

Subject: Selling alcoholic beverages to the PUBLIC

For the last couple of years or more, members of the Elks insist upon selling alcoholic beverages to the Public. Recent information was received that a new Exalted Ruler had received information from good authority who is a member of his Lodge, stating they were allowed to do a fund raiser by advertising that the Lodge was open to the public, selling tickets to any one that wanted to attend which included, food, alcoholic beverages non-alcoholic beverages, and entertainment.

Let's look at this hear say information and see what the rules and regulations have to say:

1. Grand Lodge Accident/Claim Prevention Manual states:

Page 4, IV, 1a "Comply with all local and state laws at all time"

Page 5, V, 1b "Comply with Local, state, and federal laws"

Page 6, V, 2g "All Lodges must comply with the Statutes of
the Order"

Page 7, III, 8 "The Order has a closed -door policy; Lodges must
not be opened to the public and alcohol cannot be served
to the public"

Page 47, Mid page: Lodges should never allow the service of alcohol to the public at the Lodge location, which would constitute a violation of the closed-door policy and, in many cases, would be a violation of the liquor license requirements.

Florida Administrative Code Chapter 61A-3

61A-3.019 Club Licenses **(NOTE)** In the State of Florida, a 11C

license is the only license that an Elks Lodge can get.

(1) Alcoholic beverages may be served only to bona fide club members or to their guests. The payment for such service and distribution must be made only by bona fide club members.

(7) Clubs are prohibited from selling or serving or permitting their service of alcoholic beverages at social functions given at the club by any non-member of the club.

Grand Lodge Auditing and Accounting Manual

General Rules, page 58

5. In part – IRS says “Solicitation by advertisement or otherwise for public patronage of its facilities is prima facie evidence that the club is engaging in business that is unrelated...” **(NOTE)** This means, all income that is received is Unrelated Business Income (UBI) and is taxed on that income which will be paid to the IRS.

Accident Prevention/Insurance Risk Newsletter Spring 2023

Service of Alcohol to Members and Guests

States in part – The service of alcohol is a privilege the Lodge extends to Members and their guests, not a means of revenue for the Lodge. Cutting off a Member or a guest is better than defending a lawsuit.

Accident Prevention/Insurance Risk Newsletter Summer 2023

Service of Alcohol

Page 1 states in part – Under no circumstances should Lodges view the service of alcohol as a commercial activity for service to the public.

Page 4 states in part - The Lodge must follow State and local laws and regulations to avoid losing the Lodge's liquor license.

What are these rules and regulations telling us, the Elks?

NEVER advertise that the Lodge is open to the Public

NEVER sell a Lodge function ticket to the Public

NEVER sell alcoholic beverages to the Public

**The Elk member MUST always pay for all food and beverages
for their guest (non-member)**

The Exalted Ruler is required to follow all Grand Lodge rules and regulations which include all State and Federal rules and regulations. Any Lodge (Exalted Ruler) that refuses to follow the requirements stand a very good risk of having their Lodge Charter pulled. Then you are out of business, no Lodge.

The IRS has two exceptions. Both of them are in the Grand Lodge Auditing and Account Manual

State of Florida has one exception when selling alcohol to the Public. Please take note – There is nothing in any of the Grand Lodge Manuals that say a Lodge can sell alcohol to the Public. It does say that a member MUST pay for all food and beverages for their guest.

WHY TAKE A RISK OF GETTING YOUR LODGE CLOSED DOWN