



Financial Oversight

Reporting

Financial report - a summary of all financial activity for any given time. Every fund should be reported. The report should be easy and clear to read and should include:

- Opening balance – equals the ending balance from the previous report
- All income – amount and source of income itemized
- All Expenditures – all payments made which were approved by the board of directors - the payment may be pre-approved by a formal resolution
- Ending balance

Budget - an estimate of the total money allocated for a certain purpose. It would include both income and expenditures. It is simply a guide or game-plan.

- There should be a budget for each fund
- The best financial reports show the budget versus actual figures
- An approved budget does not give authority to spend money

Bank Account Management

The Board of Directors must approve all expenditures, as well as, the choice of banks, number of signers required on a check, who those individual signers can be, and all financial policies. The board must constantly monitor that Lion's policy agreement with the IRS is never violated. This agreement is:

“Under no circumstances may the net income of the club projects or activities raised from the public be used in any manner whatsoever for administrative expenditures.”

In order to accomplish this policy, Lions must maintain at least two separate funds:

- 1. Administrative Fund** – used for the internal running of the club. Income is from member's dues, tail-twisting, and other money raised directly from club members. Expenses are per-capita tax, printing, postage and other administrative costs.
- 2. Activity Fund** – used to fulfill the exempt purposes and goals of the club. Income is from public fund-raising projects. Expenses are direct costs of fund-raising, as well as, donations and charitable activities of the club.

Reviewing / Auditing

Financial oversight includes reviewing and auditing the financial reports:

- Reconciling reports with bank statements
- Receipts for expenditures retained
- Deposits must be itemized and categorized
- All funds audited at least annually
- Retain records at least 7 years
- Fraud versus unintentional oversight – Club dispute resolution procedure

Legal Compliance

Lions Clubs are required to file several governmental documents. Be aware that these returns are usually “open to the public” meaning viewable on-line.

- Annual IRS return
- Annual Ohio Attorney General return
- Incorporation’s statement of continuing existence (every 5 years)
- Sales tax returns (if applicable)

Supporting Organizations

Leo Clubs or Lioness Clubs should use the same EIN as the sponsoring Lions Club. Thus all activities of the supporting organizations are reported through the Lions Club and all governmental reporting (returns) are also done by the Lions Club.

Per-Capita and Club Dues

Each Lions Club is billed a per-capita tax for each member of record semi-annually by both Lions Clubs International and the District Cabinet Treasurer. The total of the per-capita tax is \$59.00 per member per year. See the chart below. Club dues should be sufficient to pay this \$59.00 plus the member’s share of the club’s administrative expenses.

	Billing Date	Based on membership as of	Amount billed each 6 months
Lions Club	July 1	June 30	\$ 21.50
International	January 1	December 31	\$ 21.50
District Cabinet	July 1	May 31	\$ 8.00
Treasurer	January 1	November 30	\$ 8.00

Total: \$ 59.00

Per-capita tax discounts

Exceptions to the \$59.00 per-capita tax are as follows:

- Life members – In lieu of advance payment, life members are not charged the \$21.50 semi-annually from Lions Club International.
- Family Members – Lions Club International only bills ½ per-capita for each family member after the first family member pays full per-capita tax. The club secretary must complete the Family Unit Certification Form.
- Student Members – (ages 18-30 and enrolled in school) - Lions Clubs International only bills ½ per-capita and the District Cabinet Treasurer does not bill any per-capita tax. The club secretary must complete the certification.

Entrance Fee

Lions Clubs International charges an entrance fee of \$35 for all new members with the following exceptions:

- Student members – (ages 18-30 and enrolled in school) – Club secretary may submit the proper paperwork to have the entrance fee waived.
- US Veteran - Club secretary may submit the paperwork to have the entrance fee waived.

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