

**LIONS CLUBS INTERNATIONAL
DISTRICT 5NE
STANDARD OPERATING PROCEDURES**

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**LIONS CLUBS INTERNATIONAL
DISTRICT 5NE
STANDARD OPERATING PROCEDURES**

Approved October 29, 2010

General Information

1. The purpose of the Standard Operating Procedures is to provide insight into the day-to-day management of District 5NE.
2. The district's Constitutions and By-laws are the documents supersede the standard operating procedures, establishing the structure and official procedures of LCI in District 5NE.
3. The role of the district cabinet is administrative: to provide the link between Lions Clubs International and the clubs of District 5NE, to foster growth and the enrichment of Lionism throughout the district.
4. The administrative budget is to be derived from members' dues, plus any excess operating reserve and/or interest earned from this source.

Financial and Budgetary Information

District Accounting Procedures:

1. Standard accounting procedures will be used, involving the use of a permanent journal and ledgers. (A computer accounting program will also meet the standard if it is a program based on standard accounting principles.)
 - a. The books will be closed by the cabinet treasurer by July 15th and turned over to the Audit and Finance Committee for review/audit.
 - b. The Audit and Finance Committee shall complete the audit as soon as possible and turn the books over to the new cabinet treasurer.
 - c. If necessary, a member of the Audit and Finance committee will instruct the new cabinet treasurer in the accounting procedures.
2. Cabinet Treasurer Reports:
 - a. Adopted standardized forms are to be used, showing current income and expenses, year-to-date income and expenses, and budget balances.
 - b. A balance sheet listing all funds and liabilities shall be prepared.
 - c. These reports are to be prepared quarterly as of September 30, December 31, March 31, and June 30, and presented for approval at the next district cabinet meetings.

District Audit and Finance Committee:

1. The district governor will appoint four members to serve as the audit and finance committee.
 - a. One of the members will be the immediate past district governor.
 - b. One of the members will be the 1st vice district governor, serving as chair.
 - c. One of the members will be cabinet secretary-treasurer or treasurer.
 - d. One of the members will not be an officer of the district.
2. The committee's duties include:
 - a. Meeting in May to begin preparing the budget for the coming year.

- b. Meeting in July to finalize the budget for presentation to the cabinet at the first cabinet meeting.
- c. Attending each cabinet meeting to review the budget and finances.
- d. Arranging for/completing an audit or review of financial records at the close of the fiscal year and preparing a report for the October cabinet meeting.

International Dues:

1. Lions Clubs International (LCI) dues are established by a vote of the delegates of LCI and changed by the vote of its membership at an international convention. See Exhibit I.
2. LCI Dues: Effective July 1, of each year, the annual dues are, payable in two equal installments due July 1 and January 1. These dues are billed by LCI directly to club treasurers.
3. Newly chartered or reorganized clubs shall pay international dues on a prorated basis from the first day of the second month following the date of their charter or reorganization. This is in addition to the charter member initiation fee.
4. New members shall pay international dues on a 12-month prorated basis from the month they are reported on the membership report from the club to LCI. This is in addition to the new member initiation fee.

Multiple District 5 (MD5) and District 5NE Dues and Assessments:

1. MD5 dues, District 5NE dues, Lions Foundation of North Dakota (ND Lion), North Dakota Lions Convention, and Hall of Fame assessments are payable semi-annually on July 1st (based on June LCI membership report) and January 1st (based on the December LCI membership report).
2. Billing is made to all club secretary-treasurers or treasurers by the district cabinet secretary-treasurer or treasurer.
3. Newly chartered or reorganized clubs shall pay these dues/assessments on a prorated basis from the first day of the second month following the date of their charter or their reorganization.
4. The breakdown of the MD5 and District 5NE dues and assessments are shown in Exhibit 1.
5. The district cabinet secretary-treasurer or treasurer will make payments from the District funds to the MD5 Secretary for Multiple District dues.
6. The outgoing district cabinet secretary-treasurer or treasurer will bill the clubs for the semi-annual dues and assessments on July 1. The incoming district cabinet secretary-treasurer or treasurer will receive the dues and assessments, thus his/her name and address should be on the billing statement.

University Lions Clubs Dues:

1. The Lions of District 5NE waive all district dues and assessments for student members of university Lions clubs. This action followed action taken by MD5 on waiving multiple-district dues for student members of university campus clubs. LCI dues are still collected and submitted.

Club and District Surety Bond:

1. MD5 purchases the annual bond from a bonding company for all six districts and all Lions clubs in each district.
2. The district governor, cabinet secretary-treasurer or treasurer for 5NE, and each Lions club president, secretary, and/or treasurer, or anyone that is involved in signing financial matters, is bonded for the amount of \$25,000.00 each.

3. The cost of the annual bond is \$5.75 for each Lions club. The bond fee for each Lions club is added to the July billing.

Operating Funds Depository:

1. Current operating funds will be placed in a bank depository located in the city of the current cabinet secretary-treasurer or treasurer. If there is no bank in this city or town, the cabinet secretary-treasurer or treasurer may designate a bank depository in a neighboring community.

Reserve Funds Depository:

1. One bank depository will be established for all reserve funds (CDs, savings account, money market, etc.).

Administrative Reserve Fund:

1. An administrative reserve balance of \$2,000 shall be maintained.
2. Any excess reserve funds and/or interest earned from these funds may be used for cabinet-approved administrative purposes.

Funds to Provide Training for 1st and 2nd Vice District Governors:

1. The district will pay the travel expenses of the 1st and 2nd vice district governors to attend three of the MD5 Council of Governors meetings held in August, November, March, and June. These expenses shall be paid in accordance with established rules of audit.
2. MD5 will pay the expenses of the 1st and 2nd vice district governors to attend one of the four MD5 Council of Governors meetings. Typically, MD5 will pay the expenses for the site closest to the 1st or 2nd VDG.

Cabinet Meetings:

1. The cost of meals will be paid for all attendees at district cabinet meetings, when by necessity meetings are held over a mealtime. Cost is to be kept at a moderate level.
2. The district will pay for the cost of the meeting room, if billed.
3. The district will reimburse mileage for travel to cabinet meetings according to established rules of audit.

Spring Officer Training Seminars:

1. The district will pay the actual cost of promoting and conducting leadership, membership, extension, and retention training throughout the district within the guidelines of established rules of audit.

USA/Canada Lions Leadership Forum:

1. The district provides funding to send the 1st vice district governor to the USA/Canada Lions Leadership Forum every year in the amount of \$1,000 annually and shall be included in each annual budget of the district. Reimbursement shall be paid according to established rules of audit.

Leadership Scholarships:

1. The district provides funding to send two district cabinet level individuals for regional training opportunities, such as Great Plains Lions Leadership Institute (GPLLI). Funds to support this training shall be included annually in the district budget.

2. The vice district governors are strongly advised to enroll in the GPLLI.
3. This is not an accumulative fund and will be established in each year's budget. The rules of eligibility are as per the rules established for the seminars in question.

Support of the Partner/Spouse of the District Governor:

1. District 5NE will defray the expenses of the incoming district governor's partner/spouse and outgoing district governor's partner/spouse (if the outgoing district governor has been elected as Council Chair) to attend the LCI conventions.
2. Jet economy fare (or up to \$500) will be provided to defray the expenses of the incoming district governor's partner/spouse. Jet economy fair (or up to \$500) will be paid to defray the cost of the spouse of the outgoing district governor elected as Council Chair to attend the convention.
3. LCI provides funds for the incoming district governor to attend the LCI convention. MD5 only provides funds for the past district governor elected to serve as Council Chair to attend the convention.
4. Excess funds will be placed in an interest-bearing fund labeled Partner/Spouse Support. This is to ensure adequate funds for overseas conventions.
5. The immediate past district governor is responsible for sending out letters to Past District Governors asking for contributions to the Partner/Spouse Support Fund.

Discretionary Funds:

1. This budget item is allowed to cover unknown expenses that may arise during the Lions year. It is also to be used for expenses that were missed when preparing the budget for the year.

Donations to Various Activities and Organizations:

1. Lions clubs and members contribute money to various activities and organizations that the Lions of District 5NE support. Such funds received by the district governor shall be accounted for in appropriate district accounts or turned over to the appropriate agency (e.g., Melvin Jones Fellowship, Eye Bank, Lions Foundation of ND, Service Dogs of America, etc.).
2. The district governor receives reimbursement for expenses from LCI. These funds are to be retained by the district governor. Funds received by the DG for the printing and postage for the ND Lion are to be turned over to the District and credited to the proper account.
3. Donations from clubs or members need to have a notation in the memo part of the check. No matter where it goes to it has to be put into the books in the right place.

Disposition of Monetary Gifts to the District Governor:

1. Some clubs present a visiting district governor with a gift (monetary or otherwise).
2. District governors may create a District Governor Special Projects Fund and designate that any monetary gifts received be presented to a charity or program at the end of his/her term of office.

Rules of Audit

Total Allowable Expenses:

1. The amount of expenses to be reimbursed may not exceed the amount budgeted.
2. Reimbursement of expenses in excess of the budgeted amount must be approved by the district governor before expenditures can be made.
3. The Rules of Audit are established by LCI and amounts to be reimbursed are shown in Exhibit 1.

Presentation of Claims:

1. Expenses must be submitted on an official expense voucher, properly itemized and signed, and accompanied by the necessary original receipts.
2. All claims against the district must be submitted on a quarterly basis (preferably monthly).
3. Payment may be disallowed for expenses submitted more than 120 days following the occurrence of the expense.
4. Budgeted amounts for both the 1st and 2nd VDGs and the district governor shall be accounted for by vouchers according to established rules of audit.
5. Claims for reimbursement shall be signed by the district governor.

Transportation:

1. Mileage may be reimbursed at the Rules of Audit for the following:
 - a. Zone chairs' travel to the location of their zone meetings and for one official visit to each Lions club in their zone.
 - b. Region chairs' travel for an official visit to each Lions club in their region.
 - c. Region and committee chairs' travel if invited to attend and participate in zone meetings.
 - d. Region chairs' travel to conduct special assignments as designated by the district governor.
 - e. Extension chairs' to organize new Lions clubs.
 - f. Team leaders or committee chairs travel as representatives designated by the district governor to make visits to clubs requiring assistance or to present programs to advance a goal.
 - g. Leadership committee members' travel to conduct leadership seminars or new-officer training schools.
 - h. Travel for those Lions assigned special assignments by the district governor.
2. Since LCI reimburses the district governor for most necessary travel, the district will limit mileage reimbursement to that which is required in the conduct of the office but which is not covered by LCI.
3. Air travel reimbursement will be on the basis of coach air fare. Cancelled tickets are required with each voucher claim.
4. All claims must be itemized, showing date, place and purpose, and must be submitted on official voucher forms.

Meals and Lodging:

1. For overnight trips required by district officers and/or team/committee chairpersons and authorized by the cabinet, actual cost of meals may be paid, but shall not exceed the amounts in the Rules of Audit. Individual meals must be listed on authorized voucher forms with itemized original receipts.
2. For overnight trips required by district officers and/or team/committee chairpersons and authorized by the cabinet, actual cost of lodging may be paid, but shall not exceed the amounts in the Rules of Audit. Itemized original receipts are required and costs must be listed on signed authorized voucher forms.

Postage, Supplies, and Printing:

1. Actual cost of postage, printing, copies, and supplies (except those reimbursed or provided by LCI) may be paid to district officers and team/committee chairpersons to administer their zone, region, and committee responsibilities.
2. Actual cost of postage, printing, copies, and supplies (except those reimbursed or provided by LCI) may be paid to the district governor to administer the district's expenses.
3. To be considered for payment, all claims must be itemized, showing dates and purpose with proper receipts attached, and submitted on authorized signed voucher forms.

Telephone:

1. Actual telephone expenses may be paid to zone and region chairpersons and team/committee chairpersons to administer their designated offices. E-mails or letters may be less expensive and should be used whenever possible.
2. Actual telephone expenses (except those reimbursed or provided by LCI) may be paid to the district governor to administer the district's responsibilities.
3. All claims must be itemized, showing person, purpose and date, on authorized voucher forms. A copy of the relevant telephone bill must be attached to the claim.

District and State Convention Information

Site Selection:

1. The North Dakota State Lions Convention rotates between the districts. As of 2010, the convention is in District 5NE on even numbered years (2010, 2012, 2014, etc.) and in District 5NW on odd numbered years (2011, 2013, 2015, etc.).
 - a. 2010 – Grand Forks
 - b. 2012 – Fargo
 - c. 2014 – Jamestown
 - d. 2016 - ?
2. Local host clubs should be courted four years in advance and encouraged to follow the procedure as delineated in the district by-laws (adopted 2010).
3. The chairperson(s) of the local host club committee should serve as Convention Chairs on the district cabinet for the two years preceding their convention. For example, to provide for continuity between district governors, the convention chair in 2012 should be added to the cabinet in 2010 following the October convention and serve through the 2012 October convention.
4. The district governors from 5NE and 5NW should consult with the local convention planning committee to determine the final schedule of events. When the state convention is in District 5NE, the incoming district governor and district governor should attend as many planning meetings as possible.

Financial Support to Local Host Club for North Dakota State Lions Convention:

1. The North Dakota Past District Governors Association provides up to \$3,000.00 to host clubs in order to cover expenses incurred by the state Lions convention.
2. All additional expenses of the North Dakota State Lions Convention, including meals and entertainment, will be paid from the registration fees collected by the host club(s) from those in attendance.

3. The host club(s) shall submit a detailed financial report, showing the income and expenses of the convention, to the Past District Governors Association within 30 days following the adjournment of the convention.
4. Any excess convention funds will be turned over to the Past District Governors Association for disbursement.
5. The net income from the state convention shall be placed in a convention reserve fund, to be used to cover possible losses incurred by the host club(s) due to poor attendance.

Convention Committees:

1. The district governor will appoint a chairperson for each of the following convention committees and make such appointments known at the first cabinet meeting:
 - a. Resolutions
 - b. Credentials (DG, Cabinet Secretary, + 2 non-officers)
 - c. Elections
 - d. Constitution & By-Laws
 - e. Rules
 - f. International Convention
2. The convention committees will work with the district governor to facilitate the smooth management of the state convention.
3. The committee chairpersons will make a report to the district at the state meeting.

District Cabinet and Administration Information

Nominating Committee:

1. The nominating committee is responsible for leadership succession.
2. The committee will be comprised of the following members:
 - a. Not more than five members shall be appointed in writing by the district governor at least 60 days prior to the district convention.
 - b. Each shall be a member in good standing of a different Lions club.
 - c. The chair of the Honorary Committee shall serve as committee chairperson.
3. Duties
 - a. Actively recruit candidates for the positions of 2nd vice district governor, 1st vice district governor.
 - b. Receive in writing the names of all candidates whose proper certification of endorsement has been submitted 2nd vice district governor-elect, 1st vice district governor-elect, and district governor-elect.
 - c. Furnish evidence of the candidates' compliance with the qualification for said office set out in the district's constitution and by-laws.
 - d. Place in nomination at the district's annual convention all candidates so qualified for their respective positions.

North Dakota Lions' Directory:

1. The North Dakota Lions Directory is published annually by the Past District Governors Association with the information received from the LCI Form PU-101 and/or information received from individual club representatives. This information is required to be submitted prior to May 15.

2. A bidding process has been used to find a printer who is able to reproduce the document in its current format (roughly 3 ½ by 8 inch with spiral bind).
3. The district governor is consulted about the number of directories published for the district. In making this determination, the following breakdown should be considered:
 - a. Past district governors receive their directories through the PDG Association and need not be included in the district count.
 - b. Officers and Directors of the Lions Eye Bank of North Dakota and the Lions Foundation of North Dakota receive their directories through their respective entities and need not be included in the district count.
 - c. Two directories are furnished to each club in the district (one designated for the president and one for the secretary).
 - d. Each cabinet officer and cabinet member should receive a directory.
4. Districts 5NE and 5NW share the cost of supplying directories for each member of the MD5 Council of Governors. There is always a need for extra directories. However, approximately 400 appear to be an adequate total number of directories for 5NE and 5NW.
5. The cost of the directories is billed to each district and paid directly to the printer, as negotiated in the bid.
6. Because the PDGA covers the costs of mailing directories to the past district governors, the cost of mailing the directories need for each district has been billed to each respective district by the Past District Governors' Association. However, there have been circumstances where the PDGA has paid for the mailing of all the directories.

The North Dakota Lion:

1. The North Dakota Lion is published monthly and is mailed to each Lion in the state.
2. The annual subscription rate (see Exhibit 1) is billed at the same time as member dues.
3. The Lions Foundation of North Dakota will bill District 5NE and District 5NW for the cost of the North Dakota Lion on a prorated basis, based on its district membership.
4. The publisher of the ND Lion will maintain a mailing list based upon member information submitted by the district governor and received from local clubs. Club secretaries must be reminded that the only way to change a member's address is by completing the membership report to LCI. Incorrect addresses result in a charge to the district for additional postage per item returned.
5. The district governor shall remit to the ND Lions Foundation the amount received from LCI—monthly installments are permissible—to cover the cost of their newsletter, which is published in each issue of the ND Lion.

State Lions Pins:

1. The responsibility for designing and ordering the state Lions pin resides with the Pin Chair for the Past District Governors' Association.
2. The cost of the pin will be determined by the PDG Association.
3. The pins should be ordered after receiving the approval of both district governors. The pins should be ordered so the pins arrive in time for the state convention (October).
4. The district governors are responsible to confer with the PDG Association regarding the number of pins to order for District 5NE and District 5NW.
5. Payment for the pins is made to the district, not to the pin chairperson.

International President's Certificates of Appreciation, Contests, and Awards:

1. Contests and awards are at the discretion of the district governor.
2. Awards must be ordered early enough so that the cost can be charged to the current district governor's budget.
3. It is customary to have the International Director (or equivalent) present two International President's Certificates of Appreciation during the state convention. The district governor shall name two Lions and provide background information on the Lions to be honored to the International Director at least 60 days in advance of the state convention. This information is usually provided to the incoming district governor at the international convention training seminar.

Proud Lion Award

1. Formerly the "Rookie Lion" Award, District 5NE has adopted a program to promote the orientation of new members in the Lions organization. The criteria are as follows:
 - a. The Proud Lion Award shall be presented to each new Lion member who, during her/his first full year of membership, achieves the following:
 - i. Attends his/her Lions club's orientation program.
 - ii. Attends a meeting of his/her Lions club board of directors.
 - iii. Participates in a fund-raiser or service project of his/her Lions club.
 - iv. Accepts and fulfills a Lions club committee assignment.
 - v. Visits another Lions club.
 - vi. Attends a zone meeting or other district activity.
 - vii. Brings a guest to a Lions club meeting.
 - b. The application shall be properly documented and signed by the applicant.
 - c. The award shall be a certificate and lapel pin, properly presented by the district governor, vice district governor, region chairperson, zone chairperson, or a past international director from the district.

Amendments to Standard Operating Procedures:

1. The procedures for amending this Standard Operating Procedure (SOP) is as follows:
 - a. This manual is ongoing and is to be brought to the attention of the cabinet members at the first official cabinet meeting of each new fiscal year.
 - b. To effect a change by amendment, a majority vote is required by those members present.
2. The SOP may be amended as deemed necessary. Any amendment(s) to the manual shall be submitted in writing at any cabinet meeting and will be voted on at the next cabinet meeting.

**LCI District 5NE
Standard Operating Procedures**

**Exhibit I
Dues and Assessments**

Lions Clubs International	Semi-annual	Annual
LCI Dues:	\$ 19.50	\$ 39.00
Family Unit Dues		
Head of Household	\$ 19.50	\$ 39.00
Family Member (up to 4)	\$ 8.25	\$ 19.50
Charter Member Initiation Fee		\$30.00
New Member Initiation Fee		\$25.00
Transfer Members (in good standing)		n/a
Rules of Audit (actual cost or maximum amount)		
Mileage (per mile)		\$.30
Lodging (per day)		\$ 50.00
Meals (per day)		\$ 16.00
Multiple District 5 and District 5NE Dues		
MD5 Dues	\$ 2.00	\$ 4.00
District 5NE Dues	\$ 3.50	\$ 7.00
ND Lion Assessment (Foundation)	\$ 2.00	\$ 4.00
ND State Convention Fund (PDGA)	\$.50	\$ 1.00
ND PDGA Hall of Fame	\$.25	\$.50
Total MD5 & District	\$ 8.25	\$ 16.50
Annual Club Officer Bond Fee		\$ 5.75
District Governor Remittance	Monthly	Annual
ND Lion	\$ 50.00	\$600.00

LCI DISTRICT 5NE
Important Information for all Districts and Clubs Subject to United States Tax Laws

Exhibit II
Income Tax Filing

The district governor shall determine if the district is required to file forms to the IRS by the 15th day of the fifth month after the close of the respective accounting year (Fiscal year—November 15th; calendar year—May 15th).

Form 990-EZ and Form 990-Return Information

In order to determine if your Lions district or club is required to file either Form 990 or 990-EZ, two elements must be reviewed:

1. The gross receipt amount; and,
2. The total value of the district or club assets.

The following are several possible combinations of these two items that note the proper form to file:

1. If your district or club's gross receipts are normally less than \$25,000, then you need not file a completed return with the IRS. But if you receive a Form 990 package in the mail, you MUST file a return without financial data, Parts I and II.
2. If your district or club's gross receipts are more than \$25,000, but less than \$100,000, and total assets under \$250,000, then form 990-EZ may be filed instead of Form 990.
3. If your district or club's gross receipts are less than \$100,000, but total assets are more than \$250,000, then Form 990 must be filed.
4. If your district or club's gross receipts are more than \$100,000, and total assets are more than \$250,000, then Form 990 must be filed.
5. If your district or club receives an IRS packet with a pre-addressed label, then it must file the return indicated in one of the four conditions noted above. Note: Some states require a completed return even if one is not required by the IRS.

The Form 990-EZ or Form 990 return must be filed by a Lions district or club meeting the above criteria by the 15th day of the fifth month (Fiscal year—November 15th; calendar year—May 15th) after the close of the respective accounting year. The fiscal year reporting period of July 1, 2009, through June 30, 2010, requires use of a 2009 form. DO NOT mail the original completed FORM 990-EZ or 990 to Lions Clubs International. For your guidance, a "SAMPLE" and blank Form 990-EZ is available on the LCI website.

Please be advised that all Lions districts and individual clubs are exempted from federal income tax under Internal Revenue Code Section 501C(4); and this should be reflected in Part "J" of the Form 990-EZ.

If you have questions and/or need help completing Form 990-EZ or 990, please call 1-877-829-5500. This IRS toll-free telephone service is available Monday through Friday from 8:30 a.m. to 5:30 p.m. Eastern Standard Time.

Also, you can access the IRS website 24 hours a day, 7 days a week at www.irs.gov to:

1. Download forms, instructions, and publications.
2. See answers to frequently asked tax questions.
3. Search publications online by topic or keyword.
4. Send comments or request help from the IRS via email.

Your state's Department of Revenue may require a copy of the federal return or may have other specific reporting procedures. Please contact them for specific information, instructions, and form(s).

It is important to note that not only have the laws changed, but there is growing evidence that the IRS is beginning to audit many of our clubs and other not-for-profit organizations. The IRS has and will assess penalties for failure to file timely returns. Even though no tax is due by most clubs, there is a general requirement to file a return as described above (Revised: September 2005).