

2024-2025 District OH-5 Cabinet
STATE COMPLIANCE COMMITTEE REPORT

November 9, 2024

Honorable District Governor Toni Gray
1VDG Carl Gass
2VDG Gary Likens
District OH-5 Cabinet

MD-2

2nd Quarter State Compliance Committee Report

Governor Toni & District OH-5 Cabinet:

It is both an honor and privilege to be appointed as the State Compliance Committee representative from OH-5.

In addition, it is an honor to have been elected as Chairperson of the State Compliance Committee for this current Lions year.

The Lions of Ohio, at its annual State convention in May 2019 voted to include the State Compliance Committee as a standing and funded State committee.

The Lions of Ohio approved the introduction of the State Compliance Committee to include its purpose as stated “The purpose of this committee is to ensure all clubs within Multiple District 13 are compliant with current Federal and State Agencies, including but not limited to the Internal Revenue Service, the Ohio Department of Taxation, and the Ohio Attorney General”

This committee is made up of seven Compliance Committee members each appointed by its District Governor and approved by its Cabinet.

The Compliance Committee conducted its second quarterly meeting via online Zoom format on Sunday, September 22, 2024, and held an additional online Zoom meeting on Sunday, October 20, 2024.

The agenda for the September 22, 2024, meeting contained many discussion points to include current and updated compliance laws and rules of law and

previous video/internet platform meetings, emails, text messages with both the Ohio Attorney General Charitable Law Section and with the IRS by the Committee Chairman PCC Dave Risen as well as any past communications and meetings with the Ohio Department of Commerce Unclaimed Funds Division.

The agenda of this second quarterly meeting focused only on District compliance to include current compliance status. In addition, this meeting provided open discussion centered on District compliance issues and concerns.

Updated status reports were presented by each District Compliance Committee member to include objectives and suspense dates by each District in addressing those clubs/Foundations that are not in compliance with either the Ohio AG or IRS. The emphasis on District club and Foundation compliance was noted understanding that the suspense date for many clubs in the file process is November 15, 2024.

The ongoing concern continues to be that we continually see the same clubs routinely appear as non-compliant in many of our Districts. The hope and anticipation are that efforts by both the district leadership team and extended club and leadership communication to include actively pro action by those clubs will continue to show positive results.

This second quarter period will best determine the current compliance status of our Ohio Lions clubs and Foundations. Emphasis during both this second quarter, and continued towards the third quarter, will be to concentrate our efforts on those who are non-compliant along with the help and assistance of the Ohio Lions leadership.

It is important to note once again the concern regarding the issue of reporting to the Ohio Department of Commerce Unclaimed Funds Division by our clubs and Foundations. Chairperson PCC Risen has on numerous opportunities stated his frustration and concern with direction and information provided by the Ohio Department of Commerce Unclaimed Funds to include its demand for "online only" file process through the Ohio Business Gateway.

It should be once again noted that the positive compliance percentage Multiple District wide has shown a marked improvement from the beginning of the conception of this committee and the implementation of a Compliance Officer in each sub-District.

As with this report , we have now listed **thirteen (13)** clubs that have lost their tax exemption status in Multiple District 13. Concentrated efforts now are

focused on these clubs to make every effort to assist and address this exemption status.

Further, it was reported that as of October 20, 2024, the State Compliance Committee meeting, each of the seven Districts are reporting on average a fifty percent (50)% file ratio of both OAG and IRS file numbers.

The State Compliance Committee, through the recommendation of this Chairperson, has developed a proposal to introduce to the current District Governors, to implement a "District Compliance Team" that will center its focus on those clubs in that District who have lost its tax exemption status and have not been current with its requirements both with the IRS and OAG.

A Zoom meeting has been scheduled to meet with the current District Governors' and District leadership team to discuss this Compliance Committee proposal on Monday, October 28, 2024.

A review of committee goals and standards have been previously discussed to include the introduction and implementation of an expanded committee focus to include, but not limited to, club fiduciary and policy duties, gaming laws, sales tax issues and liability matters. Emphasis during the first and second quarters will be to focus direction and concentration by this committee regarding these important legal considerations.

Additional discussions regarding the Compliance Committee working on concert with the Global Leadership team in educating our leaders and clubs in compliance matters will be ongoing. Joint meetings with both committees reviewing these objectives will be scheduled.

Further, it was determined that the Global Leadership team, in association with the State Compliance Committee, will begin discussions and implementation of Ohio statewide compliance training. The Ohio Attorney General Office will be contacted and can assist with sending representatives that can provide information regarding OAG requirements and assistance to our Ohio Lions clubs and Foundations. The focus will be to provide an online video compliance training overview that will be provided to all Ohio Lions through both the MD-13 website and each District website.

It has been, and will continue to be, that the Compliance Committee Chairperson will continue to receive status reporting from each District monthly was once again reintroduced.

Introduction of updated IRS and Ohio statutory codes and rules of law will be reviewed and discussed in detail at each ZOOM or in person committee meeting going forward.

It is imperative that the Compliance Committee and its Chairperson continue to keep the line of communication open between this committee and the Ohio Lions leadership with the focus of direct communication with each District Governor and District Compliance Committee member. Never has the importance of communication between the District Governor and the District Governor team with this Compliance Committee and its District representative be present.

I look forward to my service as the State Compliance Committee Chairperson and in working alongside ease of the State Compliance Committee representatives and in collaborating closely with Council Chairperson Mike and the Council of Governors.

It is because of that commitment to the importance of compliance that this Compliance committee will continue to meet those objectives in keeping our Ohio clubs and Foundations in compliance.

I, along with the State Compliance Committee, ask for your continued support and know that each committee member will be available for any assistance or information.

Respectfully Submitted,

PCC David Risen
Compliance Committee Chairperson