

A Board, Committees & Staff

The role of the Board of Directors

Generally, volunteer Boards of curling facilities are responsible for the following:

- Leadership
- Vision for the future
- Ensure the club continues as a curling rink
- Accountability to the membership and the community

Governing Boards

Most curling clubs have governing boards and governing Boards have the ultimate responsibility for:

- Determining the organization's mission and ensuring those ends are met.
- Establishing the rules, regulations and procedures needed to direct the work of the club.
- Setting policies that guide the development of programs and services offered to the membership.
- Working with staff, volunteers and members to ensure there are the required resources to ensure the business continues to operate each year.
- Protecting the assets of the club.
- Representing the club to the membership and community in general.

Functions of a Governing Board

The following list is an example of common responsibilities of governing boards

1. Policy:

- Establish and update the constitution and by-laws.
- Establish mission, vision and value statements and plan long term goals and objectives.
- Establish board structure and determine general operating procedures.
- Establish policy dealing with finance, staff, volunteers and programs & services.

2. Programs & Services

- Maintain regular planning cycle
- Prepare program schedules and activities
- Monitor and evaluate programs and services

3. Financial Management

- Establishes the budget and financial reporting systems
- Monitors the revenues and expenditures of the organization

Advisory Boards

For example, an advisory board may be given the authority to operate a curling club operation and make day-to-day decisions. However, when it comes to establishing a membership or pricing policy or making a capital expenditure (a new compressor), the final decision would be with the larger governing body. This parent body may be a municipal recreation department that has established a Curling Club Board to oversee the operations of the local curling club. Or in another case, the parent body may be the Board of a Golf and Country Club operation that has mandated the curling operations to a Curling Committee.

The actual responsibilities will be dependent on the specific nature of the club. Generally advisory boards are established for two reasons:

1. **Information** – provide advice to the parent body. The primary responsibility is one of advice.
2. **Operational** – in this case authority would be extended to providing management and administration for programs and/or services on behalf of the parent group. It should be noted that decisions regarding the operation of programs can be mandated to the advisory body. However, the final decision making authority, those legally accountable for the operations will still be with the governing board of the organizations.

Responsibilities of an Advisory Board

The responsibilities of an advisory board will vary with each board. For example, the advisory board may have the authority to determine membership fees for the year. But it would be the role of the parent body to determine the membership fee policy and guidelines for membership fee schedules. It should be noted in some cases the responsibilities of an advisory board may be the same as the governing boards.

If you are an advisory board of your curling club, it is important to identify what responsibilities you have as a board.

Board member portfolios and responsibilities and job descriptions

These job descriptions and titles are actual examples of a Canadian curling club. The responsibilities (or wording) are not limited to what is written here; they merely serve as a guideline as you prepare your portfolios

Position Title: House Director

Report to: Board of Directors & President

Responsibilities:

- a) Attend scheduled Board Meetings
- b) Responsible for all aspects of maintenance of the building(s) however, **not** including the ice area or refrigeration equipment
- c) Responsible for all building repairs including supervision of workers
- d) Responsible for the exterior grounds
- e) Provide a written report for each Board Meeting
- f) Maintain an ongoing list of repairs and capital expenditures
- g) Supervise the cleaning staff.
- h) Responsible for annual report for the annual meeting.

Position Title: Bar Director

Report to: Board of Directors & President

Responsibilities:

- a) Attend scheduled Board Meetings
- b) Responsible for the hiring process including supervision for bar staff
- c) Responsible for bar staff orientation / training
- d) Perform monthly inventory with staff or board member
- e) Do ordering of product and supplies (for clubs without managers)
- f) Ensure license is current and liquor rules & regulations are adhered to.
- g) Provide an annual report for the annual meeting.

Position Title: Junior Program Director

Report to: Board of Directors & President

Responsibilities:

- a) Attend scheduled Board Meetings
- b) Create a curling program for youth & juniors up to the age of 20 that is fun, enjoyable and instructive complete with qualified coaches and/or volunteers
- c) Recruit new curlers to the program and retain current members
- d) Coordinate the registration and collect fees
- e) Be informed of all levels of competitions available to the Youth & Junior curlers
- f) Coordinate a banquet with awards at the end of the season
- g) Obtain valid police and reference checks where applicable
- h) Promote the program in the community and at the club
- i) Responsible for volunteer coaches
- j) Provides an annual report for the annual meeting

Position Title: Fundraising Director

Report to: Board of Directors & President

Responsibilities:

- a) Attend scheduled Board Meetings
- b) Adhere to all rules and regulations for fundraising in the municipality
- c) Coordinates all fundraising activities for the curling club
- d) Responsible for obtaining and maintaining business advertisers for the signs placed on ice surface/curling club
- e) Provide a report for the annual meeting

Position Title: Ice Director

Report to: The Board of Directors & President

Responsibilities:

- a) Attend scheduled Board meetings
- b) Responsible for all aspects of ice, plant, arena area, and maintenance program
- c) Responsible for informing ice technician and ice cleaning staff of all regular draws, bonspiels, special events, and rentals. (for clubs without managers)
- d) Maintains equipment and maintenance record
- e) Adhere to health and safety regulations
- f) Informs the board of directors of any equipment needs
- g) Supervise staff (for clubs without managers)
- h) Responsible for annual report for the annual meeting

Committee Structure

Committees and their respective chairpersons should be appointed by the President and Board on an annual basis. Each chairperson has “authority” to add individuals to their committee from the membership at large. The Board may also add additional committees as particular needs arise.

Key Points

1. The vice President should be the chairperson of the Finance Committee.
2. The President is an ex-officio member of all Committees

General Responsibilities

1. Each Committee should present its plan and budget for the fiscal year to the Finance Committee.
2. Upon Board approval of the committees’ program and budget, each committee has authority to carry out its program within the budget and any constraints placed thereon, without further board approval.
3. Each committee should provide progress reports to the Board at each regular meeting and seek prior approval of the Board for deviations from the approved program. Additionally, any new matters arising are to be presented to the Board.
4. Matters of an unforeseen and emergency nature which may arise between Board meetings shall be referred to the Executive Committee, which shall act upon the matters in a prudent and timely manner.
5. It is the responsibility of each chairperson to liaise with other chairpersons to ensure that programs are coordinated in a timely and effective manner.
6. Committees can deal with members’ concerns in a cordial and prudent manner, and to bring such matters to the attention of applicable committees and/or the Board.
7. Each committee will prepare a written report for inclusion in all newsletters, for presentation to semi-annual and annual meetings and such other occasions as may arise.
8. Committees can recommend such policy amendments an/or additions as are deemed to be in the best interest of the Club and its members.
9. Each committee volunteer shall recognize and understand their specific responsibilities.

Terms of Reference

It is very important that guidelines defining roles and responsibilities or **terms of reference** for a committee be clearly stated. Terms of reference should include the following points:

Name of Committee

Type of Committee: (standing, ad hoc, or advisory)

Purpose: (i.e. recruit and retain members, recommend a membership fee structure to the Board of Directors)

Questions to ask when establishing specific terms of reference for various committees

Who sits on the committee:

- What is the process of appointing or selecting members?
- What skills and/or knowledge would be required?
- Is there specific representation required? Please identify.
- How many committee members will there be (maximum or minimum numbers)

Committee Chair:

- What process will be put in place to select the committee chair?
- Determine the length of term for the Chair if it is different than committee members.

Period of Appointment:

- What is the length of term for committee/council members?
- If it is an Ad Hoc committee/council, how long will the term be?

Committee Primary Responsibilities: (example of “verbs” that can be used: develop, monitor, evaluate, establish (policies, criteria), approve, advise, identify, resolve)

- Expectations of the committee/council: Is it a working committee or a policy committee
- What areas are they to work on, such as: develop policies, oversee programmes and/or services, develop budget, etc.

Authority:

- What type of policy can the committee/council create and approve?
- What areas can the committee/council make decision, and what areas require Board approval?

Accountability and Reporting:

- What is the purpose of the communication – to inform, to advise, or to recommend?
- To whom is the committee/council accountable to and to whom must it report?
- How and when does the committee/council report to the Board. (communiqués, reports, or presentations)

Staff Support:

- Is there a staff liaison person assigned to the committee?
- Is there any other staff support required?

Examples of Specific Committee Responsibilities

(Guidelines – use terms of reference from page 4 to fully develop your committees)

Executive Committee

- Committee Members should include President, Vice-President, Finance, Secretary, Treasurer and Manager.
- This committee should attend to such matters that arise between Board meetings.
- Attend to specific items as authorized by the Board;
- Select a Club Manager;
- Meet regularly between Board Meetings

Finance

- Prepare annual budget utilizing Committee proposals and present to Board for approval.
- Monitor and control expenditures.
- Ensure that cash-flow surpluses are invested in a timely and responsible manner.
- Negotiate mortgage renewals as required.
- Negotiate (with club manager if applicable) all contracts.

Administration

- Review roles of Board and Committees.
- Review roles of staff, review and revise job descriptions.
- Develop, initiate and conduct performance reviews.
- Review and revise administrative systems.

Long Range Planning

- Direct policy/planning process.
- Develop and institute new technology.
- Develop marketing plan for the Club.
- Develop external communications/public relations plan.

Facility (or Property)

- Carry out timely repair and maintenance program of Club assets and maintain accurate records;
- Make recommendations to the Board with respect to capital expenditures;
- Administer approved capital expenditure programs of the Club;
- Make recommendations to the Board with respect to alternate uses of the Club facilities.

Membership Services

Most clubs can expect to lose 12-16% of their membership annually. Members move, leave for a few years to take their kids to activities, lose interest in the game. A club must recruit new members annually. Membership building requires smart, energetic recruiting and member retention programs. It's more than a one-or two-person job. There are a number of critical areas that need to be covered to ensure your club develops a comprehensive membership services program delivered by one of the most important committees in your club.

The Membership Committee

The challenge of building membership is best handled by a membership committee chaired and staffed by people with enthusiasm, energy and creativity. As we'll see, the committee will need 4 to 6 members to accomplish the job. It's important that club management consider the committee's budget as an investment to be repaid by new member dues.

The first step is to appoint the committee chairperson. Choose wisely! The job is the biggest challenge in the club. The chairperson, reporting to the club president, organizes the membership committee, and delegates the work of the committee to its members.

The committee develops and implements programs to maximize the retention rate of current members, and recruits new members. The committee works in five functional areas:

- **Survey member'** likes and dislikes about the club, and what they would like to see happen in the future. Recommend actions to club management based on the findings.

- **Create continuous community awareness** of the club and the sport by generating publicity, and by communicating with companies and other community groups. This can be handled by a sub-committee or separate PR committee within the club.
- **Identify new member leads.** Select from the best sources and compile a target lead list. Invite community groups and the people on the lead list to attend club events (with no obligation).
- **Plan and host events** designed to introduce prospective members to the club and the sport.
- **Devise other ideas to recruit and retain members.**

Social Committee

- Recommend a calendar of events for the fiscal year
- Organize and produce the approved social events

Public Relations Committee

- Coordinate production of Club newsletters and communiqués
- Coordinate publication of Club events to the membership
- Design and update web site

Draw (Match, or Curling) Committee

- Prepare and direct draws for all Club curling including regular evening draws, playdowns and other approved competitions
- Advise membership of all playdowns and related eligibility criteria
- Administer eligibility criteria of individuals and/or rinks in any competition

Bonspiels (a separate committee can be created for each club bonspiel)

- Plan, organize and oversee all approved bonspiels
- Negotiate with sponsors of bonspiels
- Manage cash spiels to maintain a high profile competition for major events while maximizing cash benefits to Club

The importance of a manager in a curling operation

Key Points

In the curling market today, customer satisfaction and fiscal efficiency, i.e., productivity, are the pillars of success. No matter how successful a curling club has been in the planning and development stages, the success of a curling club depends on how effectively the facility is operated. The Manager's challenge is to find the balance that provides an enjoyable curling experience for the curlers, a respectable financial return, and a comfortable, if not enjoyable place to work.

Customer Satisfaction

Curlers are human beings; thus, they react to positive, indifferent or insensitive treatment received from club personnel. A positive or pleasant reception can produce a harmonious relationship that may exist for many years to some. On the other hand, initial misgivings can deepen into complete discouragement if a curler's early experiences at a curling club are unpleasant. A would-be or even a more-seasoned curler who encounters an indifferent reception in the lounge or disdain of other curlers on and off the ice may not become a repeat user of the curling facilities.

Thus, in the final analysis, they will not pay fees, purchase equipment, rent ice, and otherwise contribute to the growth and welfare of the game and the industry.

Ten Tips for Quality Service

Curlers....

- are the most important people in our business.
- are not dependent on us; we are dependent on them.
- do not interrupt our work; they are the reason for it,
- do us a favor when they call; we are not doing them a favor by serving them.
- are not mere statistics; they are human beings with feelings and emotions.
- are a part of our business – not outsiders.
- are not persons with who to argue or to match wits.
- are not persons who bring us their wants; it is our job to discover and to satisfy those wants.
- deserve courteous, attentive treatment.
- are the lifeblood of our business.

Importance of a Manager

No matter how successful a curling club has been in the planning and development stages, and no matter how shrewdly financing packages have been arranged, the success of a curling club depends on how effectively the facility is operated. And that, of course, is where the manager comes in. The manager is the person responsible for bringing the mission statement to life in the day-in and day-out activities that make up the curling operation.

A manager of a curling facility works as a marketing director, one who is committed to customer services. You decide who you want for customers, then focus your efforts to get those people and keep them happy. Confusion over the target market can be devastating to the success of your curling club or service. For every decision you make, and in everything you do, you must maintain a sensitivity toward the customer.

You must work at keeping the customer you want. To do that, you need to make a conscious effort to learn if your customers are satisfied enough to want to come back again and again. What you and your staff do each day will reflect immeasurably upon the level of satisfaction your customers will receive from your efforts.

By using a sound business mind, a manager foresees the needs of customers and evaluates the facility's ability to meet those needs. If a manager focuses exclusively on customer satisfaction, chances are that he or she will go broke. On the other hand, if the manager focuses exclusively on maximizing financial return, he or she will go broke.

A first step in developing a management philosophy is clearly understanding the manager's scope of responsibility. These responsibilities are derived from the mission statement. The perspective is: what does the manager need to be doing for the curling facility to perform in accordance with the mission statement?

Example of a Manager's Key Responsibilities

1. Establish management's philosophy.
2. Set business goals.
3. Develop and organize policy and procedures.
4. Delegate duties to a trained staff.
5. Monitor the results.

6. Foresee the needs of curlers.
7. Ensure superior quality of product.
8. Provide exceptional service delivery.
9. Create an environment for innovative ideas.

Board and Staff Relations

Overview

Governing Boards who meddle in the day-to-day operations of the organization hamper the efficient management of the organization by muddying the lines of authority. No relationship is as important as that between the Board and the organization's senior manager or head ice technician. This individual works for the Board. It is this relationship which determines the effectiveness of the organization. A poor Board-Staff relationship can lead to ineffectual performance or termination of employment; it can also result in the continued but undesirable employment of an incompetent or inappropriate individual.

The Board's primary role in working with the senior staff is to monitor and evaluate management, operations and organizational results. These results are founded on the direction(s) given by the Board through the organization's vision, mission, strategic plans and policies. And, because senior staff is accountable for achieving organizational results determined by the Board, design and implementation of an appraisal system that measures performance against agreed-upon goals, is another Board responsibility.

A thoughtfully designed partnership will nurture strong leadership throughout the organization. As with all partnerships, the parties must know and respect the strengths and weaknesses brought to the relationship by each partner. All parties must clearly understand their roles, responsibilities and reporting relationships.

What staff brings to Board and staff relations

- Because of their unique position as the bridge between board and organization and between board members, staff can coordinate boards activities and spot problems and pitfalls before board volunteers generally can.
- Objectivity in reaction/response to board / volunteer suggestions.
- Expertise in chosen area of work.
- Thorough knowledge of the organization.
- Communication of board policy decisions and actions to membership and public.
- Ability to bring out the best in volunteers.
- Ability to assess volunteer strengths and weaknesses.

Staff expectations of Board members

- Fulfillment of commitments of Board duties.
- Working knowledge of the organization.
- Organizational ability.
- Candid performance appraisal and assistance in performance.
- Leadership: proactive and reactive.
- Support in controversial situations.
- Easy access by phone or visitation.
- Sensitivity to staff's organizational problems.
- Loyalty, confidentiality.

- Support and commitment to Corporate decisions.
- Judicious candor in individual’s organizational relationships.

What a Board brings to Board and Staff Relations

- Expertise in a variety of areas.
- The credibility and support of the various external publics and membership.
- Knowledge of the needs of the membership.
- Knowledge of various facts about the curling community.
- The opportunity and willingness to be a spokesperson and an advocate.
- Influence to attract financial resources, human resources, and public resources.
- Preservation of the democratic process.
- An objective point of view of operations, programs; the capacity to act as a sounding board.
- Ability to affect change in the organization.
- Collective wisdom.
- Forward thinking.

Board Expectations of Staff

- Complete, concise and accurate information
- Thorough knowledge of the organization.
- Understanding and appreciation of the skills of the volunteers.
- Attention to details of meetings, conferences, etc.
- Adequate preparation for meetings in which board volunteers must play a leadership role.
- Judicious candor in individual and organizational relationships.
- Judicious use of time
- Meeting of agreed-upon deadlines, with notification if deadlines cannot be met.
- Support for Board decisions
- Prompt response to requests for information
- Ensure volunteers are involved in decision-making.
- Prompt return of phone calls.
- Identification of needs, trends, potential concerns.
- Creative and forward thinking.
- Initiate recommendations to the Board.
- Loyalty and Confidentiality.
- Respect for position as a Director.

Decision Making Checklist

This checklist can come in handy for both the Board and Committees.

If you can answer “yes” to all of the seven questions, you have taken the appropriate steps in making a good decision. If you have some “no” answers, you may need to pause and complete these steps before coming to a final decision.

- | | Yes | No |
|--|-------|-------|
| 1. Is the issue clear? | _____ | _____ |
| 1. Are there enough facts on which to base a decision? | _____ | _____ |

3. Have the implications of the decision been thought through? _____
4. Who will be affected? _____
6. Has there been freedom of discussion? _____
6. Has minority opinion been heard? _____
8. Has enough time been allowed to make the decision? _____

Explanation of Motions

A simple glossary of meeting tools that can help you run effective meetings.

Type of Motion	Purpose	Requires Second	Requires Discussion	Can be Amended	Vote Required
Table	To clear floor for more urgent business, set aside	Yes	No	No	Majority
Amend	To improve motion	Yes	Yes	Yes	Majority
Refer to	To allow more careful committee consideration	Yes	Yes	Yes	Majority
Limit or extend discussion to certain time	To provide more or less time for discussion	Yes	No	No	2/3
Call for the vote	To end discussion immediately and vote	Yes	No	No	2/3
Raise a question or privilege	To bring up an urgent matter due to undesirable conditions	No	No	No	Majority
Recess	To secure a rest	Yes	Yes	Yes	Majority
Adjourn	To end a meeting	Yes	No	Yes	Majority
Rise to a point of order	To enforce rules or call attention to rule violation	No	No	No	Majority
Appeal ruling made by chair	To determine attitude of assembly on ruling made by chair	Yes	Yes	No	Majority
Suspend rules temporarily	To allow special action not possible within the rules	Yes	No	No	2/3

Withdraw motion	To prevent vote or inclusion in minutes	No	No	No	Majority
Object to consideration of a motion	To prevent wasting time on an unimportant decision	No	No	No	2/3
Rescind	To repeal motion discussion	Yes	Yes	Yes	Majority

This material excerpted from *Conducting Effective Meetings*, a publication of the Organization Development Program, Culture and Recreation Division, Government of Saskatchewan.

Management and Meeting Tools

Good Business Practices

There are several factors that contribute to an organization's degree of effectiveness. The key factors are:

- The board ensures that the organization's resources are continually focused on the mission statement.
- Clearly articulated value and vision statements.
- A strategic planning process that guides the organization.
- Communication is free flowing both within and outside the curling club.
- Effective decision-making.
- Meetings are viewed as action oriented and a constructive use of time.
- The board, staff and volunteers motivate and support each other as they act to accomplish their common goals.
- Policies and procedures are in place.
- Decisions are made that will not put the curling at any perceived or real risk.
- A stable, financial base is in place that ensures fiscal accountability to the members and other stakeholders.

Special Event Planning

Events are exciting, fun and a means to generate income for the organization. They are usually labour intensive, but if well planned, they can offer high financial returns. They increase public awareness, which in turn can create future support. Helping with events is attractive to many volunteers, as they can be a shorter time commitment.

Choose events that showcase your organization and its goals. Do what you do best. For example, a volleyball team will increase their public image more by running a community volleyball tournament followed by a dance ("Smash n' Bash") rather than organizing a skate-a-thon.

The following items are areas that may need to be addressed when organizing and implementing an event. Check the items related to your event. Use a regular planning format to organize in more detail, to set timelines, and to determine who is responsible.

PRE-EVENT

- Goals & objectives
- Action plan/Timeline
- Budget

- Schedule of Event
- Program & Tickets
- Facility
- Audio/visual equipment
- Promotions & materials
- Committee
- Officials/guests
- Décor
- Protocol
- Sales
- Donations/Sponsorship
- Signs/Banners
- Photographs
- Bar
- Staff
- Insurance
- Volunteers
- Cancellation
- Invitations
- Food
- Awards/Prizes

DURING THE EVENT:

- Medical Services
- Hospitality
- Public Relations
- Transportation
- Publicity, Announcements & Media

POST -EVENT:

- Clean-Up
- Reporting
- Follow-Up Correspondence & Acknowledgements

Agenda Planner Worksheet

(A template to help you prepare an effective agenda)

1. Reason for the meeting
2. Who should be in attendance at the meeting
3. Agenda – Discussion Items
4. Template – use the following table to set up your topics

Desired Outcomes for Each Topic		Process To Reach Each Outcome
Topic	Outcome	Process: Best method to create discussion and/or decisions

5. Other Considerations for Meeting:

Committee Meeting Report

(template to effectively capture what happened at the committee level)

File: _____ Meeting Chair/Facilitator: _____

Date: _____ Location _____

Conference Call: _____

Notes taken by: _____

Circulate Notes to: _____

Meeting Issue/Purpose:

General Outcomes for the Meeting

Individuals in attendance

Key Discussion Points

Follow-up Action

Action Required	Who	When

Meeting Management

Overview

A meeting is the most common communication vehicle for groups. E-mail is being used more and more, however, face-to-face meetings will always occur. Poorly organized or conducted meetings can create all sort of problems – from wasting time and money to turning off volunteers, members or potential partners. A good meeting is a great source of motivation and fun, and all groups should make a point of taking a bit of time to put a solid meeting plan in place.

Meetings have been compared to an iceberg – The tip (10%) is what everyone sees and experiences during the meeting. The other 90% is below the surface, and represents the planning for the meeting. The point is icebergs have the potential for nasty surprises. The better your meeting plan, the more prepared you are for surprises that may arise.

Tips

- Make sure you really need a face-to-face meeting. Are there other means that would be a better use of people’s time and money and that would better serve the results you want?
- Make sure you are clear about the purpose of the meeting and what you need to achieve. The agenda and activities of the meeting need to help you reach your meeting objectives.
- Pay attention to your meeting logistics. Participants are more likely to work hard to complete an agenda if the meeting is well run, hassle free, and the setting is comfortable. (For example: lighting, temperature, noise, seating arrangements, space and décor)
- Regardless of the length of the meeting, keep your sessions around two hours, and provide breaks and activities that get people moving and energized.
- An agenda is critical. It is your road map, and should include all the information participants need. Remember, people are more alert in the mornings, so don’t leave important items to the end of the meeting.
- In collaboration with the participants, set the ground rules or rules of engagement for the meeting. Doing this exercise at the beginning of the meeting generates a degree

of integrity and respect for the meeting and its participants. This will go a long way to diminish issues, conflicts and general whining and complaining.

Responsibilities of Meeting Chair

- Organize and conduct the meeting.
- Arrange for a facilitator, and a recorder if needed.
- Choose and secure the venue.
- Extend invitations, along with a brief agenda with enough time to allow people to attend. You be the judge. Provide information about refreshments and food, parking, any preparation or materials to bring to the meeting.
- Ensure all the 'right people' are invited to participate in the event.
- Send out a follow-up thank you, and a summary of the meeting proceedings and commitments.

Pre-Meeting Checklist

- Recruit a recorder and provide them with a lap top computer or paper.
- Their job is to record and transcribe the discussions during the meeting, using flip charts, worksheets and comments.
- Make arrangements for refreshments
- Water pitchers and glasses on all tables.
- Make room arrangements.
- Meeting materials:
- Photocopy sufficient numbers of the meeting materials. Assemble meeting kits according to what material they each require.

Meeting Effectiveness and Ground Rules

- Start and end on time
- Create an agenda to achieve objectives
- Stay focused on the agenda
- Work for at least 80% agreement 100% commitment
- Identify explicit meeting objectives
- Develop and follow meeting ground rules
- Work for clarity and closure
- Identify clear next steps and assignment
- Say what you need to say **IN** the meeting
- Take responsibility to surface issues and offer solutions
- Surface and resolve conflict
- Listen, respond, build on one another's ideas
- Take risks and support others as they do so

Action Planning – Business of Curling© Phase 2

Introduction

Simply put, strategic planning identifies where the organization is going over the next one to three years and how it's going to get there. The "strategic" part of this planning process is the continual attention to current changes in the organization and its environment, and how this affects the future of the organization. Skills in strategic planning are critical to the long-term success of your club. This form of planning includes:

- Taking a wide look around at what's going on outside the club and how it might effect you (an environmental scan).
- Taking a hard look at what's going on inside the organization, including its strengths, weaknesses, opportunities and threats (a SWOT analysis).
- Establishing statements of mission, vision and values
- Establishing goals to accomplish over the next three years or so, as a result of what's going on inside and outside the organization
- Identifying how those goals will be reached (strategies, objectives, responsibilities and timelines)

Strategic planning determines the overall direction and goals of the organization. Consequently, strategic planning influences numerous aspects of the club's operation, including:

- What programs and services will be provided by the club and how those programs and services will be designed.
- The organizational design and roles are needed by the organization.
- Establish performance goals.
- Board committees should be developed
- Resources are needed to reach those goals, and consequently, how much money is needed to procure those resources. (amounts are needed for inclusion in fundraising plans.)

Key Points

- 1) The planning process is at least as important as the planning document itself.
- 2) The planning process is never "done" -- the planning process is a continuous cycle that's part of the management process itself.

Step One - Visioning Exercise-Dreaming into the Future

Create a vision for success, and what it is hoped the curling club will be like in 3 to 6 years. Consider the following areas and outline the vision for each:

- Membership
- Staff & administration
- Building & property
- Programs and Services
- Atmosphere

Tips: Your vision should...

- Be challenging and compelling – a stretch beyond what is comfortable. It should make people ‘wriggle’ a bit, in that it needs to be a reach, but feasible!
- Be rooted in reality but focused on the future.
- Be easy to read and understand.
- Capture the desired spirit of the club.
- Be compact – concise but clear.
- Be used to guide decisions.

Step Two - Assessment

The SWOT (strength, weaknesses, opportunities and threats exercise) provides the current snapshot, situation and circumstances of the club. The results create a ‘picture’ of where the club is at today.

Strengths: These are the characteristics, which contribute to the ability of the curling club to accomplish its goals. They describe what the curling club does best. For

example: the strengths may be the commitment of the members to support curling events, the support of the business community, or the school in that it sponsors a youth curling program.

Weaknesses: These are areas that may hinder or limit the ability of the curling club to achieve its goals. These may include such areas as: increasing operational costs, the inability to attract enough volunteers or coaches, or perceptions about the club in the community.

Opportunities: Are there any shifts or trends that the curling club can capitalize on to strengthen the ability to accomplish the goals? The trends may include a shift in funding priorities, non-traditional partnerships, and/or shifts in the economy, social attitudes, or advances in technology.

Threats: Threats may vary from: increased competition from other sectors, stakeholders or groups within or outside of the curling community.

Step Three - Analysis

Compare the two pictures: the assessment (SWOT) and the future (Vision).

- Where are the gaps?
- What is the club doing now that will help reach the vision?
- What will the club have to focus on to close the gap?

Once the SWOT has been identified there is a need to conduct a strategic analysis process considering the following options:

- Identify any similarities. Look at the strengths and opportunities and pull out similar areas. At time the strengths of a club are parallel to the opportunities and thus should be enhanced and built upon, so seek ways to work with the strengths!
- Can something be “tweaked”? Can a shift somewhere in the club open up a new opportunity?
- Are there strategies that can change a weakness to strength or reduce the threats?
- Develop strategies and priorities that will have the greatest degree of influence, and have the highest factors for success. Add these strategies to the strategic plan.

Step Four - Mission and Values

The curling club’s purpose (reason for being) in life is also known as a mission statement. What the club does, for whom, and how. On the surface, a mission statement may look like it states the obvious. It lays out the club’s description of its business in broad term. A mission statement should include:

- What does the curling club do? What particular purpose does it serve? For example, does it exist to address member/client’s needs?
- Whom does the club serve? With whom is it primarily concerned?
- How. This component of the mission describes how the club will achieve its mission. It may include a combination of processes through which the club delivers its programs and services.

Club values are the underpinning of the club. They, for example, guide decision-making, how people work together, and the types programs and services and the methods used to deliver them. Values are standards or qualities that are the club’s core benefits and convictions and they describe what the curling clubs stands for. Finally, values are expressed in day-to-day behaviors of the board, the members and the staff of the club.

As you develop the values for your club, think about the following questions:

- What do we stand for?
- What are the ideal values and principles that guide us?
- What behaviors mirror these values?
- How do we want to be seen by our community?

Step Five - Goals and Objectives:

Define your goals and objectives. Describing what you are trying to achieve will help you focus on the who, why, when, and how of your planning process. Goals are the overall changes you wish to cause. Objectives are the short-term, measurable steps you take to reach your goal. The goals and objectives represent needs to be done to close the gap between the current situation and the ideal future. Worksheets are used to develop the goals and objectives. Two or three key goals will be identified.

Example of Goals & Objectives

Goal:

We will provide and maintain facilities used for curling and curling related programs.

Objectives:

- Improve ice conditions with purchase of a new scraper.
- Improve and maintain pace of play policies.
- Encourage better communication between board and members.
- Develop more participation in bonspiels through better promotion
- Increase the selection of bar-related products and services.
- Train staff in all areas of the operation
- Decrease hourly wages while maintaining sufficient customer service.
- Keep ice area clean and litter free.
- Provide a more successful clinic and teaching program for out members

Step Six - Strategies:

Strategies take the club into action. They are the techniques or initiatives that, when complete, give staff and volunteers the green light. Participants will identify the two or three key strategies they feel will give their club the 'best bang for the buck'. The completed worksheets can be rolled up as a first draft of the plan.

Step Seven - Evaluation:

Developing an evaluation framework as part of the planning process allows a club to accurately measure progress. From this you learn how the components of your plan worked, what activities had the most impact, and where expectations were not met.

PLANNING WORKSHEET

USING ‘SMART’ Planning to Accomplish Strategies or Milestones:

- Specific: What do you want to accomplish?
- Measurable: How will you monitor progress?
- Agreed –Upon: How will the strategy/ milestone satisfy your needs?
- Result: What is the finished product of final outcome?
- Time-bound: How long will it take to complete this strategy/milestone?

FORMAT FOR RECORDING ACTION PLANS

THE STRATEGY:

THE ACTION PLAN:

WHO	ROLE	WHAT	BY WHEN

Board Effectiveness

Evaluating the effectiveness of the Board of Directors

The effectiveness of the Board of Directors can be enhanced by regular assessment of its activities and performance. An assessment process can help board members understand their role and encourage fulfillment of board responsibilities. The process need not be complicated; it can be placed on the agenda of a board meeting, or occur regularly within board meeting discussions through questions that serve to refocus the board on larger issues.

For example, a useful strategy is to conclude board meetings by asking board members to rate the meeting on an index card:

- Were the issues covered today significant?
- Did the materials you received prior to the meeting adequately prepare you to participate in the discussion?
- Did the board conduct matters of management or policy?
- Overall, was the meeting worth your time?

A steady stream of feedback created by these responses and used by the board chair and executive director can greatly improve the value of board meetings.

An annual board assessment gives each board member the opportunity to evaluate the board's overall effectiveness at accomplishing its goals in a variety of activity areas. It can be scheduled to occur during a board meeting, or completed by board members on their own time and returned to the agency. Results of the evaluation can be shared at the next board meeting, and appropriate follow-up then determined. Here are some questions to consider:

- Knowledge of board financial, legal and public responsibilities
- Representation to the public by the board
- Understanding and communication of the organization's mission
- Organization's compliance with legal regulations, licensing and other standards
- Effectiveness of board practice: Bylaws, committees, procedures
- Approval of outside counsel (legal, accounting, managerial)
- Relationship with the Executive Director
- Hiring, evaluating, managing, and compensating the Executive Director
- Strategic planning
- Policy development and approval
- Oversight of organizational financial structure and activity, including income, expenses, borrowing, insurance coverage, audits, bank relations, fund-raising, and other financial procedures
- Board performance: meeting attendance, discussion participation
- Board succession and nomination process
- New board member orientation

Budget/Financing (how to budget)

The most important objective of the curling organization should be to maintain a sound financial position. Organizations or firms don't stay around long if they are losing money. If you maintain a healthy financial base, all the other aspects of the club can follow. What is generally good for the organization is generally good for the customers, members and employees.

Budgeting provides a fiscal road map of the goals and objectives of the curling club. Sound baseline budgeting, accounting, financial reporting, and solid controls around cash are all beneficial to the organization. Board, management and employee involvement in the budget and reporting process improves communication, promotes responsibility and allows a broader view of the operation. Solid controls also promote responsibility and inherently a pride in a job well done.

Key Points

A budget...

- is a plan of action in monetary terms.
- reflects the operation's realistic goals and objectives.
- is a process based upon broad organizational input.
- improves financial controls.
- provides a smoother, more efficient organization through clearer lines of authority.
- is not the same as a business plan; the business plan sets long-range goals

Definition: Budget

A budget is a fiscal plan of operation; it predicts income and commits expenditures. It may become a legal instrument which dictates expenditure policy and limits. It reflects and shapes management's economic capacity. A budget may be broad and inclusive of all services or it may be designed so that it is restrictive to single functions of the overall curling operation, e.g. pro shop budget, ice maintenance budget, etc.

Advantages of a Budget

While everyone does budgets, sometimes there is a tendency to rush through them as they have become more of a paper exercise than a real planning effort. As you read through these advantages, perhaps you will be re-acquainted with the practical, important reasons for doing one carefully. The key advantages of a structured budget planning process and the budget itself are:

- The budget is a management tool for financial control. It substitutes deliberately planning for mere chance.
- The process of developing a budget offers the curling club insight into programs, services, activities and expenditures.
- It provides the board and the staff with the direction to spend money for specified, clearly understood purposes.
- It becomes the instrument that authorizes expenditures.

Common Mistakes Regarding Budgets

The budget is first and foremost a planning document. Mistakes most frequently occur when the budget is not actually used for its primary purpose. Two common mistakes are:

- The management team takes the time to prepare the budget, but then is not consistent in reviewing or comparing actual results against it.
- The management team takes the time to prepare the budget, but then changes it during the year to reflect actual changes in revenues and expenses.

The steps for starting the budget planning process are:

- Discuss parameters with board/club officials and managers. This determines the use of the budget and begins development of goals and objectives and time line.
- Develop follow-up reporting. This determines periods of time, months, quarters, etc. to perform analysis of data.
- Determine who prepares the budget. Assigns responsibility and should involve board and staff.

Developing Budget Assumptions

Before the budget projections can be made, certain assumptions regarding income and expenses must be made. Historical data provides the best basis for the assumptions combined with currently planned operational changes. The primary assumptions to define are described here.

Dues and Fee Structure

Before the budget can be developed, a dues and fee schedule must be developed. Trends in memberships, competition, and other factors such as the facilities strategic plan, the local population and curling popularity can be used to assess the fee structure.

Sales and Fee Estimates

Board members and management / staff have firsthand knowledge of the quantities and budget estimates need to include this knowledge. These estimates need to be viewed from an optimistic as well as pessimistic basis. Did we have a good or poor season last year? Were memberships driven by factors we had control over? Were there more special events handled than in prior years? Are there any special events this season?

Budgeting Salaries

Ideally, a master salary schedule is maintained to calculate the operations salaries. Based upon work schedules, marketplace wages, amount of volunteer labour, a reasonable calculation can be made of the personnel resources needed to operate the curling club. Remember the hidden personnel cost of taxes, benefits, and other non-salary compensation.

Other Expenses both Fixed and Variable

Contractual services of utilities such a telephone, water, heating/cooling and electricity, equipment repairs, material purchases of ice paint, ribbons, etc. are all variable and controllable costs. Fixed costs or property taxes, insurance and depreciation are not revenue sensitive, but must be identified and budgeted.

Budgetary Control

- A first consideration in budget management is to decide how much authority the curling club manager is to have in spending money. Should they be permitted to spend in conformity with the budget's plan as their judgment dictates without exceeding the actual income? or be allowed to spend to the limits.
- The budget is a fiscal plan for a year. During the year, periodic reports comparing projected to actual revenues and expenditures are used to monitor the plan and to determine strategies to handle variances.

Budget Savings or Surplus

The curling club should understand that adoption of the budget is not a commitment to spend all moneys that have been appropriated. Some anticipated expenditures may lose importance and may no longer be necessary.

Savings or surplus should not be considered as funds readily available to purchase items that failed to be approved in the original budget. Also, savings do not automatically become funds to finance new projects which attracted attention since the beginning of the fiscal year. Permission to spend surplus should be authorized by budget personnel.

Managing a budget throughout the year

After its completion and approval, an operating budget continues to play an important role in managing the financial resources allocated to an operation. This derives from the fact that every

expenditure cannot be forecast with absolute accuracy for an entire year. Unanticipated expenditures necessitated by unforeseen events drive a budget in one direction while savings in other expenditure categories drive it in the opposite direction; thus, actual expenditures are often different - sometimes by wide margins - than the budgeted amounts. For this reason, actual numbers should replace budgeted numbers each month, and budgeted numbers for upcoming months should be re-projected as the fiscal year progresses.

If, in the process, the year-ending operating reserves become substantially negative, the superintendent should: (1) adjust expenditures to bring the budget back into balance, (2) acquire additional funds to cover the anticipated shortfall, or (3) a combination of 1 and 2.

(Note: As a spreadsheet can have hundreds of columns and thousands of rows, it provides sufficient room to capture all of the data needed for nearly any type of project, operating or capital-equipment budget.)

Getting Started in Budget Planning

The steps for starting the budget planning process are:

Step 1 – Discussing topic areas at board level
Step 2 – Developing a reporting system (monthly, quarterly) which helps analyze the data
Step 3 – Finance or management committee should prepare the budget

Budget Development

Board Decisions/Considerations

- How much time should I allow for budget development?
- Where do I start to develop a budget?
- What considerations need to be built into the budget?

Key Points

- The Board and Manager must identify their goals and objectives, including programs and activities planned.
- The Board and Manager must identify specific line items of income and expenses and identify the timing of these items.
- The numbers must be achievable and that they will be held accountable
- Identify trends and historical data as the foundation
- Look at aspirations for opportunities to increase revenues or decrease costs

Budget Responsibilities

The actual development of the budget is a management team effort. It is expected that in preparing the budget, all members will become actively involved. By their Board members and Staff's involvement, each has an opportunity to contribute and to evaluate the total needs of the curling operation.

General managers and curling administrators must determine the facility's needs and provide the business rationale for items during the process of budget development. They must be convincing that the budget proposal meets the needs of the business. When it is approved, the board and staff are expected to monitor and comply with all budget allocations and purposes.

Budget Preparation

There is no task more serious for curling managers than the preparation of the budget. Initial preparation of the yearly budget begins months before its actual presentation and adoption. This planning is expedited by a calendar which dictates deadlines for the budget's development phases.

Example: Budget Calendar

Four months out

- Develop fact sheets
- Define budget assumptions
- Establish goals and objectives

Three months out

- Detail capital items and prioritize
- Estimate sales and income
- Develop payroll costs
- Develop expense levels
- Summarize budget worksheets

Two months out

- Complete operating budget
- Review with staff and committees
- Examine sources of operating and capital funds

One month out

- Evaluate overall budget
- Submit draft to board for discussion
- Review each budget based upon discussion

The budget due month

- Obtain formal approval

Re-pricing last year's budget

For many situations, budget decision-making has been simply a re-pricing of the previous year's budget to reflect changes in wages and prices. Regardless of the type or form of budgeting used, the preparation and ensuing justification of the budget requires that a series of questions be answered:

- What are the highest priorities of our members (customers) in terms of discretionary services, including possible new programs as well as increases in existing programs?
- Are there any programs or activities that, even when efficiently managed, have not yielded benefits equal to their costs?
- To what extent is it possible to reduce existing costs by greater efficiency and savings?
- How much money will be needed for obligations already incurred?
- What does it cost to continue existing programs
- How much money is needed to be saved to cover future contingencies?

Set Goals and Objectives

With the fact sheets and budget assumptions clarified, the next step is to identify the operation's goals and objectives. These may provide new areas to research to improve services to the customers. The goals and objectives are initiated by the board, committees and staff to clearly identify what is needed and to increase the participatory process.

Revision of the Budget Proposal

Requests for new services which are to be initiated during the coming year are submitted at the time of the original request. These requests should be accompanied by separate justifications for funding. Sometimes, administrators may require that requests for new services be presented earlier and this requirement would appear in the budget calendar under Goals and Objectives.

It is a rare occasion when enough funds are available for all requests in a budget proposal, even though all requests may be fully justified. The board must evaluate their budget requests for items which reflect a realistic appraisal of projected needs. All requests for increases should be accompanied by justifiable documentation.

Capital Expenditures

Capital expenditures are funds spent for equipment, construction of new facilities, major repairs to facilities and equipment, land acquisition, and other items with a long useful life. Equipment is the term used to describe durable items, such as scrapers, chillers, furniture, etc., which have a period of use longer than one budget year.

The board should be attentive to a long-range fiscal plan relating to capital projects and to annual expenditures required to replace worn-out equipment. A replacement plan based upon equipment expected life is useful.

Long-term capital plans should be updated consistently in order to realistically view the development of future and existing facilities and equipment. This plan should be for three to five years. Normally, it has been found that projections of more than five years have little values as items are subject to change, but a longer term plan of replacement assures that an item or issues is not forgotten.

Establishing fees

Introduction

Of the factors that influence prospects in selecting a club to join, price is the most important consideration. Selecting the right fee structure is a balancing act between revenue needs for operations and profits and the need to draw customers to create the revenue stream. This topic introduces the use of pricing strategy approach for setting fees that is, establishing a specific process for determining fees. Various pricing strategy techniques are presented.

Goal

The goal of this topic is to familiarize you with the importance of establishing a systematic pricing strategy and then various strategies to employ to determine reasonable, defensible fees.

What You Will Learn

In this topic, you will learn to:

- State arguments for and against a pricing strategy
- Define a pricing strategy
- Compare different pricing strategies.

Management Decisions/Considerations

- Why should I take the time, and my staff's time, to develop a pricing strategy?
- What are the common strategies that are used to determine fees?

Key Points

- The pricing strategy for any curling club, whether private or public, can be defined as the process for conducting an evaluation of costs, clientele served and the relationship of these factors to one another to reach a justifiable fee structure.
- A sound pricing strategy rests on an accurate, functional accounting system.

General Pricing Considerations

When approaching the job of determining fees, keep these points in mind:

- This approach helps to keep revenue in line with expectations and curlers themselves prefer more frequent small increases to occasional large fee jumps.
- One of the most important aspects concerning fee increases is the use of the money after it is collected. Curlers can appreciate the need for money to maintain or improve the ice or facility, to retire debt, etc. A surcharge to acquire heaters, for instance, rarely leads to controversy. However, they do object to increases to fund a general revenue fund or using their money for non-curling related activities.
- Membership fees are the most important revenue source, may be divided into two large categories:
 - Evening or full membership
 - Weekend pastime – rates that apply for special times, categories of players (e.g., juniors, seniors, low-income), quantity discounts, and promotions

The Prerequisite: A Good Accounting System

As mentioned, the successful fee strategy depends on accurate information, especially that which pertains to the facility's revenues and expenses. It is essential that the board know the cost of delivering the service. A good cost accounting system will need to be in place or developed through historical records and experience.

There are five cost categories that need to be tracked:

- **Direct Costs.** The costs for staff salaries, benefits, supplies, and equipment. These costs are budgeted for every year, so you can probably pull them easily from your records.
- **Indirect Costs.** These costs include utilities (gas, water, electric, phone, sewer, etc.) and maintenance and administrative expenses such as computers, printers, supplies, etc.
- **Fixed costs.** The costs associated with land acquisition and development and large capital outlays for buildings, equipment, etc. These costs are loan payments that are being paid on an installment basis.
- **Profits.** Includes overhead added to services delivered, as well as depreciation or indebtedness.
- **Surcharges.** The costs of providing a special improvement at the club. These have become popular lately. A surcharge may be added to pay for new heaters. With the money coming in, the work is completed. When the work is done, remove the surcharge.

These cost categories are not all-inclusive. Categories vary with the objectives of the facility and the clientele being served, They provide and example, though, of the most common categories that need to be closely tracked to develop a sound pricing strategy.

Alternative Pricing Strategies

With a strong accounting system providing accurate and comprehensive information, the manager can begin to analyze the data to determine an appropriate fee structure. The following are the most common strategies for setting fees. Pick the one that provides the best fit for your facility objectives, clientele, and affected parties. A useful approach is to use more than one strategy, compare the results, then make your final decision based on what seems most reasonable and feasible.

Mark-up System.

This approach identifies the cost of operation and maintenance and the number of games played. Then the costs are divided by the number of games to determine a cost per game. Management then decides what mark-up it desires to put on the cost per round to provide the cushion and profit it needs to accomplish the course's objectives.

Cash and Other Controls

Management Decisions/Considerations

- Are procedures in place to ensure cash control during the collection, recording, depositing and overall handling of cash?
- Are the procedures relatively straightforward and easy-to-use?

Key Points

- Cash controls are established to ensure accountability for funds received and processed.
- Establish a strong point-of-sale cash control system, one that accommodates and /or facilitates customers traffic flow.
- Change of predetermined denominations should be on hand at the beginning of each day or shift change.
- All cash received during the day should be recorded and remitted with a daily financial report to either a local bank, a designated finance office, or a central office.

The manager or board has a two-sided fiscal responsibility. The back side is the expenditure of funds; the front side is the collection of revenues, proper accounting, safeguarding, and the proper deposit of funds.

Accountability

All phases of financial activity are directed and regulated in some way by law. They are:

- the manner in which money is received
- the way in which money is designated to funds
- the purpose of money expenditures
- the fiscal responsibility of the board
- the techniques and recording of receipts and payments

Accounting is the actual recording of information relative to the operation of the curling club. It involves the collection of moneys, its use, and proper fiscal transactions. Accountability for funds

is a keystroke of trust and confidence. This trust should be impressed upon all members of the staff. Responsible and designated staff members should be provided with the means for maintaining a record of all moneys they collect and dispense.

Handling of Cash

Managerial personnel involved in exchange of cash for merchandise or service should be aware that a revenue-producing facility is most vulnerable at the point where money passes from the purchaser to the employee.

Basic precepts of cash control include:

- Written procedures define the exact responsibility of each person involved in the control of cash flow. This should be in the form of a desk reference manual as well as outlined or referenced in the job description.
- Proof of accuracy insures correctness in operation and accounting. This accuracy is derived from physical counts, written receipts, or mechanical counting devices such as cash registers.
- One person should be responsible for collecting the cash, generally a cashier; another person should be responsible for entering the records, a bookkeeping function; and a third person should be responsible for auditing the cash collections to the record. This is called separation of duties and is one of the best forms of internal accounting control.

Cash Register

Where merchandise is sold and revenue is collected, a cash register is essential. It is a security tool, and it begins its involvement at the point of sale — where sales security actually begins. The figures appearing at the top of a cash register was the first feature demanded in its development as a cash control device. Today, it continues to be number one. The display is visible for all to see — especially the customers.

The detail tape (called the sales journal or audit tape) records every transaction in the order it occurred and performs as a significant sales service tool.

Cash registers come with a variety of options:

- **Displays** - The cash register displays to the customer all information as it is entered by the cashier.
- **Receipt** - The cash register issues a customer's receipt.
- **Void and Error Correction** - If the operator discovers an error in any part of a transaction prior to its completion, it must be possible to either clear the last entry (if that is where the error occurred) or to clear the entire transaction without having to go through the procedure of completing the transaction, voiding it, and re-entering it.
- **Machine Operator ID** - Each operator must be able to sign on with his or her ID number. The operator's ID should be stored in each transaction.
- **Audit Trail Tape** - Each terminal must contain an audit trail tape (permanent printed record) containing the information for each transaction.
- **Totals Reports** - The operator must be able to read totals at any given point without clearing the terminal. There must be a separate procedure to provide totals and clear the machine for the next day's business.

Use of credit and debit cards is also becoming prevalent and through increased stepped transactions provides better control. There are, however, costs to be considered in the use of these cards (consult with your bank).

Change Funds

Change funds of predetermined denominations should be on hand at the beginning of each day or shift change for a sales operation. This fund can be withheld from the daily deposits, or it may be drawn daily from a central change account. When the fund is withheld from daily deposits, thought should be given for its overnight security.

Deposits

At the close of each day, all cash received during the day should be recorded and remitted with a daily financial report to either a local bank, a designated finance office, or a central office or safe.

Whatever procedure is used, the following questions should be considered:

- Does the procedure insure personal safety and safety from loss?
- Is the procedure simple?
- Is there accountability?

Cash Drawer Audits

Lastly, a good internal control is unannounced cash register/drawer audits. Closing out the drawer, counting and comparing totals to the cash register tape, and having the employee responsible explain any variances is a deterrence to employee theft.

Inventory Control

Management Decisions/Considerations

What procedures are in place for accurately ordering goods, recording goods received, and maintaining an accurate count of goods in inventory?

Key Points

- Since merchandise and food in inventory is money, a system to safeguard inventory becomes a necessity.
- A perpetual inventory system tracks an item from ordering to sale; frequently this is a computer-based system.
- Periodic inventory can be used to calculate the cost of goods sold and provides a quick check for excessive shrinkage.
- Physical inventory counts may be scheduled or unscheduled; when performed by independent auditors, they provide secure, accurate inventory figures.

Perpetual Inventory (For large operations)

A perpetual inventory begins with a purchase order being sent to the supplying vendor. When the goods are received, a record of the amount and cost per item is recorded. The purchase order is compared to the receiving record to assure that the proper type and quantity of goods are placed into stock. When the invoice is received, it too is compared to the purchase order for proper pricing and to the receiving report or packing list for proper quantity received versus quantity billed.

The item is placed in the storeroom and at this point the cost per item is verified. Records should reflect the correct quantity and value. The sales price must then be determined, marked on the item and recorded.

When the item is placed in its attractive display area of the bar, it is ready to be sold. As the item is sold, the perpetual inventory is reduced by the cost and quantity of the item, charged to cost of goods sold, and a gross profit can be calculated. Of course, all this information lends itself to a computer application. Through bar code identification labels, inventory can be tracked much closer as to location and automatic updating of sales and inventory records.

More applicable to small curling operations, periodic inventory calculates the costs of goods sold through a reconciliation process of beginning inventory plus purchases, less ending inventory. This is much simpler but also allows for errors to go undetected for a period of time depending on when the complete physical inventory is made. Periodic inventories are often used to calculate cost of goods sold in the food and beverage area.

Shrinkage

Often shrinkage is traced to dishonest employees who steal money or merchandise or both. Employees might be giving the merchandise away — a common cause of shrinkage. In a restaurant or the refreshment area, employees may be eating the profits. However, it may be wise not to be too quick to accuse employees. Customers could also be the cause of the shrinkage.

Most suppliers are honest persons. They value their business and would not deliberately deliver a "short order." Their delivery personnel could be another matter. If a curling facility is known for careless checking on delivery, the driver may fail to deliver all the merchandise ordered and invoiced. Someone should be assigned the responsibility to check-in every delivery and be accountable for its accuracy. Shrinkage may occur due to human error. Invoices can be incorrectly extended or totaled. The manager or another employee should double-check all invoices, including the total amount due. These invoices should be checked against other documents before payment is made.

Physical Inventory Counts

At least once a month a complete count of the physical inventory should be made.

Items to Think About to Detect and Prevent Employee Theft

Cash Receipts

- Is the record compared with the cash receipts book regularly?
- Are sales books or receipts books used?
- Are each day's receipts deposited in the bank intact and without delay?
- Does someone other than the cashier or accounts receivable employee take the deposits to the bank?
- Is a duplicate deposit slip checked and held for the auditors by someone other than the employee forming the deposit?
- Are proper physical safeguards and facilities used to protect cash and cash disbursements?

Cash Disbursements

- Are all checks pre-numbered?
- Are voided checks properly defaced or mutilated and held available?
- Are checks required to be countersigned?
- Are authorized signatures limited to corporate officers or employees who have no access to accounting records or to cash?

- Is the practice of drafting checks to "cash" or "bearer" prohibited?
- Are the company bank accounts independently reconciled by someone other than the employees who keep the cash records?
- Are monthly bank statements and paid checks received directly by the accounting department?
- Is the sequence of check numbers accounted for when reconciling the bank accounts?
- Are vouchers or other supporting documents presented with the checks submitted for signature?
- If a check signing machine is in use, are the machine and signature plates kept under effective control?
- Are checks mailed out without allowing them to return to the employee who drew the checks or to the accounts payable accountant?
- Are the supporting documents impressed with a "paid" stamp or other mark to prevent their use for duplicate payment?

Purchasing and Inventory Controls

- Do all purchases above \$200.00 require the signed approval of two or more responsible board members
- Is an independent verification made of the authenticity of new supplies or customer accounts by someone other than the originator?
- Are suppliers' invoices matched with related purchase orders and receiving reports and attached to payment for review when the checks are signed?
- Are invoices canceled after payment to avoid reuse?
- Is there a physical inventory at least annually, supervised by persons other than those directly responsible for handling merchandise or keeping records of it?
- Do you have good separation of duties in handling incoming receipts, with different people receiving and posting?

What Every Manager Should Know About Internal Fraud

Objectives

- Identify "red flags" of internal fraud and embezzlement.
- Understand some of the common schemes used.
- Develop preventative procedures to control internal theft.

Ten Red Flags

- Financial Pressures
- Personality Changes
- Poor Money Management
- Living Beyond One's Means
- Outside Business Interests
- Poor Internal Controls
- Rising Business Costs
- Too Much Control
- Lax Management
- Failure to Pre-Screen Employees

Summary

- Management's attitude and policies and internal controls are best defense against internal crime.
- Internal theft is a combination of:
- motive (opportunity, financial pressures)

- poor internal controls
- personal integrity of the individual
- Effective system of internal controls separate functions:
- authorization of transaction
- recording of the transaction
- custody over assets

If two or more functions are handled by one individual, possibility of fraud increases.