



**The Royal Canadian Legion  
RCL Branch 638 Kanata**

**Trust Fund Policy and Procedures**

**Issue Number : 001**

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**Legion Trust Fund Policy**

Legion Trust Funds are the vehicles through which public funds collected during the annual Poppy Campaign or earned as revenue from Legion gaming operations are directed to appropriate programs and organizations, in accordance with the Legion Poppy Manual (particularly articles 401 through 501 and applicable gaming regulations imposed by the governments of Ontario and Ottawa, all provisions of which shall be sedulously adhered to:

**Operations**

Separate regulations and procedures govern the operations of:

1. The Branch Poppy Trust Fund; and
2. The Branch General Trust Fund.

**Procedures – Poppy Trust Fund**

1. Governing Authorities

The use of Poppy Trust Funds is governed by the Legion Poppy Manual, particularly Articles 401-403, as amplified by directives issued by Ontario Command.

2. Operating Principle

The funds in the Poppy Trust Fund are held in trust for the general public, to be used ONLY for certain specified purposes and no other.

3. General

The President shall annually appoint a Chairman of the Poppy Trust Fund, who will appoint the members of the Committee to advise and assist the Chairman. The purpose of this committee is to consider applications and to make recommendations to the Branch Executive Committee and General Membership to disburse the contents of the Poppy Trust Fund in strict compliance with the provisions of the Legion Poppy Manual.

4. Reporting

The Chairman reports to the executive through the assigned vice president.  
(subject to review)

## 5. Composition

There is no fixed composition for the committee. In the past few years there have typically been five members, including the chairman. The Poppy Chair and the Veterans Service Officer are ex-officio members, pursuant to the Poppy Manual. It may be found useful to include the Branch Treasurer. Two or three other members complete the committee.

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## 6. Poppy Trust Year and Funding

Unlike the normal branch fiscal year, the Poppy Year runs from 1 October to 30 September. The date 30 September is highly critical, as the branch's use of PTF funds and its ability to expend funds on many activities, based on the book (NOT BANK) balance on that date. It is strongly recommended that planning and spending control be based on ending the poppy fiscal with a balance of \$15,000.

The bulk of the funds come from the annual fall poppy campaign and the exact revenue from that campaign cannot be determined until early December. This has two effects:

First, it is impossible to budget until early December, more than three months into the poppy year.

Second, as some programs, such as youth education, the poppy campaign and the foot care clinic MUST continue in the period October-January, So as not be in violation of article 402 of the Poppy Manual, the Committee MUST prepare an interim budget for all such items and secure Branch and, where necessary, Ontario Command approval before 30 September. When all the poppy income is known in December, these interim items can be finalized.

***Thus, when budgeting CAN be done in early January, the committee must assume that they are budgeting at the previous 1 October, knowing both the balance of the day before AND the exact total to be raised by the poppy campaign. There is no rational alternative to this procedure.***

## 7. Eligible recipients

Articles 401 and 402 of the Poppy Manual must be used to guide expenditures. These sections govern three things:

- a. Expenditures that can be made on the branch's own authority
- b. Expenditures that are in principle eligible, but must receive prior approval by Ontario Command
- c. Article 501 defines expenditures that are specifically prohibited under any circumstance.

In general, the amount that can be expended on is (b) expenditures can be no more than a percentage of the balance at the previous 30 September. This is why it is so important to maintain an adequate year-end balance each year.

## 8. Meetings

Meetings should take place as soon as the exact revenue from the poppy campaign is known. Typically, two or three meetings in loose succession will be required for the committee to agree on the budget. The chairman then presents the proposed budget at the first available executive meeting and, when approved in principle, to the first available general meeting. The date of that meeting, and the names of the mover and seconder, are critical as they must be included in various documents.

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The chairman monitors progress of expenditures against the budget and, if it is necessary for the committee to agree on further expenditures to maintain the year-end balance at its projected level.

## 9. Reporting

There are stringent Command reporting requirements the chairman must ensure are complied with on time. By the end of October, the branch is required to report to the public how poppy funds were used in the poppy year recently completed. This was formerly done through newspaper advertising, but in 2012, such advertising was done via the branch website, which makes a significant cost saving.

Equally critical are written reports, complying rigidly with Command formats, MUST be submitted by the end of November. These are normally prepared by the Treasurer and are closely scrutinized at zone, district and command levels. Inadequate or late reports bring down swift complaint. The chairman must do whatever possible to ensure that this does not happen.

## 10. Responsibilities of the Chairman

***Despite the chairman's considerable responsibilities, he/she has NO signing authority over the PTF, either to approve expenditures OR to sign off reports. The Poppy Manual prescribes that these are the responsibility of the Poppy Chairman.***

The Chairman is responsible to:

- a. Appoint committee members.
- b. Call and chair meetings.
- c. Liaise with the treasurer, chairman of the Poppy Committee, and the General Trust Fund regarding availability of funds, monitoring and coordination of spending, and preparation and submission of required reports.



- d. Present recommendations and advice to the Executive and general meetings.
- e. Prepare requests for special use of poppy funds and ensure their submission to command and take appropriate action on its decisions.
- f. Prepare cheque requisitions and ensure cheques are distributed to recipients.
- g. Record decisions and produce timely minutes.
- h. Maintain committee files.

## 11. Files

The Chairman must maintain adequate files of all decisions, including Command approvals for specific expenditures. It will be useful for the Chairman to keep in his/her possession the files for the previous poppy year, as reference to this material is often required.

## B. Procedures – General Trust Fund

### 12. Governing authorities

Both the Province of Ontario and the City of Ottawa legislate, regulate, monitor and control all gaming activities carried on within the City, including the various uses to which gaming revenues, which form the basis for General Trust Fund donations, may be used.

### 13. Operating Principle

The principle is that a fair proportion of the revenues from gaming operations must be returned to the community in the form of donations to a specified range of worthy causes.

### 14. General

The President annually appoints a Chairman of the General Trust Fund Committee, who then appoints committee members. The purpose of this committee is to consider applications and to make recommendations to the Branch Executive Committee to donate the required proportion of gaming revenues to charities and other worthy causes in the community.

### 15. Reporting

The committee reports to the executive through the assigned vice president (subject to review)

### 16. Composition

There is no fixed composition for the committee. However, it is highly desirable that the Branch Executive member responsible for gaming be a member.

17. Eligible recipients

ANY worthy causes external to the Legion, especially registered charities, are eligible recipients. The Committee establishes, subject to approval by the Branch Executive, its own priorities for donations.

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18. Meetings

Meetings normally are scheduled for the first week of the month so that the Chairman can present the committee's recommendations at the next Branch Executive meeting.

19. Responsibilities

The Chairman is responsible to:

- i. Appoint committee members
- j. Call and chair meetings
- k. Liaise with the treasurer and chairman of the Poppy Trust Fund regarding availability of funds and coordination of spending with the PTF
- l. Record decisions and produce timely minutes
- m. Maintain committee files
- n. Move the committee's recommendations at executive meetings
- o. Prepare cheque requisitions and covering letters to go with cheques and ensure these are sent to recipients in a timely manner.

The Gaming Officer is responsible for several duties (see Branch Policies and Procedures on Gaming [to be issued]), but he/she has two specific duties related to the General Trust Fund Committee:

- p. To advise the Chairman, especially as to funds available; and
- q. Prepare and submit reports of donations to provincial and civic authorities, as required.

This policy statement has been approved by the Branch Executive on 09/04/2014 and ratified at the Branch General Meeting on 16/04/2014

  
John Cher  
President

  
Moira Green  
Second Vice President

Dated: 16/04/2014