



## **(B) Use of Funds Policy**

**General Policy on Funds Raised from Lions Clubs Activities.** Funds raised from the public must be used for the benefit of the public and community in which the Lions Clubs serve. The International Constitution and By-Laws and Articles of Incorporation (the “governing documents”) provide that chartered Lions clubs shall be not-for-profit of the individual club or its individual members. Consequently, no part of the net earnings of funds raised from the public shall benefit any individual Lions member, or other private individual or entity. These policies are intended to provide guidance for clubs to meet the purposes of the International Association of Lions Clubs. Key in determining the proper use of funds is considering transparency to the public and developing trust from the community in which the Lions operate. How Lions use funds must meet the legal and tax requirements for the local jurisdiction in which they operate.

- a. **Definition of Public/Activity Funds.** Funds raised from the public are the net earnings of income raised from activities open to the public, public contributions, bequests and money accumulated from invested public funds.
  - b. **Definition of Administrative Funds.** Administrative funds are contributions from Lions through dues, fines, advertisement revenue, rental fees and other individual Lions contributions. These funds may be used for either public projects or for internal Lions use such as meeting and convention expenses, incorporation fees, audit fees, newsletters, bulletins and other club and/or district operating and administrative expenses.
2. **Direct Expenses of Fundraiser.** Direct Expenses of a public fundraiser may be deducted from the proceeds of the fundraiser to replenish the administrative funds used to hold the fundraiser.
  3. **Lions Property.** A percentage of the net proceeds from funds raised through the use of property owned by Lions clubs and districts may be used toward the operating and maintenance expenses of the property under the following guidelines.
    - a. Property Used for Public Purposes. Expenses for operating and maintaining the property may be paid from public funds to support the use of the property for the public.
    - b. Property Used for Administrative Purposes. Expenses for operating and maintaining the property must be paid from administrative funds if the use is for the benefit of the Lions.
    - c. Mixed Use of Property. When Lions property is used for both public and administrative purposes, then a pro-rata percentage of the expenses may be paid from public funds related to the percentage of use of the property by the public. For example, a Lions Club House that is used 20% of the time for the public may use public funds to offset 20 % of the expenses of maintaining and operating the property.
  4. **Political Activity.** As a non-partisan charitable organization, Lions Clubs and Districts (single, sub- or multiple) cannot contribute public or administrative funds to support or endorse an elected official or candidate for local, state, federal or foreign office.