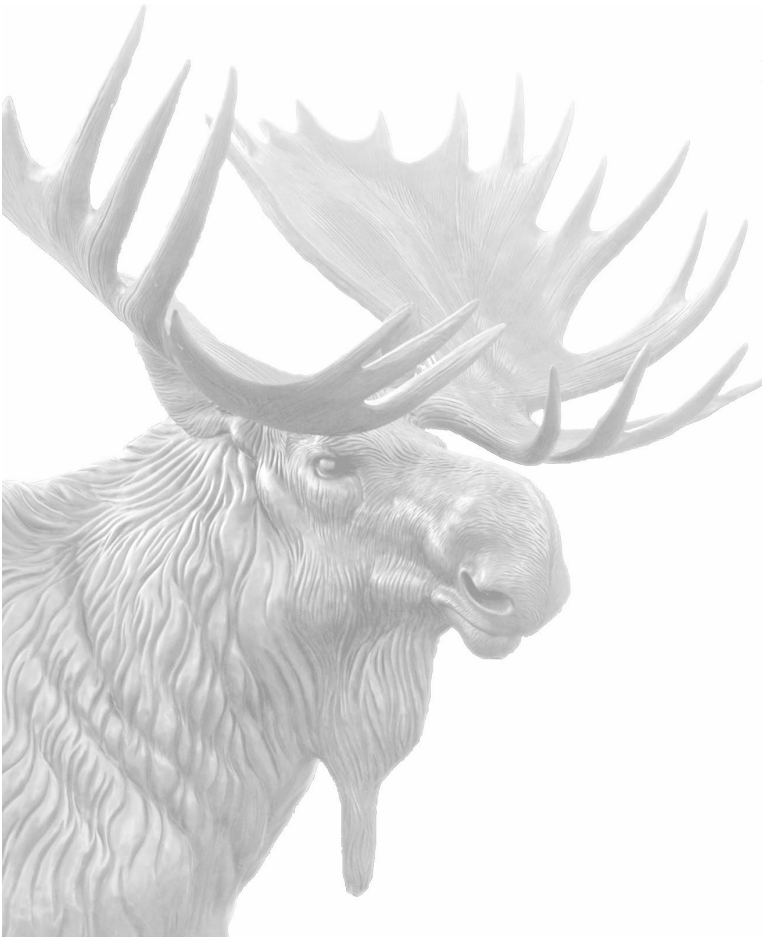


# Lodge Leadership Training

## Part 2 – Social Quarters Operations

### Participant Guide



Name: \_\_\_\_\_

Lodge: \_\_\_\_\_

Phone: \_\_\_\_\_



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# Course Introduction

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## TARGET AUDIENCE

This book is designed as a supplement to the Moose *Social Quarters Operations Class*. Both are intended for all lodge Board of Officers, Social Quarters Managers, and any members who wish to learn how the Social Quarters operates. Together, they begin to prepare you to successfully fulfill your responsibilities to your Moose lodge, and the fraternity as a whole.

**NOTE:** Though this manual can serve as a **handbook** and **reference guide** back at the lodge, please be aware that the General Laws shall prevail in any case of conflict with this guidebook.

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## Course Objectives

By the end of this course, you, as a Leader of your Lodge, should be able to:

- Understand the responsibilities of the Board of Officers as it relates to the Social Quarters
- Recognize the reasons for following the General Laws
- Identify the different Business Reports and recognize what the information means
- Become familiar with some new ways to keep, or increase, lodge membership and Social Quarters business

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## Lessons

This course contains the following four lessons:

- Lesson 1: Board of Officers Role in Governance of the Social Quarters
- Lesson 2: Keeping the Social Quarters Community Friendly
- Lesson 3: Financial Reports
- Lesson 4: Customer Service / Member Service

# Governance of the Social Quarters

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## FUNCTIONAL OVERVIEW

This class is intended for the Board of Officers, Social Quarters Managers, and any members who wish to learn how the Social Quarters operates.

- The government, regulation and control of all **social quarters** operated by a lodge are vested in the elected Board of Officers.
- Decorum issues at all social activities, conducted by the lodge, are under the jurisdiction of the Board of Officers. The permit to operate the social quarters is issued on the terms prescribed by the Moose International Board of Directors and the Chief Compliance Officer.
- The elected Board of Officers supervises all aspects of the Social Quarters operation, including; condition and maintenance of the physical properties; expendable and consumable supplies and resale merchandise inventories; operating income and expenses; and, members access to, and conduct within the lodge social activities.

# MOOSE INTERNATIONAL MISSION

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How does operating a Social Quarters support the mission of Moose International?



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## *Key Responsibilities*

Good business practices and sound financial management are two of the most important responsibilities of the Board of Officers.

- The Board as a whole performs some;
- A few may be delegated by the President;
- Others are designated, by the General Laws, to specific members.

The duties listed below are key responsibilities that the Board performs regularly in overseeing the social quarters' business operations.

- Set rules and regulations for Social Quarters, which must be approved by the lodge.
- Establish a budget annually, and review the budget quarterly.
- Set opening and closing hours of the social quarters.
- Set employee wages and salaries.
- Set prices of merchandise for resale.
- Inspect the social quarters and equipment monthly.
- Inventory Social Quarters merchandise monthly.
- Maintain and enforce decorum as referred to in *Section 48.8* of the General Laws.
- Submit the monthly Social Quarters Report at the first regular lodge meeting each month.
- Ensure certification for alcohol servers.

## BOARD OF OFFICERS MEETINGS & EXECUTIVE SESSIONS

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### *Overview*

The lodge must hold at least two Board of Officers meetings every month to conduct its business during which an executive session must be an item on the meeting agenda. These sessions are used only for the purpose of addressing issues that are privileged, private, confidential or sensitive.

### *Confidential*

Should an executive session be warranted, the presiding officer will recess the Board of Officers meeting. Only the elected officers and the Jr. Past President shall be in attendance.

- Executive sessions are strictly confidential.
- The Administrator keeps the minutes.
  - Minutes are to be stored separately and securely in the lodge.
- Executive session business is not discussed at lodge meetings.
- Appointed Officers are **NOT** part of the executive session

### *Invitation only*

The only people who should attend the executive sessions are the nine officers, and if the Administrator is not the Social Quarters Manager, the SQM, when requested, should be in attendance to answer questions or receive direction from the Board of Officers.

## **SOCIAL QUARTERS AUTHORITY**

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The Board of Officers may create rules governing the operations of the Social Quarters including conduct of members, dress code and the admission of minors. However, their authority is effective only when serving as a member of a regularly convened Board of Officers meeting or executive session. Other than the President's authority to fine, an officer of the Board has no authority in the social quarters as an individual. In cases of misconduct committed in their presence, they should exercise authority only if the person in charge is unavailable, **and** if he has been so authorized by the Board of Officers.

NOTE: It is the responsibility of the Administrator or Social Quarters Manager to carry out the formal decisions of the board.

Some Social Quarters have in their rules that there will be an Officer of the Day (OD) in the Social Quarters to help maintain decorum.

NOTE: If that officer orders a drink in the Social Quarters, he assumes the same status as any other member. He no longer has authority of any kind, even if he is the President.



## PRIVATE POLICY

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### *Board of Officers' Adherence*

It is the serious responsibility of the Board of Officers to protect the rights of your lodge, and our entire fraternity, to remain a private organization. Strict adherence to Private Policy regulations is vital to our future ability to operate our lodges and social quarters as private membership organizations. Officers must study and ensure compliance with *Chapter 50* of the General Laws and the *Addendum*, pages *143* through *145*.

### *Deviation Impact*

Deviation from the Private Policy jeopardizes the lodge and the fraternity in *five* ways:

#	Area of Risk	Description
1	Public Accommodation	Allowing unqualified non-members to purchase merchandise can expose your lodge to a court determination that it is a public, not a private accommodation. This jeopardizes the lodge's right to <ul style="list-style-type: none"><li>• Select its own members.</li><li>• Organize its activities.</li><li>• Establish its own rules and regulations.</li></ul>
2	IRS Qualified Not-for-Profit Organization	Allowing non-members to make purchases could make your facilities a place of public accommodation, subjecting it to payment of taxes imposed on public facilities.
3	Insurance Liabilities	Non-members using lodge facilities or participating in activities could increase your insurance exposure and costs.
4	Licensing	Allowing non-members to make purchases jeopardizes the status of your private club liquor license.
5	Copyright Act	Your lodge is exempt from paying royalty fees when playing music, provided there are no unqualified persons using your facilities or participating in your activities.

## ENFORCING THE 'RULES'

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The Board of Officers must learn, follow and enforce the rules designed to maintain the Private Policy. They include, but are not limited to; providing a Guest Register; having guests or members wear identification; and, permitting the sale of merchandise only to active members of The Moose.

- The rules in the General Laws are based upon the Internal Revenue code that we mentioned earlier.
- The Board of Officers is responsible for protecting the rights of your lodge to continue as a good standing lodge of the Moose.



*How do you recognize a Guest at your Lodge, after they have signed in?*

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## QUALIFIED GUEST?

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### *Definition*

An active lodge member's spouse may be admitted as a qualified guest into a Social Quarters of a lodge as many times as they'd like. Anyone else, age 21 or older, may visit the Social Quarters twice. After their second visit, they are considered a candidate for membership at the lodge and must complete an application for membership.

- Active member's children (or other immediate family) under the age of 21 may also visit the Lodge as many times as they'd like until they reach the age of 21.
- Immediate Family is defined in accordance with the U.S. Internal Revenue Service dependent classification which includes: children (natural, step, or adopted); aunts and uncles, brothers and sisters, nieces and nephews, and in-laws.

Please refer to the above list when asked to define an "immediate" family member. NOTE: The lodge may also rent its facilities to a member for the celebration of a "**legitimate family occasion.**"

### *Qualification Precedence*

1	Active Member's Spouse	<ul style="list-style-type: none"> <li>• Qualified Guest with Unlimited Visits</li> </ul>
2	Active Member's Immediate Family UNDER Age 21?	<ul style="list-style-type: none"> <li>• Qualified Guest with Unlimited Visits.</li> </ul>
4	Active Member's Immediate Family (Non-Spouse) Age 21 or OLDER	<ul style="list-style-type: none"> <li>• Qualified Guest for 2 Visits Only.</li> </ul>

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## Private Policy Discussion

Refer to the 10 scenarios in the table below. Assume John and Mary are married and both are members of the Lodge. Decide if each scenario describes a ‘potential member’ and/or a ‘qualified guest’. Place an ‘x’ in the appropriate column.

Scenario	Potential Member	Guest
a. John, a 30-year member, brings his 28-year old <b>son</b> to the lodge.		
b. Mary, a 30-day member, brings her 28-year old <b>son</b> to the lodge.		
c. John brings his 21-year old <b>daughter</b> to the lodge.		
d. John brings his 20-year old son and 21-year old <b>daughter</b>		
e. John brings his 22-year old <b>significant other</b> to the lodge for the 3 <sup>rd</sup> time.		
f. John brings his 13-year old <b>sons’ baseball team</b> in for wings night to celebrate the championship victory. The 23-year old <b>Assistant Coach</b> will also be joining John and the boys.		
g. Mary brings her 63-year old <b>brother-in-law</b> to the lodge.		
h. Moose Brew <b>Beer Vendor</b> driver wants to buy a soft drink, but he’s not a member.		
i. Bill, a <b>softball player</b> is here for a tournament hosted by your lodge and wants to come in and sit at the bar between games.		
j. John brings his <b>boss and out of town colleagues</b> (Sam, George, Sue and Linda) to the lodge for business lunches all week.		

# Keeping the Social Quarters Community Friendly

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## ALCOHOL SERVER CERTIFICATION

It is mandatory that all servers of alcohol (Moose employees and volunteers) be certified in some type of Server Certification program.

- TIPS, (Training for Intervention ProcedureS) program, or
- Another state/provincial approved server training program.
- NOTE: We also strongly recommend that social quarters managers and all officers attend a class so they are familiar with the laws and can support their bartenders' efforts. Regardless of the program you use, all servers are required to be re-certified every three years.

### *Why Do We Certify?*

Certifying all servers helps keep your insurance costs down. It also protects the bartender, lodge and its employees from legal ramifications. Trained servers – who follow the procedures – help the Moose organization (as a whole) by protecting their members from being over served which could result in harm caused to themselves and/or others.

### *Some Real Stats!*

Over the past several years, we have experienced a significant increase in the number of liquor liability claims against our lodges, including several fatalities and serious injury cases. We are required to report all these claims to our insurance underwriters each year when our policies renew.

- As a result of both increased frequency and severity, our liquor liability carriers have refused to renew our insurance in the past. At one point, many other insurance companies would not even quote on our business.
- This resulted in us having to increase our self-insured portion of each loss from \$500,000 to \$1,500,000. It has also caused an increase in general and liquor liability premiums of more than \$1,500,000.
- A review of legal journals and jury verdict awards has made one thing very clear. Juries will not send an innocent person home empty-handed. They will seek out the party with the greatest assets and make them pay dearly. Given our reputation as a long-standing fraternal organization with significant assets, we have become a target defendant. The word is out among plaintiff attorneys - getting a verdict against the Moose = \$\$\$\$. If we don't take immediate steps to ensure nobody leaves our lodges in an intoxicated condition, we will be put out of business, period. There is only one option. All of our servers must be trained and our officers and members must support their efforts.

## *Underage Drinking*

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Even though we are a private organization, the Moose lodge is not allowed to ignore federal, state, or local laws. We are required to ensure that we only serve alcohol to members and their guests who are legally eligible to drink alcohol.

- Our members must be 21-years old, but they are allowed to bring in younger guests. For example, a 21-year old college student could be dating a 20-year old. The 21-year old is of age, but the 20-year old is not, and should not be served alcohol
- It is up to the bartenders and servers to comply with the laws, and check ID.

*What is the best way to keep from serving underage drinkers?*

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## *Officers' Responsibility*

While officers have no individual authority in the Social Quarters, it is their duty to support the Social Quarters Manager and the staff when they make decisions about choosing to not serve someone alcohol. Too many times we have heard stories of Lodge Officers who override a bartender's decision to cut someone off.

- If your staff has been properly trained, they are the ones who should be making decisions about who should or should not be served alcohol.
- Officers do not have individual authority in the Social Quarters in the first place, and the Server who cuts off a patron is working with the lodge's best interest in mind.

## *Food Service Certification*

Some states also require that you have your staff trained in food service or food handling. You should check your state and local laws to find out. Your district or state association should be able to help also.

### *Misconduct*

The “On-Duty” Social Quarters Manager (SQM) and personnel should have authority to immediately remove a member from the Social Quarters for misconduct when it occurs. None of the officers have the power to do so. Officers have no individual authority over the Social Quarters. The sole exception is if the Administrator is also the SQM. The Social Quarters Manager reports to the Board of Officers (BOO), and is responsible to them. The Board of Officers’ authority under Section 48.8 applies to all lodge members.

- If a member's privileges are suspended by the Social Quarters Manager, that member remains suspended until the Board of Officers meets and holds an executive session, during which they vote on whether there is to be a hearing and if the member is to remain suspended pending the hearing.

### *Suspension Process*

If suspended pending a hearing, the accused member’s social privileges remain suspended until he/she appears before the BOO.

- The notice of hearing must be mailed or delivered at least (5) days in advance of the hearing. It is not required that the notice be delivered by registered mail. The notice must contain detailed allegations concerning the ungentlemanly/unladylike or disorderly conduct, including date, time, location, names and a detailed statement of the alleged wrongful conduct.

The BOO may not conduct a hearing without the member present, unless the member waives that right. The BOO may, and should, conduct an investigation of the incident prior to the hearing and obtain written and signed statements from witnesses.

- The BOO cannot make a final decision and suspend a member’s privileges for a definite period (i.e., 90 days, six months, etc.) until the member has appeared before the BOO, unless the member waives his/her appearance.
- The hearing is not a trial and the accused member is not entitled to representation nor to confront and cross-examine witnesses. The hearing gives the accused the opportunity to tell his or her side of the story and offer any witnesses or evidence in support of their version of the events in question.

After conducting a hearing, the BOO may impose a suspension for a specific period of time or indefinitely. The suspension applies to all lodge and chapter social activities whether on or off lodge property. BOO investigations, hearings and decisions must be fair, impartial, objective and consistent.

## DECORUM/DISCIPLINE (CONT.)

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The privilege of being in the social quarters of any lodge or participating in any social event is just that, a *privilege*. This privilege, which is afforded to members can be forfeited by a breach of decorum. Our Moose homes must be friendly, warm, and inviting places. Profanity, fighting, indecorous conduct, etc., have no place in a family fraternal operation.

A BOO only has authority in its own lodge; meaning, it may only suspend a member's privileges in that lodge. The BOO cannot impose a fine. The BOO may order restitution for actual damages sustained by the lodge. The BOO cannot prohibit the member from attending official lodge or chapter meetings.

The President may impose reasonable fines upon lodge members for offenses or misconduct committed in their presence in meetings, anytime on lodge property or during lodge sponsored activities off lodge property. All fines paid to the lodge shall be forwarded monthly to Moose Charities, Inc. for deposit into the endowment fund.

- A member whose social privileges have been suspended (after a hearing), may appeal to the Chief Compliance Officer (Section 60.1).
- Unless specifically authorized by the BOO, a suspension of social privileges prohibits the member from participating in all social and sporting events, or coming onto lodge property for any reason - except to attend official lodge or chapter meetings.
- A guest is not entitled to a hearing.
- An expelled member of the Moose may not enter the social quarters of *any* lodge or participate in *any* Moose related function unless the Chief Compliance Officer has granted a special dispensation.



*Instructions:*

Read each of the following decorum situations and then identify the action you would take for each by using the following rating scale.

1 = Ignore it

5 = Remove from Premises  
File Incident report with BOO

9 = Call the Police &  
Expulsion

Situation	1	2	3	4	5	6	7	8	9
1. Pool player says "S*!&" every time he makes a bad shot.									
2. Dart player says "G#! D*\$%" every time he makes any shot.									
3. Pool player says "F*!&" every time he makes a bad shot.									
4. Pool player breaks a cue stick when he makes a bad shot.									
5. Pool player breaks a cue stick over someone's head.									
6. Member gets belligerent when drinking.									
7. Member gropes server or bartender.									
8. Member passes out every night when drinking.									
9. Member gets drunk and tips over an arcade game by accident costing the lodge money for repairs.									
10. A guest (spouse) gets obnoxiously belligerent when drinking.									
11. A guest gets drunk and does a striptease on the bar.									

## COMMUNITY RELATIONS

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In addition to maintaining decorum within the Social Quarters, we must always remember that our lodge exists within a community. We should strive to be a part of that community, and not a detriment to it. We should be respectful of and courteous to our neighbors. We should always build goodwill within our communities.

*Be a PART of the Community – Not a Detriment:*

- \_\_\_\_\_
- \_\_\_\_\_
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*Keep your Community Relations Positive:*

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# Financial Reports

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## LODGE LEADERSHIP FINANCIAL REPORTS

One vital responsibility of the Board of Officers is to ensure the Social Quarters is profitable. It is necessary to be able to read and understand the financial reports. In order to fully comprehend them, you must have an understanding of the different items in your lodge and the ways in which money is used.

## SOCIAL QUARTERS REPORT

The Social Quarters Report should include a Profit and Loss Statement. For Board of Officers purposes, the reports can be filtered to show just social quarters income and expenses.

It is a customary and fundamental routine of every business to generate such statements regularly. Viewing the social quarters operation in business terms is a crucial responsibility of the Board of Officers.

The real value of the report lies in studying and analyzing the information. The report describes the results, in dollars and cents, of all the operating practices followed by management and employees throughout the period reported.

For purposes of reporting the Social Quarters Report at the general meetings, you should report only the overall revenues and expenses for the Social Quarters operations.

## **VERIFY INCOME AND EXPENSES**

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Good business management begins with verifying all source documents and information. These routine duties are to be completed during Board of Officers meetings:

- Verify income and receipts from all sources.
- Check weekly envelopes.
- Verify weekly deposits and check against register tapes.
- Verify and approve all purchases and expenses.
- Examine all bills and approve for payment.

These two items should be performed before the meeting, but presented at the meeting to report the findings.

- Ensure all goods and services were received.
- Inventory all merchandise for resale monthly.

NOTE: Further descriptions of these duties, and examples of good inventory and control practices, can be found in "*Officers' and Committeemen's Handbook*."

## **ANALYZE AND ACT**

Once funds and source information are verified, each expense category should receive a thorough critique. The BOO must carefully analyze these financial reports at least once per month, with particular attention given to Profit and Loss statement. In cases where the operation is losing money this may need to be done weekly.

- Read and analyze monthly Balance Sheet
- Read and analyze monthly Profit & Loss (P&L) Statements
- Calculate Profitability

# CHART OF ACCOUNTS



## **1000 ACCOUNT #S**

### ASSETS

*Things you Own*

Cash, Inventory, Building, Property



## **2000 ACCOUNT #S**

### LIABILITIES

*Things you Owe*

Mortgage, Bills, Dues/Fees to MI,  
Sales Tax, Payroll Tax



## **3000 ACCOUNT #S**

### EQUITY

*Net Value of Unit*

What's Left After Paying Bills



## **4000 ACCOUNT #S**

### INCOME

*Money you Collect that Belongs to you*

Sales, Dues, Donations to the Unit



## **5000 ACCOUNT #S**

### EXPENSES

*Money you Spend to Operate your Unit*

COGS, Utilities, Supplies, Postage,  
Printing

## READING REPORTS

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### *Balance Sheet - Assets*

Let's talk about some of the things that you have and that take place in your lodge. You have a building, property, furniture and equipment. In most cases these are things you **OWN**. What are some other things you own?

Keep in mind that the only assets the SQ has are the inventories of saleable merchandise for the SQ - Beer, wine, liquor, food, etc. The building, property, furniture and equipment do not belong to the SQ, but to the Lodge as a whole.

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All of these things you own are called assets, and we use account numbers in the \_\_\_\_\_ range. They show up in the reports in the first half of the \_\_\_\_\_ Report.

### *Balance Sheet - Liabilities*

Next, let's look at things we **OWE** to someone else. If you have a mortgage on your building, you owe that to the bank. In most states you have to pay for beer on delivery, but often liquor is billed, with the balance being due in 10 to 15 days after delivery. You owe that money to the distributor.

What are some other things you owe?

The Moose International billing is a liability that must be paid. It may include purchases through catalog sales, ABCD, fees, any loans from MI,

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What you owe to others is called your liabilities: we use account numbers in the \_\_\_\_\_ range. They show up in the reports in the bottom half of the \_\_\_\_\_ Report.

### *Balance Sheet - Equity*

Equity is the VALUE of your lodge when you subtract your liabilities from your assets.

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May 31, 2021

**Things  
you  
Own**

<b>ASSETS</b>		
Current Assets		
Checking/Savings		
1000.00 · Cash		
1005.00 · Checking - Cash		12,000.00
1010.00 · Savings - Cash		13,700.00
1025.00 · Petty Cash		3,500.00
Total 1000.00 · Cash		29,200.00
Total Checking/Savings		29,200.00
Other Current Assets		
1300.00 · Inventory		
1305.00 · Beer		6,100.00
1310.00 · Liquor		8,500.00
1315.00 · Wine		3,500.00
Total 1300.00 · Inventory		18,100.00
Total Other Current Assets		18,100.00
Total Current Assets		47,300.00
Fixed Assets		
1700.00 · Buildings and Property		
1705.00 · Lodge Home/Building		690,000.00
Total 1700.00 · Buildings and Property		690,000.00
1800.00 · Furniture and Equipment		
1805.00 · Furniture, Fixtures & Equipment		145,000.00
Total 1800.00 · Furniture and Equipment		145,000.00
Total Fixed Assets		835,000.00
<b>TOTAL ASSETS</b>		<b>882,300.00</b>

**Things  
you  
Owe**

<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
2000.00 · Accounts Payable		1,680.00
Total Accounts Payable		1,680.00
Other Current Liabilities		
2200.00 · Payroll and Benefit Liabilities		1,950.00
2500.00 · Due to Other Fraternal Units		
2505.00 · Endowment - Moose Charities		28.00
2510.00 · Application Fees to MI		20.00
2515.00 · ABCD/Per Capita due to MI		28.00
Total 2500.00 · Due to Other Fraternal Units		76.00
Total Other Current Liabilities		3,706.00
Total Current Liabilities		3,706.00
Long Term Liabilities		
2050.00 · Notes Payable		
2055.00 · Mortgage		65,000.00
Total 2050.00 · Notes Payable		65,000.00
Total Liabilities		68,706.00
Equity		
3000.00 · Opening Bal Equity		714,697.00
3900.00 · Retained Earnings		90,390.46
Net Income		8,506.54
Total Equity		813,594.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>882,300.00</b>

**Net  
Value**

## READING REPORTS

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### *Profit And Loss Statement - Income*

Let's talk about money we collect as part of doing business. When we sell inventory items, such as beer and liquor, we collect money, which is called INCOME.

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To designate income we use account numbers in the \_\_\_\_\_ range.  
All income shows in the first half of the \_\_\_\_\_ Statement.

### *Profit And Loss Statement - Expenses*

Money you spend to do business is called EXPENSE. One type of expense is the Cost of Goods Sold.

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To show expenses on the reports we use account numbers in the \_\_\_\_\_ range.

If you'll notice, the Cost of Goods Sold accounts are all \_\_\_\_\_ numbers.

The expenses all show on the bottom of the \_\_\_\_\_ Statement.



Profit & Loss Month Ending

May 31, 2021

**Money  
You  
Collect**

**Income**

4000.00 · Dues and Fees Income	
4005.00 · Membership Dues	1,430.00
4015.00 · Life Membership	0.00
4025.00 · Transfer Fees	0.00
<b>Total 4000.00 · Dues and Fees Income</b>	<b>1,430.00</b>
4225.00 · Social Quarters Sales	
4230.00 · Beer Sales	7,060.00
4235.00 · Liquor Sales	9,620.00
4240.00 · Wine Sales	4,895.00
<b>Total 4225.00 · Social Quarters Sales</b>	<b>21,575.00</b>
4300.00 · Donations Received	
4310.00 · Lodge Donations	121.00
4400.00 · Interest Investment Income	
4410.00 · Savings	4.00

**Total Income**

23,130.00

5000.00 · Cost of Goods Sold

5025.00 · Social Quarters Cost/Goods Sold	
5030.00 · Beer	3,040.00
5035.00 · Liquor	3,732.50
5040.00 · Wine	1,433.50
<b>Total 5000.00 · COGS</b>	<b>8,206.00</b>

**Gross Profit**

14,924.00

**Money  
You  
Spend**

**Expense**

5100.00 · Payroll & Benefit	
5110.00 · Payroll	2,728.50
5115.00 · Payroll Taxes	358.75
<b>Total 5100.00 · Payroll &amp; Benefits</b>	<b>3,087.25</b>
5200.00 · Supplies and Misc	
5220.00 · Misc Lodge	72.00
5215.00 · Lodge Supplies	54.00
<b>Total 5200.00 · Supplies and Misc</b>	<b>126.00</b>
5225.00 · Social Quarters Supplies and Expense	402.50
5300.00 · Donation Expense	121.00
5400.00 · General Administration Exp	
5435.00 · COMPUTER SUPPORT	40.00
5430.00 · REPAIR & MAINT	718.00
5420.00 · Postage	30.00
5410.00 · Printing	112.50
5415.00 · Licenses and Permits	300.00
<b>Total 5400.00 · General Administration Exp</b>	<b>1,200.50</b>
5600.00 · Occupancy Expense	
5605.00 · Gas	239.58
5610.00 · Electric	197.63
5615.00 · Water & Sewer	135.00
5620. · Phone	158.00
5630.00 · Mortgage Interest	750.00
<b>Total 5600.00 · Occupancy Expense</b>	<b>1,480.21</b>

**Total Expense**

6,417.46

**Net Income**

8506.54

**PROFITABILITY**

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*Why do we need money at the lodge?*

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*How do we make money at the lodge?*

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*How much money should we make at the lodge?*

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*How do we make sure we make enough money?*

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<p><b>Income – Cost of Goods Sold = Gross Profit</b></p>
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**PROFITABILITY (CONT.)**

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$$\text{Gross Profit} - \text{Fixed Expenses} = \text{Net Profit}$$

*What are Fixed Expenses or Fixed Costs?*

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*Break Even Point*

What would we have to do to just break even?

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$$\text{Units to Sell} = (\text{Net Profit} + \text{Expenses}) / (\text{Price} - \text{Cost})$$

**The Board of Officers should always be conscious that full responsibility for the financial operation of the Social Quarters rests squarely upon its shoulders.**

**Lodge funds shall not be used to operate a Social Quarters.**

## Let's Review:

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1. Things you own are called assets and show on what report?

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2. Things you owe to others are called liabilities and are on what report?

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3. Money you collect as part of doing business is called what?

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4. And what report does it show on?

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5. Money you spend to do business is called what?

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6. What report does it show on?

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## Customer Service / Member Service

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### INTRODUCTION

Our Customers are Members,  
but not all our Members are Customers.

### VALUE: THE ONLY OPINION THAT COUNTS

“It is the service we are not obliged  
to give that people value most.”  
- James C. Penney

- Customer service is so much more than just fixing problems.
- The BEST customer service is to work to make sure the problems don't arise.
- Customer service is providing the customer the value they expect and more.
- Value doesn't necessarily mean low prices.
- Value means feeling that the money you spend buys you something you really want or appreciate.

If you're going to provide value to the customer, you need to learn what it is that the customer values. What brings people in? What keeps 'em coming back? That is VALUE to them!

## THE CUSTOMER DETERMINES THE VALUE

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### *Logic Doesn't Necessarily Matter (Scenario)*

One distributor spent a good deal of time and effort improving delivery so that all in-stock orders were delivered within four hours. It wasn't until months later that the distributor asked his customer when they needed the product. It turned out that the four-hour delivery was useful less than a third of the time. Even though it was costing the distributor a lot, it was not valuable to the customer.

The airlines have known for years that poorly cleaned cabins translate in the customer's minds as "poor maintenance." In other words, a passenger might see a tray table that doesn't close properly and imagine an engine falling off.

### *Correlation?*

The same thing is true about all areas of a company.

- Poorly packaged shipments may arrive safely enough, but the impression they convey is that the company is less than professional in how they deal with their products.
- Quotes and correspondence that are not neatly typed may be accurate, but the customer may doubt their accuracy just because of the way they look.
- Delivery vehicles that are not clean and well maintained may make the customer wonder about the rest of the company.

Customer Service  
is not a department;  
it's an attitude.

It's not logical. However, it's real to the customer. And that's the only opinion that counts.

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LL's

Golden Rule:

"Sell good merchandise at a reasonable profit, treat your customers like human beings, and they will always come back for more."

– Leon Leonwood Bean

## **CUSTOMER SERVICE CHAIN OF VALUE**

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The Customer Service Chain of Value involves several parameters that are linked together to create value for your customers.

These are:

- Place
- Product
- Pricing
- Communication
- People

# **CUSTOMER SERVICE CHAIN OF VALUE**



**Building**

- Location and size
- Interior design & layout
- Exterior appearance
- Outdoor space

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**Location**

Your Lodge is where it is. Not much you can do about it, but what are the positives you have, and what negatives do you have to overcome? Can people find you?

We've heard stories of lodges that have moved, and many members have never been to the new building.

**Size/utilization of space:**

- Layout/design
- Inviting interior? Inviting exterior?
- Smoking/Non-smoking
- Handicapped accessible?
  - Is it a place people want to come back to?
  - Exterior appearance – does it invite people in? First impressions!
  - Outdoor space –sports? Softball, horseshoes, volleyball?
  - Is there a picnic area, or outdoor dining?
  - Smoking area when indoor smoking is prohibited by law?

*Group discussion*

How do you make your lodge a **place** that customers value coming to?




**Product:**

- Assortment
- Intensity

**Assortment:**

- Food
- Drink
- Activities
- Specials
  - Are you serving things people want?
  - Do you have activities/special nights to attract different people?

**Intensity:**

- How much do you have?
  - Do you have enough inventory that people are not turned off by not getting what they want? If you have a Fish Fry, do you always run out of fish before everyone gets to eat?
  - Do you have enough variety that people are attracted?

Product assortment includes not just the bar and kitchen, but activities and special events.

**Pricing:**

- Price
- Benefit/quality/convenience
- Price: by itself, is not the deciding factor
- Quality: are they getting a product that meets their needs
- The higher the benefit **or** lower the price makes the better value.

“Being on par in terms of price and quality only gets you into the game.  
Service wins the game.”  
*Tony Alessandra*

Low price does not always mean the best value. Customers are often willing to pay more if they get a product they like. That value is different for almost everyone. You need to find a balance. Some people like McDonalds because of the convenience, others like Steak ‘n Shake because their food comes on a real plate, and their drink in a real glass, ordered from a real menu.

**A Pricing Scenario:**

When Steak ‘n Shake was founded, “hamburger” was something we’d refer to today as “mystery meat.” You never knew what was going into it. This was before USDA inspections and regulations.

Steak ‘n Shake was founded in Central Illinois in 1934 by a guy named Gus Belt. Gus was a quality restaurateur who owned a restaurant/gas station called Shell's Chicken. There were plenty of chicken and beer restaurants around, so Gus decided to be unique and different. With a little help from his friends, he started Steak ‘n Shake in February of 1934.

The “Steak” stood for STEAKBURGER™ sandwich. Gus would wait for the busiest time in his counter-only restaurant, wheel in a barrel of steaks (including round steak, sirloin steak, and T-bones) and grind the steaks into burgers right in front of the guests. Hence the origin of the famous slogan, "In Sight It Must Be Right."

His customers knew exactly what cut of meat they were getting in the STEAKBURGER™. The place down the street did not offer that value.

Today, if you did that, you’d probably hear a lot of groans and see people running out of the place. But they still have the grills out where people can see their food being prepared.

**Communication** is comprised of three (3) parts: Marketing, Positioning, and 2-way Communications

**Marketing:**

- How do you communicate to your members (and Comp Members) what is happening, what you offer, what are this week's specials?
- Do you use newsletters, email, social media, or word of mouth?
- How do they know what days you are open?

**Positioning:**

- What is your lodge or chapter trying to BE? Do you try to fit into a niche in your community? People have other choices, where do you fit in on the scale from high end to low?
- Nordstrom positions themselves as the top, the best.
- Wal-Mart positions themselves as "everyday low price."
- There are a lot of choices for people in your area, how do you position yourself?
- Are you the greasy spoon, the country club, the fast food joint or the corner bar & grill? Are you something different each night?
- All of these have different levels of value for different people.

**2-way Communications:**

- How do you get feedback?
- Comment cards in your Social Quarters? Questionnaires?
- Do you only listen to the people who are in your Social Quarters or meetings?
- If you have only one person coming in to your place, that is probably not the person to ask if you want to make improvements.
- Do you listen to your customers? Do you have surveys to see what they would like in the Social Quarters?
- When they ask if you have something, do you just tell them no?
- Do you keep these types of requests somewhere so you can act on them?
- How do you get information from people who are staying away?

**People** is comprised of three (3) components: Service, Climate, and Knowledge

**Service:**

- Does your staff take care of the customers? Do they make it a place where people want to come, or do they just go through the motions?

**Climate:**

- Does your staff make it a place where people want to come, do they enjoy being there? Is it somewhere that people would choose to come?
- Is the environment one that people want to be part of?
- Do they want to come back, just to be part of the scene?
- Does your staff have fun? “Do they play?”
- Does your staff “Make their day?”
- Are they “there” for your customers?
- Do they choose positive attitudes?

**Knowledge:**

- Does your staff have knowledge, not just of your offerings in the bar and kitchen, but do they know enough about the Moose to answer questions the guests might have?
- Does your staff know your products, your hours of operation, your officers, (lodge and chapter,) the Private Policy, the Moose organization?
- Can they answer questions about the town? Newcomers, or out of lodge members, may be in your building and want to know about what’s happening in the community.
- Can they provide directions?





## VALUE EXERCISE

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### *Introduction*

Let's take a look at how the Chain of Value can be applied to a Moose Lodge. Your workbook contains a set of demographics for a lodge. Membership information about the lodge and chapter is included, as well as the basic population information about the town the lodge is in.

### *Instructions*

Read the demographics, and as a table group, discuss and write down ways that you can provide value for the members/customers of the lodge.

Draw on what we have learned about value.

How can you maximize value of the Place, Product, Pricing, Communication and People, to make this lodge a place people want to frequent, and to help make it a place that more people want to join?

*Things to consider – Remember, no matter what you do, if the customer doesn't value it, it isn't valuable.*

- **Place:** How best to take advantage of the building and location you have.
- **Product:** What products can you offer – 'products' here refers to food and drink, but also to activities and special events. Are there different times of day you could offer things that your customers would value?
- **Pricing:** What can you do with the prices and quality/convenience to offer great value?
- **Communication:** How will you communicate with your members that can offer them the value they want?
- **People:** What can you do that will make your people a strong link in the Value Chain?

**VALUE EXERCISE DEMOGRAPHICS (INSTRUCTOR EXAMPLE)**

	<b>Active</b>	<b>New '08</b>	<b>Expired</b>	<b>MI Goal</b>
<b>Lodge</b>	452	22	37	48
<b>Chapter</b>	281	11	37	29

Suburban city in a large west coast metropolitan area.  
 Downtown area across from commuter train station. 1 story building with finished basement. Very limited parking, small space for about 10 cars behind building. Neighbor has their lot posted and tows violators. Parking allowed on street, and can use the commuter train lot evenings and weekends.  
 Very limited area outdoors, about 20' X 50' area in front between building and sidewalk.  
 Interior 1<sup>st</sup> floor very airy, lots of windows, but buildings on both sides block view.  
 Basement good open area for meetings and functions.

Demographics			
<b>Population</b>	184,463	<b>Pop Change since 2000</b>	8.28%
<b>Male</b>	51.60%		
<b>Female</b>	48.40%		
<b>Married</b>	56.17%	w/Children	35.26%
<b>Single</b>	43.83%	w/Children	11.04%
		Total population w/Children	25%
		<b>Median Age</b>	30.8 Yrs
		Age	
<b>Average Family Income</b>	\$55,324	<b>0 to 9</b>	16.95%
<b>High School Grad</b>	58.42%	<b>10 to 20</b>	18.00%
<b>2 Yr College Grad</b>	5.94%	<b>21 to 24</b>	6.48%
<b>4 Yr College Grad</b>	8.83%	<b>25 to 44</b>	30.76%
<b>Graduate Degree</b>	4.42%	<b>45 to 64</b>	19.45%
		<b>65 and over</b>	8.37%

<http://neighborhoods.rdesk.com/>

<http://factfinder.census.gov>

## VALUE EXERCISE DEMOGRAPHICS (INSTRUCTOR EXAMPLE, CONT.)

<i>Customer Service Chain of Value Worksheet</i>		
Read your demographics card to get an idea of what your lodge is like. Work with your table group to maximize value in each of the 5 links of the Chain of Value		
<b>Place</b>		
<b>Location</b>	<b>Interior</b>	<b>Exterior</b>
Take advantage of being close to the commuter trains:  Parking is available for commuters, but not for most others.	Make it welcoming, impress guests who may want to join to take advantage of meals.	
<b>Product</b>		
<b>Assortment – Food</b>	<b>Assortment–Activities</b>	<b>Intensity</b>
Provide food for the commuters during the hours they are commuting.		May need to increase offerings at different times of day.

CUSTOMER SERVICE CHAIN OF VALUE





**VALUE EXERCISE DEMOGRAPHICS (INSTRUCTOR EXAMPLE, CONT.)**

<b>Customer Service Chain of Value</b>			
<b>Pricing</b>			
<b>Price</b>	<b>Benefit</b>	<b>Convenience</b>	
Must be competitive with other options, such as McD's, Chick-fil-A, etc.		Offer convenience for commuters, at beginning and/or end of commute.	
<b>Communication</b>			
<b>Marketing</b>	<b>Positioning</b>	<b>2-Way</b>	
Menu would have to be available ahead of time to speed service.			
<b>People</b>			
<b>Service</b>	<b>Climate</b>	<b>Knowledge</b>	
For commuters, fast in, fast out.	Friendly, bright, cheerful, but not chatty first thing in the morning.  Relaxed, but prompt in the evenings	Understand train schedules, and options for those not riding trains.	

## VALUE EXERCISE DEMOGRAPHICS (FOR STUDENTS)

Value 2	Active	New '08	Expired	MI Goal
<b>Lodge</b>	1246	86	121	159
<b>Chapter</b>	314	26	121	31

Suburban city in a large Midwest metropolitan area.  
 Brand new 1 story building on major route through west side of town. A number of members drive past it in AM & PM Commutes. Large parking lot, some outdoor space not yet developed.  
 Interior, lots of windows, open airy space.

Demographics			
<b>Population</b>	101,903	<b>Pop Change since 2000</b>	7.85%
<b>Male</b>	49.84%		
<b>Female</b>	50.16%		
<b>Married</b>	57.92%	w/Children	30.55%
<b>Single</b>	42.08%	w/Children	9.19%
		Total population w/Children	22.3%
		<b>Median Age</b>	30.6 Yrs
		Age	
<b>Average Family Income</b>	\$60,332	<b>0 to 9</b>	17.26%
<b>High School Grad</b>	73.44%	<b>10 to 20</b>	15.70%
<b>2 Yr College Grad</b>	6.83%	<b>21 to 24</b>	5.70%
<b>4 Yr College Grad</b>	14.60%	<b>25 to 44</b>	33.64%
<b>Graduate Degree</b>	5.97%	<b>45 to 64</b>	19.91%
		<b>65 and over</b>	7.81%

<http://neighborhoods.rdesk.com/>

<http://factfinder.census.gov>

**VALUE EXERCISE DEMOGRAPHICS (FOR STUDENTS, CONT.)**

*Customer Service Chain of Value Worksheet*

Read your demographics card to get an idea of what your lodge is like.  
Work with your table group to maximize value in each of the 5 links of the Chain of Value

Place		
Location	Interior	Exterior
Product		
Assortment – Food	Assortment–Activities	Intensity



**VALUE EXERCISE (FOR STUDENTS), CONT.**

<b>Customer Service Chain of Value</b>		
<b>Pricing</b>		
<b>Price</b>	<b>Benefit</b>	<b>Convenience</b>
<b>Communication</b>		
<b>Marketing</b>	<b>Positioning</b>	<b>2-Way</b>
<b>People</b>		
<b>Service</b>	<b>Climate</b>	<b>Knowledge</b>