Commander _____

SAMPLE BRANCH TREASURER MONTHLY FINANCIAL SUMMARY

The Royal Canadian Legion Branch _____

TREASURER'S SUMMARY REPORT MONTH OF _____

GENERAL OPERATING ACCOUNT SUMMARY:

OPENING BANK BALANCE as at _____	\$
TOTAL INCOME for the month	\$
TOTAL EXPENSES for the month	\$
NET INCOME (LOSS) for the month	\$
CLOSING BANK BALANCE as at _____	\$
UNCASHED CHEQUES at month end	\$
UNDEPOSITED FUNDS at month end	\$
NET INCOME (LOSS) YEAR TO DATE JUNE-_____	\$
SAVINGS ACCOUNT BALANCE	\$
GIC AND OTHER INVESTMENTS	\$
OTHER ACCOUNT BALANCE _____	\$
BUILDING MAINTENANCE ACCOUNT BALANCE	\$

LOTTERY TRUST ACCOUNT SUMMARY AS AT

RAFFLES (BLANKET LICENSE) ACCOUNT BALANCE	\$
B.O.T. ACCOUNT BALANCE	\$
BINGO ACCOUNT BALANCE	\$

Respectfully submitted, Treasurer

SUBMISSION CHECK LIST 2022

ANNUAL ZONE COMMANDER'S BRANCH INSPECTION

Each Branch is required to present one set of the following reports to your Zone Commander, at their annual visit to your branch

- 1 copy of your Reviewed Financial Statement for your **Branch General Operating Account Balance Sheet & Profit and Loss Statement** for the year ending 31 May 2022 **with previous year comparison and Financial Review Committee Certification.**

- 1 copy of your Reviewed Financial Statement for all of your **Lottery Trust Accounts, Balance Sheet & Profit and Loss Statement** for the year ending 31 May 2022 **with previous year comparison and Financial Review Committee Certification.**

- 1 copy of your Reviewed Financial Statement for **any other authorized Bank Account** held by your Branch, Balance Sheet, Profit and Loss Statement for the year ending 31 May 2022 **with previous year comparison and Financial Review Committee Certification.**

All of the above Annual Financial Statements with a signed Financial Review Certificate must be presented to the Branch Executive within 90 days of year end (by 29 August) and then presented to your next General Meeting for approval. Consolidated or comingled Statements are not acceptable

- 1 copy of your **CURRENT** year-to-date Balance Sheet and Profit & Loss Statement for your General Operating Account.

- 1 copy of your property Insurance Policy Schedule of Coverages **ONLY**

- 1 copy of each – HST, WSIB and Source Deductions

ZONE COMMANDER: The completed Zone Commander Annual Branch Inspection Report form plus the above reports, comprises one complete report set for each Branch. Email each set to your District Commander *within one week of your Inspection visit.*

If the Zone Commander recommends assistance is required – email one set directly to Jen LeClair at Provincial Headquarters and cc your District Commander. The Branch is to be notified immediately by the Zone Commander that the Branch flagged for assistance and for what reasons also email 1 copy to your District Commander.

DISTRICT COMMANDER: Email your completed Branch Inspection Report set for each Branch to Provincial Headquarters – and – cc your District BA Chair

FINANCIAL REVIEW CERTIFICATION

We the undersigned appointed by the membership, of Branch _____ at the General Meeting held on _____ (d/m/y) to conduct the Annual Financial Review of the Branch, do hereby attest and declare that the completed financial review has been done in accordance with the guidelines and that we have conducted sufficient tests of those accounting records susceptible to testing to satisfy ourselves that the financial statements for the period from June 1, _____ to May 31, _____ present fairly and reasonably the financial position of the Branch. The Year End Financial Statement is attached for submission.

ACCOUNT REVIEWED _____ / _____ / _____
day month year

COMMENTS/RECOMMENDATIONS: (continue on separate page if necessary)

Branch Location: _____ Date: _____
day month year

Financial Review Committee:

Please print name on top line, and sign below

Chair Name: _____

Signature: _____

Committee Member Name: _____

Signature: _____

Committee Member Name: _____

Signature: _____

FREQUENTLY ASKED QUESTIONS (with answers)

1. Question

What may disqualify a member from running for elective office at Branch level?

Answer - If they are not a voting member or if they are not in good standing.

2. Question

Are there any restrictions a Branch may impose upon those running for elective office at Branch level?

Answer – Yes, refer to GBLO Section 909 and GBLB Section 403 and GBLB Section 404 (a) The By-Laws for Branches contains restrictions on election to President or Vice-President Offices - GBLB Section 403 and on election to the Executive Committee - GBLB Section 404

3. Question

May a paid employee of the Legion run for elective office and resign their paid employment if elected?

Answer – Yes, GBLO Section 909 (3)

4. Question

How many levels of corporate structure are in the Royal Canadian Legion?

Answer - There are three (3) levels - Branch, Provincial Command and Dominion Command as created by the Act to Incorporate.

Note: Zones and Districts are administrative arms of Provincial Command.

5. Question

May a member hold more than one elected office in The Royal Canadian Legion?

Answer - Yes. A member may, if qualified, hold one elective office at each level of Command in The Royal Canadian Legion.

6. Question

Does a member holding elective office have to resign that office to run for a higher office?

Answer – No, however, a member may hold only one elective office at each level of the Legion

7. Question

Can a Branch prevent a female member from holding elective office in the Branch and the Ladies' Auxiliary simultaneously?

Answer - A Branch may not prevent a member of the Ladies' Auxiliary from running for elective office if qualified (see answer to Question 2) – except for the office of President. GBLO Section 906 (6) states “No member shall simultaneously hold the positions of Branch President and President of the Ladies' Auxiliary to the Branch.”

8. Question

Can a member who is suspended from the Branch run for office while under suspension?

Answer - No. A member under suspension is a member who is not in good standing for any purpose.

9. Question

Can a member run for office when deprived of Clubroom Privileges?

Answer - Yes.

10. Question

Can a Branch limit the consecutive terms of office that a member can hold any elective office?

Answer - No.

11. Question

Can a Branch limit the types of membership that hold office or sit on Committees, i.e., Ordinary, Life, Associate, Affiliate Voting?

Answer - No. Branches may not discriminate among voting members.

12. Question

When the By-laws state “any Branch Officer or Executive member absent from three consecutive meetings without approval shall cease to hold office”, does this apply to the Immediate Past President?

Answer - Yes. The GBLB Section 509 (2) states” Should the Immediate Past President be absent from three (3) consecutive meetings of either the Executive Committee or the Branch, or a combination of both, without due cause satisfactory to the Executive Committee, they shall cease to hold office.

13. Question

Are female members who Chair meetings or committees referred to as “Chairpersons”?

Answer - No. The member holding such office is addressed as Comrade Chair regardless of the member’s sex. They are also never addressed as Comrade Chairlady or Comrade Chairwoman. Those in the Ladies’ Auxiliary are addressed as Madam Chair.

14. Question

Can an Executive Committee member be removed from office by a vote of “no confidence”?

Answer – No. *Elected* Officers or *Elected* Executive Committee Members who fail to perform their duties to the best of their abilities should be so charged under GBL Article III. Members *appointed* to the Executive Committee, such as a Standing Committee Chair may however, be removed from their position without using Article III if they fail to perform to the best of their ability - with approval of the Executive Committee.

15. Question

Can a widow, child, etc., of a deceased veteran wear their medals?

16.

Answer - No. Section 377 of the Criminal Code of Canada states it is unlawful.

17. Question

Can a Notice of Motion be amended?

Answer - Not at the meeting at which it is first presented. Yes - at the subsequent meeting at which the Motion is to be considered, the amendment must be relevant to the subject to be amended. **Note:** Although the Notice of Motion may require a two-thirds majority for

approval, amendments to such Motions only require a majority for approval.

18. Question

How is a Notice of Motion presented?

Answer - When a Notice of Motion is presented to a General Meeting, the member presenting it shall state: “At the next General Meeting (**state month**), I shall move or cause to move the following Motion”. The Motion shall then be read out in its entirety and signed by the member presenting it and is not open to discussion until the next meeting. It should then be posted on the Branch bulletin board for information of all Branch members. (**Exception - Notice of Motion re: mortgaging, leasing, or selling of property must be sent by mail at least 10 days prior to meeting at which the issue will be discussed**).

19. Question

Can a Notice of Motion be dealt with if the mover of the Motion is not in attendance at the meeting at which it is to be considered?

Answer - Yes. Another member may move its adoption, (cause to move).

20. Question

Can the members who move and second a Motion speak against the Motion or vote against it?

Answer - The mover of the Motion may vote against it but may not speak against it. The seconder of the Motion may speak *and* vote against it.

21. Question

Can Branch members employed by the Branch be Branch delegates to Zone, District, Provincial Command or Dominion Command Conventions?

Answer - Yes. Branch members who are employees of the Branch may be Branch delegates.

22. Question

May paid employees of the Legion receive Honours and Awards at the level at which they are employed?

Answer - Yes, provided that the award is for service rendered other than for duty as a paid employee.

23. Question

How many members are required to form a Ladies' Auxiliary to a Branch?

Answer – As per the Ladies' Auxiliary By-Laws Article II, Section 212 (1) twenty (20) or more are required. The Ladies' Auxiliary of Ontario Command may request the surrender of the Charter when the Auxiliary fails to maintain sufficient membership as per the Ladies' Auxiliary By-Laws of Ontario Command, Article II Section 213.

24. Question

Is it in order for a nominating committee to submit two names for the same office?

Answer - Yes.

****ADDENDUM ****

Branch Inspection Handbook

INTRODUCTION

Ontario Command realizes and appreciates that the Branch members are all volunteers. The Zone and District Commanders and their Deputies are also volunteers. The Provincial President, Vice Presidents and all Chairs of Ontario Command are volunteers. All of these Legion members feel strongly enough about the purposes and aims of the Legion that they give up countless hours for the Legion.

We all accepted whatever position we each hold in the Legion and agreed to serve to the best of our ability. We know that your “job” can be frustrating and thankless and when things like the Branch Inspection happens it may seem like we are asking for a lot from our volunteers. We ask only that you try your best to do the job you volunteered for. In this handbook we have tried to explain the inspection process and the financial requirements more clearly and hopefully give you examples of how we could make your job a little easier.

So why does Zone, District and Ontario Command need to see the Branch information? Think of your Legion Branch as being a franchise. As a franchise “owner” you must make performance and financial reports to the “corporate headquarters” on a regular basis through your District or Regional managers. These reports would be based on templates created by the head office that would apply to all franchise owners. The Branch corporate headquarters is Ontario Command, and our District or Regional managers are the Zone and District Commanders. The “performance and financial reports” of the Legion franchise are made by way of the Annual Branch Inspection and are done yearly.

The Legion has financial templates, and you will find examples and information on what is required for LEGION FINANCIAL REPORTING within this handbook. Legion financial reporting is not the same as a normal retail business. We are a not for profit “business” and as such we use different accounting practises. Yes, we are a business, and our business is Legion.

As stated above, you are part of a large organization and we are governed by By-laws and Regulations that we, as members, introduced and approved at Provincial and Dominion Conventions. The Branch Inspections are carried out to ensure that these By-laws and Regulations are being followed as well as to ensure the financial stability of the Branch.

All of the information listed on the check list, or requested by the Zone Commander, or found within this handbook MUST be ready on the day of the inspection. Way too often the Zone Commander has to go back to the Branch for missing information. This causes unnecessary delays in submitting the information to Ontario Headquarters. Please review the inspection checklist well in advance of the inspection date to give you adequate time to have the information ready.

INSPECTION CHECK LIST

1. Your REVIEWED FINANCIAL STATEMENT and balance sheet for the Branch General (Operating) Account for the year ending May 31, 2022, with the previous year's comparison.
2. Your REVIEWED FINANCIAL STATEMENT and balance sheet for the Branch Building Account for the year ending May 31, 2022, with the previous year's comparison.
3. Your REVIEWED FINANCIAL STATEMENT and balance sheet for the Branch Investment Account(s) for the year ending May 31, 2022, with the previous year's comparison.
4. Your REVIEWED FINANCIAL STATEMENT and balance sheet for the Branch Break Open Ticket Account for the year ending May 31, 2022, with the previous year's comparison.
5. Your REVIEWED FINANCIAL STATEMENT and balance sheet for the Branch Lottery Account for the year ending May 31, 2022, with the previous year's comparison.
6. Your REVIEWED FINANCIAL STATEMENT and balance sheet for any other Branch Accounts for the year ending May 31, 2022, with the previous year's comparison.
7. SEPARATE BANK ACCOUNT, SEPARATE FINANCIAL STATEMENTS

DO NOT send multiple copies of the year-end financial statements. Send only the statement(s) that have been reviewed by the Financial Review Committee. All of the above Annual Financial Statements with a signed Financial Review Certificate must be presented to the Branch Executive within 90 days of year end (by 29 August) and then presented to your next General Meeting for approval. CONSOLIDATED OR COMINGLED ACCOUNTS ARE NOT ACCEPTABLE

8. Your most **CURRENT** year-to-date Balance Sheet and Profit & Loss Statement for your General (Operating) Account. Example: if your Branch inspection is in October then your year-to-date would-be June 1 to September 30.
9. Your Insurance Statement of Coverage only. We do not require, or want, your entire insurance policy
10. Your most **CURRENT** HST, Source Deduction and WSIB information such as your most recent CRA Notice of Assessments

The Zone Commander will inform you prior to the inspection if other documentation such as bank statements may be required.

HOW MANY COPIES OF THE INSPECTION INFORMATION DO I NEED?

You should ask before your Branch Inspection how many copies are needed. No more than 3 copies of the information should be requested in the inspection report to be ready when your Zone Commander performs the annual inspection. PLEASE DO NOT STAPLE THE REPORT and please only submit in a single sided format.

1. The Branch retains one copy for their records
2. The Zone Commander retains one copy for the Zone records.
3. The District Commander retains one copy for the District's records. The District Commander will forward a copy to Ontario Command for their files.

An average report should be between 20 and 30 pages in total.

WHO SHOULD BE IN ATTENDANCE FOR THE INSPECTION?

The Branch President, Secretary, and Treasurer (Membership Chair may be asked to attend) need to be in attendance but the Vice-Presidents should also be invited for training purposes. The Branch Financial Review Committee Chair and/or the committee members would be welcome asset to this meeting who could provide additional financial information and report on their concerns if they have any. The Zone Commander will inform you on who is required for the inspection if different than the above listed.

WHY DO THE ACCOUNTS NEED TO BE SEPERATED?

This is one of the most common mistakes made by Branches. Lottery Trust Accounts and Poppy Trust Accounts are not Branch assets and therefore cannot be identified as a Branch income or expense. The Branch needs to know its true operating profit or loss. By listing all the accounts into one financial statement the Branch will never have a clear understanding of its true financial standing. The Branch needs to know if the general operations are making or losing money. The operations account is used for the bar, fundraising, hall rentals, entertainment, catering and all other Branch functions.

The following is from the **AGCO Lottery Licensing Policy Manual - 4360E (2020/10)**

3.6.1. DESIGNATED LOTTERY TRUST ACCOUNTS

A licensed organization must open and maintain a separate LOTTERY TRUST ACCOUNT, DESIGNATED AS A LOTTERY TRUST ACCOUNT by the branch of a recognized financial institution, in the Province of Ontario. The designated lottery trust account must be in Canadian funds. If the licensee (except for a Hall Charities Association in a non-pooling bingo hall) conducts more than one type of lottery event, it may hold either one designated lottery trust account for all lottery proceeds or a separate designated lottery trust account for each type of lottery.

If the licensee maintains only one lottery trust account, the licensee must keep a separate ledger for each type of lottery event and for each license issued. The bookkeeping and accounting requirements for each type of lottery are covered in detail in the license terms and conditions.

3.6.6. FINANCIAL STATEMENTS FOR LOTTERY TRUST ACCOUNTS

3.6.6 (A) Annual financial statements

The terms and conditions of lottery licenses require organizations to provide the licensing authorities with a verified financial statement within 180 days of the organization's year-end.

3.6.6 (B) Audited financial statements on request

The licensing authority may require a complete financial picture of a licensee's gaming operations before the expected delivery of an annual financial statement, or the licensing authority may require a thorough review by a third party. The licensing authority may require a licensee to provide an audited financial statement within the time period set out in the license, or as specified by the licensing authority.

Further, the General Bylaws of Ontario Command section 1007 now reads as follows:

“(1) All components under the jurisdiction of Command shall secure the proper license from the appropriate agency of the Government of Ontario prior to the holding of any lottery type event including, but not limited to, raffles, bingos, break open tickets, catch the ace, or any other lottery scheme defined in the Criminal Code of Canada and under the regulatory control of the Government of Ontario.

(2) (a) All proceeds from any lottery event shall be deposited into an account designated as a trust account by the financial institution in which it is held.

(b) Lottery Licensees have the option of opening a trust account for each type of lottery event or consolidating trust accounts as follows:

- i. An account for the proceeds derived from all lottery events other than break open tickets; and
- ii. An account for proceeds derived from break open ticket lottery events”

Building Fund Accounts, although a Branch asset, are not considered part of the operating revenues. This account for example may contain grants or donations for a specified project. These funds are now considered restricted funds and can only be used for the purpose they were intended for. If you find it necessary to use unrestricted building account funds, then you would transfer it to the operations account and it would then become an operations income and a building account expense. The building fund could also be used as your reserves account.

We realize that some Branches that are using an electronic accounting system such as Quick Books are set up as one company and all revenues go into one account in that system. It needs to be separated for proper Legion reporting purposes. We realize that you may have “inherited” the system so if you cannot fix it you may want to consider a different accounting system. IT IS NOT MANATORY to use Quick Books or other similar systems. Use a system you are comfortable with. There is an Excel system that is available for those that wish to use it. Please ask your Zone / District Commander about it.

Now let's go through the questions on the report. This may seem to be a useless endeavour but there was some confusion for some Branches on what the answer was or what was required. Hopefully this will clear up this confusion.

1. Are Branch Premises Owned Leased

Very simple question, you either own the building or you rent it

2. Are Renovations planned? If yes give details in Zone Commander comments _____

Do not include normal maintenance such as painting or carpet cleaning in this question. Renovations would include things like replacing the windows etc.

3. **Insurance Company Name: _____ Policy# _____
Expiry Date: _____ (attach copy of schedule of coverage's page ONLY)

If your insurance broker is PIB you are supplied with, or can obtain, the schedule of coverage. Please DO NOT remit the entire policy. If you are not with PIB ask your broker to supply, you with a statement of coverage. This seems like a simple request, but a large number of Branches do not understand it.

Here is the coverage amounts we need to know about:

- 1. Building**
- 2. Equipment**
- 3. Stock**
- 4. Commercial General Liability**

4. Directors and Officers Liability Insurance - (if separate Policy) Expiry Date: _____
5. Do they have Volunteers Insurance Yes No

Both are simple question and should be easy to answer.

6. Municipal Tax Exemption Yes No Expiry Date: _____
7. Education Tax Exemption Yes No Expiry Date: _____

Neither of these questions applies to the majority of Branches

8. Liquor License Yes No Expiry Date: _____

Seems simple enough however we have had Branches that looked at the license the day of the visit and found out it was expired. One Branch answer “not sure” if they had a license. We DO NOT require a copy of your license.

9. Per Capita Tax paid up to date? Yes No Previous Year Membership _____

Paid up Per Capita also includes your Zone and District assessments. The previous year means your membership as of January 31 of the year of the inspection. These are the numbers you use for voting numbers at Conventions. Please have your most current membership transmittal form available

10. Does Branch receive lease income Yes No If yes – monthly amount \$ _____

This question is self-explanatory.

11. Does the Branch file a T1044 form? Yes No

This question has caused a lot of confusion. Branches receiving taxable dividends, interest, rentals (including hall rentals) or royalties of more than \$10,000.00 or have owned assets greater than \$200,000.00 in the given year must file a T1044 with the CRA. We have found that even Branches who employ accountants or bookkeepers have not been filing this information with the CRA. One has to question what you are paying for.

12. Does the Branch file a T3010 form? Yes No

This question pertains to the Poppy Trust. If your Poppy Trust is registered with the Canadian Revenue Agency as a charity you must submit a T3010 yearly.

13. Does Branch have a Ladies Auxiliary Yes No

If yes is relationship good? Yes No Comments: _____

Another straightforward question, either yes or no.

14. Branch Regulations Yes No Date last certified: _____

Every Branch should now be certified. It is a good idea to review your regulations when you are preparing for the inspection to ensure they still meet the Branch's needs.

15. Term of Office 1 year 2 years

Very simple question.

16. Are all Standing Committee Chairs filled? Yes No. Explain in Zone
Commanders' comments

You may have answered yes to this question, but it should have been asked by how many people? We are finding more and more that members are holding two and three or more Chairs.

17. Did you examine the Minute Books for General and Executive Meetings Yes No

If no explain why not in Zone Commander's comments

18. Are Minutes signed and motions properly recorded Yes No

It is extremely important that motions are recorded properly. Ontario Command has sent back numerous SUF forms to Branches because of not being recorded properly. If you make a donation from your Lottery Trust Account that was not listed on your application, the licensing authority must be provided with a copy of the minutes that the motion was passed at. This is only a couple of examples why this is so important.

19. Was Meeting conducted according to Legion procedures Yes No

If no explain in Zone Commander's Comment

This is a straightforward question.

20. **Did you receive copies of the Reviewed Year-End Financial Statements

Yes No

This is where we encounter most of our problems. The reviewed financial statements are mandatory, and they add one more measure of checks and balances for all of your accounts.

Separate bank account, separate balance sheet, profit and loss statement and financial review certificate. Below is a list of the most common accounts held by a Branch that need to be included in the inspection report:

**General or Operating
Building or Reserve
Investment
Lottery or Blanket License Trust*
Break Open Ticket (Nevada) Trust*
Bingo Trust*
Catch the Ace Trust*
Membership
Sports**

Every Branch will not be the same and this is only an example of accounts. The point is that every account is separate and has a separate use. Therefore, they must be accounted for individually. Please refer to page 4 of this handbook.

21. ****Were financial statements certified by the Financial Review Committee Yes No**

Section 616 of the General By-Laws of The Royal Canadian Legion (GBL) and Section 1201-1203 of the General By-Laws for Branches Ontario Command (GBLB) specifies that a Branch must have a Financial Review Committee to examine the accounts of the Branch.

Many Branches assume that the preparation of the statements under a Review Engagement with an external accountant meets this requirement – but the Financial Review Committee should be doing regular reviews throughout the fiscal year to ensure that the financial operations are on track (a paper trail review).

Branches are paying anywhere from \$300.00 to \$3,000.00 for this. Why would you give the information that you have been compiling all year to someone who in almost every case, group the finances into as few as categories as possible, follows no Legion Financial Requirements, co-mingles accounts and produces an improper balance sheet? A properly trained Branch Financial Review Committee will do a much more accurate review.

We realize that some Branches have it in their Regulations that you must use an outside firm or individual. Perhaps a review of your Regulations to amend this is required. Some of you are going to argue that you need this for a Trillium Grant. How many times have you applied for a Trillium Grant and how many times have you been successful? There is no guarantee that you will get the grant. The other thing that you must consider is how much you have spent on reviews over the years and have maybe never applied for a grant. There are many other grants that do not require the same financial documentation that the Trillium does.

If you still want to send your financial documents to a bookkeeper or accountant, we must caution you that in most of these reports that we have reviewed we see the following disclaimer that the accountant or bookkeeper must include.

“I have compiled the accompany Financial Statements of The Royal Canadian Legion Branch ___for the year ending May 31, 20__from the books and records of the Branch and from other information provided by the Treasurer solely for management purposes. I have NOT AUDITED, REVIEWED OR OTHERWISE VERIFIED THE ACRURACY OR COMPLETENESS OF SUCH INFORMATION. Accordingly, readers are cautioned that these statements may not be appropriate for their purposes.”

Before we continue with the rest of the inspection questions we want to expand on the requirements and to offer some samples of the required documentation. Let’s deal with the balance sheet first. We see a variety of balance sheets with a variety of information on them. The balance sheet format for **Legion** accounting purposes is the same for all accounts. **The Legion does not require us to report fixed assets, depreciation or amortization**

Replacement of furniture and equipment that has worn out or broken is a normal part of the function of a Legion Branch – but the accounting for those costs had become inconsistent and confusing for members and The Royal Canadian Legion. As Branches are not for profit organizations and as such do not file income tax return (with the exception of the T1044) the Canadian Revenue Agency Income Tax Act is not a relevant guideline. Branches are, however, required to report their transactions to both their membership and The Royal Canadian Legion. Therefore, all Furniture and Equipment purchases are to be reported as an operating expense in the month/year that the purchase occurs. This provides the membership with a clear reporting of the true cost transactions that have occurred.

Amortization is an accounting term used to describe the act of spreading the costs of a loan or intangible asset over a specified period of time to help reduce taxes for the current year. As described above since the Legion does not file income tax so there is no reason to use amortization.

When listing the bank balances on the General Operating Account Balance Sheet the **ONLY** assets that should be listed are those that the Branch can utilize on an everyday basis. In most cases this would be the general and building accounts. Investment accounts would also be listed as they could be accessed if necessary. The building and investment accounts will still require a **SEPARATE PROFIT AND LOSS STATEMENT** but will not require a separate balance sheet.

There are two basic categories of liabilities: current liabilities and long-term liabilities. Current liabilities would be expenses such as wages, vacation pay, source deductions, WSIB and HST. Grant monies that were not spent during the fiscal year that the grant was received would be listed as a liability. Long-term liabilities would include commitments such as mortgages or loan.

Below are examples of the **LEGION** balance sheet we require.

GENERAL OPERATING ACCOUNT SAMPLE BALANCE SHEET

(Do not include Lottery Account(s) or Poppy Account)

BALANCE SHEET for year ending May 31, 20__ BRANCH# ____

ASSETS	20__-20__	Previous Year 20__-20__
General Account Balance	\$ _____	\$ _____
Investment Account Balance	\$ _____	\$ _____
Building Account Balance	\$ _____	\$ _____
Other Account Balance (name)	\$ _____	\$ _____
Petty Cash Balance	\$ _____	\$ _____
Cash Floats Balance	\$ _____	\$ _____
Bar Inventory	\$ _____	\$ _____
Accounts Receivable (May 31)	\$ _____	\$ _____
Un-deposited Funds (May 31)	\$ _____	\$ _____
Other cash assets (May 31)	\$ _____	\$ _____
Less outstanding cheques at May 31, 20__	\$ _____	\$ _____
TOTAL ASSETS at May 31, 2021	\$ _____	\$ _____
LIABILITIES		
Accounts payable May at 31, 20__	\$ _____	\$ _____
Employee deductions payable at May 31, 20__	\$ _____	\$ _____
Vacation payable at May 31, 20__	\$ _____	\$ _____
HST payable at May 31, 20__	\$ _____	\$ _____
Other cash liabilities (please list) at May 31, 20__	\$ _____	\$ _____
TOTAL LIABILITIES at May 31, 20__	\$ _____	\$ _____

ANY LOTTERY ACCOUNT SAMPLE BALANCE SHEET

BALANCE SHEET for year ending May 31, 20__ BRANCH# ____

ASSETS	20__-20__	Previous Year 20__-20__
Account Balance	\$	\$
Cash Floats Balance	\$	\$
Accounts Receivable (May 31)	\$	\$
Un-deposited Funds (May 31)	\$	\$
Other cash assets (May 31)	\$	\$
Less outstanding cheques at May 31, 20__	\$	\$
TOTAL ASSETS at May 31, 20__	\$	\$
LIABILITIES		
Accounts payable May at 31, 20__	\$	\$
Other cash liabilities (please list) at May 31, 20__	\$	\$
TOTAL LIABILITIES at May 31, 20__	\$	\$

YEAR-END STATEMENTS

The year-end financial statement is where the biggest problems exist. Some of the issues are co-mingling of the accounts, uncategorized revenues or expenses (sometimes in the tens of thousands of dollars), grouping revenues and expenses together i.e., operation expenses of \$80,000.00 to name just a few.

The other problem is the amount of paper received. One Branch sent 45 pages of financial information which included four different year-ends for a semi combined operation/building account but did not include reports for their other accounts. Other Branches will send the entire ledger. Quite often we receive two different year-ends, one that you have paid someone to create and one that the treasurer has compiled. We need only ONE accurate year-end statement for EACH account.

We have developed a SAMPLE profit and loss to use for your monthly and yearly reports to try to get standard reporting. Each Branch will probably have to make adjustments to it to fit their own Branches reporting needs if they choose to use these templates.

If you use the monthly report with its year to date accounting your year-end is basically done on May 31st. Of course, you will have to reconcile with your bank statement etc., but after that it will be ready to send to your Financial Review Committee. This will keep you within the 90-day regulation to have your review done. The reviewed financial statements MUST be presented to your executive then to your membership.

The following are samples of the General/Operations account year-end and monthly statements. There are two common ways of reporting the cost of goods versus revenues and the one used in this handbook is one that was distributed by Ontario Command in 2018. As we have mentioned, these are samples only and are for information purposes. No one can force a branch to use them.

SAMPLE GENERAL/OPERATING YEAR-END PROFIT AND LOSS

JUNE 1, 20__ to MAY 31, 20__ PROFIT & LOSS STATEMENT

BRANCH:

<u>REVENUE</u>	<u>20</u> - <u>20</u>	<u>20</u> - <u>20</u>
Beer	\$ _____	\$ _____
Draught	\$ _____	\$ _____
Liquor	\$ _____	\$ _____
Wine	\$ _____	\$ _____
Coolers	\$ _____	\$ _____
Other beverages	\$ _____	\$ _____
Sundries	\$ _____	\$ _____
TOTAL BAR INCOME	\$ _____	\$ _____
Membership	\$ _____	\$ _____
Entertainment/Events	\$ _____	\$ _____
Catering/Food	\$ _____	\$ _____
Ways and Means	\$ _____	\$ _____
Hall Rental	\$ _____	\$ _____
Re-sale	\$ _____	\$ _____
Donations	\$ _____	\$ _____
Sports	\$ _____	\$ _____

TOTAL ALL INCOME (A)	\$	\$
EXPENSES	20 -20	20 -20
Beer	\$	\$
Draught	\$	\$
Liquor	\$	\$
Wine	\$	\$
Coolers	\$	\$
Other beverages	\$	\$
Sundries	\$	\$
Bar Supplies	\$	\$
TOTAL BAR EXPENSES (COGS)	\$	\$
Bartender Wages & Benefits	\$	\$
Other Employee Wages & Benefits	\$	\$
Membership Per Capita Tax	\$	\$
District/Zone Assessments	\$	\$
Office/Administration	\$	\$
Professional Fees	\$	\$
Insurance	\$	\$
Bank Charges	\$	\$
Building Maintenance-repairs	\$	\$
Grounds Maintenance	\$	\$
Hydro	\$	\$
Water/Sewer	\$	\$
Telephone	\$	\$
Heat	\$	\$
Internet/Website/TV	\$	\$
Entertainment/Events	\$	\$

Catering/Food Sales	\$ _____	\$ _____
Security	\$ _____	\$ _____
Sick & Visiting	\$ _____	\$ _____
Seniors	\$ _____	\$ _____
Sports	\$ _____	\$ _____
Resale	\$ _____	\$ _____
TOTAL ALL EXPENSES (B)	\$ _____	\$ _____
NET INCOME (A minus B)	\$ _____	\$ _____

SAMPLE GENERAL/OPERATING MONTHLY PROFIT AND LOSS

BRANCH:

REVENUE

Year to Date

BAR

Beer	\$ _____	\$ _____
Draught	\$ _____	\$ _____
Liquor	\$ _____	\$ _____
Wine	\$ _____	\$ _____
Coolers	\$ _____	\$ _____
Other beverages	\$ _____	\$ _____
Sundries	\$ _____	\$ _____
TOTAL BAR INCOME	\$ _____	\$ _____

OTHER

Membership	\$ _____	\$ _____
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Entertainment/Events	\$	\$
Catering/Food	\$	\$
Ways and Means	\$	\$
Hall Rental	\$	\$
Re-sale	\$	\$
Donations	\$	\$
Sports	\$	\$
TOTAL OTHER INCOME	\$	\$
TOTAL GROSS INCOME	\$	\$

EXPENSES

_____ Year to Date

Beer	\$	\$
Draught	\$	\$
Liquor	\$	\$
Wine	\$	\$
Coolers	\$	\$
Other beverages	\$	\$
Sundries	\$	\$
Bar Supplies	\$	\$
TOTAL BAR EXPENSES (COGS)	\$	\$

OTHER

Bartender Wages & Benefits	\$	\$
Other Employee Wages & Benefits	\$	\$
Membership Per Capita Tax	\$	\$

District/Zone Assessments	\$	\$
Office/Administration	\$	\$
Professional Fees	\$	\$
Insurance	\$	\$
Bank Charges	\$	\$
Building Maintenance-repairs	\$	\$
Grounds Maintenance	\$	\$
Hydro	\$	\$
Water/Sewer	\$	\$
Telephone	\$	\$
Heat	\$	\$
Internet/Website/TV	\$	\$
Entertainment/Events	\$	\$
Catering/Food Sales	\$	\$
Security	\$	\$
Sick & Visiting	\$	\$
Seniors	\$	\$
Sports	\$	\$
Resale	\$	\$
TOTAL OTHER EXPENSES	\$	\$
TOTAL ALL EXPENSES	\$	\$
NET INCOME	\$	\$

SAMPLE LOTTERY OR BREAK OPEN TICKET YEAR-END PROFIT AND LOSS

JUNE 1, 20__ to MAY 31, 20__ PROFIT & LOSS STATEMENT

BRANCH:

REVENUE	<u>20</u> <u>-20</u>	<u>20</u> <u>-20</u>
Break Open Ticket sales	\$ _____	\$ _____
 GROSS REVENUE	 \$ _____	 \$ _____
 EXPENSES		
Winning ticket payouts	\$ _____	\$ _____
Ticket cost	\$ _____	\$ _____
License fees	\$ _____	\$ _____
Bank fees	\$ _____	\$ _____
Administration	\$ _____	\$ _____
Donations	\$ _____	\$ _____
 TOTAL EXPENSES	 \$ _____	 \$ _____
 NET INCOME	 \$ _____	 \$ _____

SAMPLE LOTTERY OR BREAK OPEN TICKET MONTHLY PROFIT AND LOSS

BRANCH:

REVENUE

Year to date

Break Open Ticket sales

\$

\$

GROSS REVENUE

\$

\$

EXPENSES

Winning ticket payouts

\$

\$

Ticket cost

\$

\$

License fees

\$

\$

Bank fees

\$

\$

Administration

\$

\$

Donations

\$

\$

TOTAL EXPENSES

\$

\$

NET INCOME

\$

\$

SAMPLE BUILDING ACCOUNT YEAR-END PROFIT AND LOSS

JUNE 1, 2020 to MAY 31, 2021 PROFIT & LOSS STATEMENT

BRANCH:

REVENUE	<u>20</u> <u>-20</u>	<u>20</u> <u>-20</u>
Donations	\$	\$
Grant	\$	\$
Other	\$	\$
Other	\$	\$
GROSS REVENUE	\$	\$
EXPENSES		
	\$	\$
	\$	\$
	\$	\$
Bank fees	\$	\$
TOTAL EXPENSES	\$	\$
NET INCOME	\$	\$

SAMPLE BUILDING MONTHLY PROFIT AND LOSS

BRANCH:

REVENUE

	_____	<u>Year to date</u>
Donations	\$	\$
	_____	_____
Grants	\$	\$
	_____	_____
Other	\$	\$
	_____	_____
Other	\$	\$
	_____	_____
 GROSS REVENUE	\$	\$
	_____	_____

EXPENSES

	\$	\$
	_____	_____
	\$	\$
	_____	_____
Grant	\$	\$
	_____	_____
Bank fees	\$	\$
	_____	_____
 TOTAL EXPENSES	\$	\$
	_____	_____
 NET INCOME	\$	\$
	_____	_____

HANDLING OF GRANTS AND BUILDING FUND DONATIONS

A grant or donation designated to the building fund is not to be considered Branch General Operating Account income. A grant or donation (usually) is for a specific purpose and the management of the grant or donation received is specifically under the direction of the Grant or donation provider.

Ideally when these funds are received, they are deposited into your building account, or a separate account is opened for the purpose of managing these funds. Grants may be subject to an audit; therefore, it is essential to keep these financial transactions and complete documentation separate from the General Operating Account. The building or new account will produce a separate balance sheet and monthly/year-end financial statements of income and expense. The following must be observed:

1. This money is not getting mixed up with operating funds
2. These funds can only be used for the purpose of the grant/donation
3. When the project is finished it is much easier for the Branch to produce a Project Fund Financial Report for the members and the grant/donor provider.
4. Many times, a project will overlap the Legion fiscal year and a separate statement can be provided for this account.
5. By keeping these funds separate you are not inflating the Operations of the General Account.

SAMPLE INVESTMENT ACCOUNT YEAR-END

OPENING BALANCE-MAY 31 20__	\$		\$	
Deposits	\$		\$	
Interest	\$		\$	
GROSS REVENUE	\$		\$	
EXPENSES				
Withdrawals	\$		\$	
Fees	\$		\$	
Other	\$		\$	
TOTAL EXPENSES	\$		\$	
CLOSING BALANCE- JUNE 1 20__	\$		\$	

22. How often does the Branch Financial Review Committee meet? _____

The committee should meet quarterly

23. Is a physical inventory done at least monthly Yes No If not, explain in Zone Commander's Comments

We are finding that this is not being done. Sometimes there is no inventory or they are using the daily bar report numbers as being accurate. The inventory has to be done and it has to be done by the Bar Chair and at least one other executive member. Do you know if the Treasurer is doing an inventory to sales reconciliation? If there is no inventory or sporadic ones then the answer is no. Please have your most current inventory sheet.

24. Has there been a change in banking institutions or account numbers since the last Branch Inspection? Yes No If yes please provide the new EFT document and void cheque

25. General Account Bank Balance as at May 31st Year End \$ _____

Here is another problem we have found. If the current year end balance does not reconcile with the last years balance please explain why on a separate piece of paper. If everyone starts using the LEGION balance sheet it will fix this problem.

26. General Account Bank Balance at time of visit: \$ _____

27. How often are Bank reconciliations done? _____ By whom? _____

Usually, the treasurer or bookkeeper does this and a copy of the reconciliation form should accompany the monthly financial report. The Financial Review Committee may wish to also do a reconciliation.

28. **Attach copies of current year-to-date Financial Statements to month end prior to visit, Balance Sheet and Income & Expense (P&L) for All Branch accounts except Poppy

29. Is a monthly financial statement made available to members Yes No Verbal Printed

The treasurer should be presenting the sample reports that have been provided. Simply relating the bank balances does not constitute a proper report. The Treasurer should also be prepared to answer questions from the membership and should not get upset because they are asking. It's their money we are talking about. Far, far too often we hear that the members won't ask questions because the Treasurer gets defensive and mad.

30. Are expenditures approved by the membership according to Branch Regulations? Yes No

We are finding this is not the case in a lot of Branches.

31. Does the branch have financial investments? Yes No
State investment amount(s) _____

32. Petty Cash Amount \$ _____ Bar floats amount \$ _____
Other Account Balances _____ \$ _____
_____ \$ _____

Bar floats, and others, need to be reviewed to ensure they are the proper amounts for your use. We have seen as much as \$4000.00 in floats but daily bar sales were around \$200.00.

33. Total Accounts payable amount at time of visit \$ _____

34. Monthly mortgage amount if applicable \$ _____

35. Active Line of Credit Yes No amount owing \$ _____

36. Loans payable Yes No amount owing \$ _____

37. Does the Branch have any long-term debts Yes No

If yes state total amount \$ _____

Questions 33 to 37 are straight forward questions with 34 and 36 needing Ontario Command approval.

38. ****HST** ****WSIB** ****SOURCE DEDUCTIONS**

Paid up to date Yes No

You are asked to provide copies of proof of payment of each of these. Simply putting the cheque number on the invoice does not show proof of payment. We will need a bank stamp, confirmation page, cancelled cheque or bank statement or anything else that shows it has actually been paid.

39. Are all loans approved by Ontario Command Yes No

40. Does the Branch sell Break Open Tickets (BOT) Yes No

41. Does the Branch conduct Raffles Yes No

We see no to the raffle question but then see things like draws, 50/50 etc. listed on the financial statements. If you are running raffles without a license, you are risking your Liquor License. If your municipality will not give you one or tells you it is not required then you MUST get this in writing.

42. Does the Branch hold Bingos Yes No

43. Does the Branch take Municipal approved eligible use percentage more than 2% Yes No

If yes state percentage amount _____ %

If you are receiving a percentage greater than 2% it is important to keep an accounting of how the funds were used. The AGCO or municipality may request this information. We know that some Branches have problems receiving more than the 2%. If this is the case with your Branch, let Ontario Command headquarters know as they may be able to assist you with this.

44. Is a monthly financial statement made available to members Yes No

Verbal Printed

We have provided sample statements with the information that should be made available to the membership

45. Are expenditures approved by the membership Yes No

Expenditures need approval from the membership in order to adhere to the Alcohol Gaming Commission of Ontario rules and regulations. Expenditures must be those that were submitted when you applied for a license. If you wish to donate money to an organization not on your list you need to send the minutes of the meeting that the donation was approved at to your municipality for approval.

46. **Current Lottery Trust Account Balance BOT \$ _____

RAFFLE \$ _____

BINGO \$ _____

CATCH THE ACE \$ _____

(provide detail) OTHER \$ _____

47. Does the Branch have paid employees Yes No
_____ # of Employees: _____ Full Time _____ Part Time _____ Elect to Work

48. Does the Branch use outside contractors (snowplow, janitorial, etc.) Yes No
(If yes, please provide a separate list of the contractor(s) plus **Contract #** _____ to Zone Commander)

It is imperative that every outside contractor has a written contract with the branch that clearly outlines the services contracted, supply of materials, WSIB coverage etc. and is dated and signed by the contractor and the branch representative. These contracts need to be reviewed yearly.

49. Are employees represented by a Union Yes No if yes - which Union: _____

50. Are employees covered by WSIB Yes No Rate per \$100 of payroll: _____

We know there are a couple of Branches who the WSIB has told that they do not have to pay WSIB. Please supply a current letter from WSIB stating this. You should also contact your insurance broker and inform them of the WSIB decision to make sure your insurance policy will cover your employees if they get hurt while they are working.

51. Does the Branch have written employment policy Yes No

It is beneficial for the branch to have this.

52. Are employees given a written Job Descriptions Yes No

It is imperative that you have this. If you have a problem with an employee that leads to disciplinary action or dismissal a job description will be a valuable tool.

53. Is there a written progressive discipline procedure Yes No

Like question 52 this will be a valuable tool if disciplinary action is required. Although not a question on the inspection, it is a good practice to conduct a performance review of the branch employees yearly

54. Is the current Employment Standards Act available to employees & Executive Yes No

55. Is the current Occupational Health & Safety Act available to the employees & Executive Yes No

56. Is the current Human Rights Act posted Yes No

57. Branch Workplace Violence and harassment Policy completed and posted Yes No

Questions 54 to 57 is a must for the Branch, and you should ensure that the most current information is available.

58.State any current concerns with paid employees _____

Once the inspection is over the Zone Commander and inspection team will review the inspection with you and then will report to the Branch membership their findings and any concerns they have. The Zone Commander will then forward the inspection to the District Commander for review and comment. The inspection report is then forwarded to Ontario Command for further review and comment.

CONCLUSION

We hope that this handbook has answered any question concerning the inspection report and has explained the LEGION FINANCIAL REQUIREMENTS. We also hope that the information may make your job a bit easier and will provide more information to your membership.

There are still Branches that do not use the Legion accounting requirements that have been described in this handbook. Here are some of the reasons that a Branch may be flagged.

1. Non-compliant financial reporting
2. Incomplete Financial Statements
3. Lack of Financial Statements or refusal to provide at time of Zone Commander's Inspection or any other documentation as required
4. Financial Statements indicating large financial losses or year over year losses
5. Financial Statements with no certificate of compliance, reconciliation or Financial Review Committee reports in accordance with the By-Laws
6. Co-mingled Financial Statements
7. Non-compliant Lottery activities and reporting
8. Breach of By-laws and/or Branch Regulations
9. Lack of authorized Special Use Forms as required for Poppy Trust Fund expenditures

As you can see 8 of the 9 reasons are for financial reasons. Using the information within this handbook should reduce the chances that the branch will be flagged. It should be noted that although the Zone Commander may not flag a Branch the District Commander or Ontario Command may.

Again, we know that you are volunteers. We ask only that you do the best job you can and if you have questions, please use the resources available through the Zone, District and Ontario Command.