



DISTRICT 5SE LIONS

**STANDARD
OPERATING
PROCEDURES
(SOP)**

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LIONS CLUBS INTERNATIONAL DISTRICT 5SE

STANDARD OPERATING PROCEDURES

General Information:

1. The role of the district cabinet is administrative: to provide the link between Lions Clubs International and the clubs of District 5 SE, to foster growth and the enrichment of Lionism throughout the district.
2. The administrative budget is to be derived from members' dues, plus any excess operating reserve and/or interest earned from this source.

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 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's Reports:
 - a) Only adopted standardized forms are to be used, showing current income and expenses, year-to-date income and expense 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 30th, December 31st March 31st and June 30th and presented for approval at the district cabinet meetings,
 - d) These reports shall be presented at the cabinet meetings in hard copy format.

International Dues:

1. Lions International 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. Lions Clubs International (LCI) Dues; Effective July 1, XXXX, the annual dues are, payable in two equal installments due July 1st and January 1st. These dues are billed by Lions Clubs International 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 Lions Clubs International. This is in addition to the new member initiation fee.

Multiple District 5 and District 5 SE Dues and Assessments:

1. Multiple District 5 and District 5SE dues and South Dakota Lions and Hall of Fame assessments are payable semi-annually on July 1st, (based on the May LCI membership report) and January 1st (based on the November membership report),
2. Billing is made to all club secretaries by the district cabinet secretary or district cabinet secretary/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 Multi-district and District 5SE dues and assessments are shown in Exhibit 1.
5. The district cabinet treasurer will make payments from District funds to the Multi-district 5 secretary for Multiple-district dues,
6. The outgoing district cabinet secretary or secretary/treasurer will bill the clubs for the semi-annual dues and assessments on July 1st. The incoming district cabinet secretary or secretary/treasurer will receive the dues and assessments, thus his/her name and address should be on the billing statement.

University Lions Clubs Dues:

- At the 2005 State Lions Convention, the Lions of District 5SE voted to waive all district dues for student members of university campus Lions clubs in District 5SE. This followed action taken by MD5 on waiving multiple-district dues for student members of university campus Lions clubs. Lions Clubs International dues are still collected and submitted.

Club and District Surety Bonds:

1. Multiple-district 5 purchases the annual bond from a bonding company for all nine districts and all Lions clubs in each district.
2. The district governor, cabinet secretary and/or treasurer, for District 5 SE and each Lions club president, club 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 \$5.00 for each Lions club. The bond fee for each Lions club is added to the July billing.

South Dakota State Lions Convention:

1. All expenses of the South 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,
2. The host club(s) shall submit a detailed financial report, showing the income and expenses of the convention, to the State Executive Committee within 30 days following the adjournment of the convention,

3. Any excess convention funds will be turned over to the State Executive Committee for disbursement,
4. 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. The reserve fund is not to exceed \$7,500. Money above that sum is to be paid to the districts prorated according to total membership at the time of the convention,
5. The State Executive is composed of the current district governors, their respective cabinet secretaries and treasurers, and the immediate past district governors. The district governor of the host district shall act as chairperson. The prior host district governor shall act as the vice chairperson.

Audit and Finance Committee:

1. Members:

- a) Three members, each to serve a staggered three-year term,
- b) One new member to be appointed to the committee by the incoming district governor,
- c) The third-year member to serve as committee chairperson.

2. Duties:

- a) Meet in May with the district governor and the district governor-elect to begin preparing the budget for the ensuing year,
- b) Meet in July to finalize the budget for presentation to the cabinet at the first cabinet meeting,
- c) Attend each cabinet meeting to review the budget and finances,
- d) Audit the books at the close of the fiscal year and prepare an audit report for the November cabinet meeting.

Nominating Committee:

1. Members:

- a. Three members, each to serve a staggered three-year term,
- b. Each shall be a member in good standing of a different Lions club,
- c. One new member to be appointed to the committee by the incoming district governor,
- d. The third-year member to serve as committee chairperson.

2. Duties:

- a. Receive in writing the names of all candidates whose proper certification of endorsement has been submitted,
- b. Furnish evidence of the candidates compliance with the qualification for said office set out in the District's Constitution and Bylaws,
- c. Place in nomination at the district's annual convention all candidates so qualified.

Duties of Region Chairpersons:

- Region chairpersons shall be responsible for the coordination of the activities of the committee chairs as assigned by the district governor.

District Governor-Elect:

- The district will pay the expenses of the district governor-elect to attend the Multiple-district 5 Council of Governors meeting held during March. These expenses shall be paid according to established rules of audit.

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 held to \$8.00 per plate,
2. The district will pay for the cost of the meeting room, if billed.

Spring Leadership Seminars:

- 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:

- Funds to help defray the cost of the vice district governor's attendance at the USA/Canada Lions Leadership Forum will be in the amount of \$1,000 annually and shall be included in each annual budget of the of the district. Reimbursement shall be paid according to established rules of audit.

Leadership Scholarships:

- Effective July 1, 2000: A \$700 scholarship fund is to be established annually to provide a maximum of two scholarships of up to \$350 each. The scholarships are for a Lions attending a Lions Clubs International leadership seminar or a Multiple-district 5 leadership seminar. 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.

Donations to Various Activities and Organizations:

Lions clubs and members contribute money to various activities and organizations that the Lions of District 5SE support. Such funds received by the District Governor shall be accounted for in appropriate District accounts or turned over to the appropriate agency (i.e. Club 200, Melvin Jones Fellowship, Eye Bank, SD Lions Foundation, Leader Dog, etc.).

The District Governor receives reimbursement for expenses from Lions Clubs International. These funds are to be retained by the District Governor, Funds received by the District Governor for the printing and postage for the (i.e. newsletter, etc.) are to be turned over to the District and credited to the appropriate account.

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.

Operating Funds Depository:

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

Reserve Funds Depository:

- One bank depository will be established for all reserve funds (CDs, savings account and 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 administrative purposes.

Fall Forum Reserve:

- On May 1, 1999, The following resolution was passed:
 1. Any excess money from the 5SE Fall Forum is the property of the district and must be returned to the district by the host club,
 2. The district shall establish a reserve fund of not more than \$1,000. Any loss associated with the Fall Forum shall be paid from that reserve. Money in excess of the \$1,000 shall go to the district's general administrative fund.

Club "200":

1. The purpose of the Club "200" fund is to help defray the expenses of the outgoing district governor's spouse to attend the Lions International convention with the outgoing district governor,
2. Jet economy air fare plus \$200 may be paid to the spouse of the outgoing district governor to attend the convention,
3. Multiple-district 5 provides funds to attend the Lions International convention only to those outgoing past district governors elected to serve on the MD5 Council on additional year. When expenses are not provided by MD5 for the outgoing district governor, his/her expenses will be paid at the same rate as listed above for the spouse,
4. Excess funds will be placed in an interest-bearing account labeled "Club 200" Reserve. This is to ensure adequate funds for overseas conventions,
5. The immediate past district governor is responsible for sending out letters asking for contributions.

Melvin Jones Fellowship:

Each District Governor upon completion of his/her term receives a Melvin Jones Fellowship (LCIF). The funds for this honor are paid for by the Lions' club in District 5SE. During the past it has been customary for Lions clubs in District 5SE to give a gift to the District Governor when they make a club visitation.

During the early 90's Lions clubs were encouraged to make a gift to LCIF on behalf of the District governor. The new incoming District Governor orders the Melvin Jones Fellowship and authorizes payment. The fellowship is then presented to the Immediate Past District Governor at an appropriate time.

The gifts are to be made out to District 5SE Melvin Jones Fellowship. The District then sends these gifts to LCIF with credit to each Lions club making a gift. If the amount of

The gift exceeds the \$1,000.00 needed for the MJF the additional funds are put into an interest bearing account and additional MJF(s) may be purchased for a Lion or non-Lion.

Discretionary Funds:

- 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.

South Dakota Lions' Directory:

1. The South Dakota Lions Directory is published annually with the information received from Lions Clubs International Form PU-101. These reports are required to be submitted prior to May 1st,
2. The district governor should determine the number of directories published for the district. Three directories are furnished to each club, including Lioness clubs. Each cabinet member should have a directory. Districts 5SE and 5SW shall share the cost of supplying directories for each member of the MD5 Council of Governors. There is always a need for extra directories. Approximately 350 appear to be an adequate total number of directories for District 5SE.
3. The cost of the directories is billed to the districts by the South Dakota Lions Foundation.

The South Dakota Lion:

1. The South Dakota Lions 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 District Governor shall remit to the South Dakota 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 South Dakota Lion,
4. The publisher of the South Dakota Lions will order twelve sets of labels from LCI for Districts 5SE and 5SW,
5. The labels are shipped directly to the publisher each month for the South Dakota Lion.
6. The South Dakota Lions Foundation will bill District 5SE and District 5SW for the cost of the South Dakota Lion a prorated share, based on its membership,

7. 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 letter returned.

State Lions Pins:

- The responsibility for designing and ordering the state Lions pin rotates each year, with the state convention's host district being responsible for providing the initial funding for the pins. Therefore, the districts must include a budget item every other year for the state pin. The pins are ordered after the approval of both district governors. Payment for the pins is made to the district, not to the pin chairperson. The state pins should be ordered by the convention's host district so that the pins arrive in time for the state convention.

International President's Certificates of Appreciations, 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 Fall Forum. The district governor shall name two Lions and provide background information on the Lions to be honored to the International Director at least 30 days in advance of the Fall Forum.

Proud Lion Award:

- At the 2000 State Lions Convention, the Lions of South Dakota adopted a program to promote orientation of new members in the Lions organization. The criteria is as follows:
 1. The proud Lion Award shall be instituted by the district and presented to each new Lion member who, during his/her first full year of membership, achieves the following:
 - a) Attends his/her Lions club's orientation program,
 - b) Attends a meeting of his/her Lions club's board of directors,
 - c) Participates in a fund-raiser or service project of his/her Lions club,
 - d) Accepts and fulfills a Lions club committee assignment,
 - e) Visits another Lions club
 - f) Attends a zone meeting or other district activity,
 - g) Brings a guest to a Lions club meeting.
 2. The application shall be properly documented and signed by the applicant,
 3. The award shall be a certificate and lapel pin, properly presented by the district governor, vice district governor, zone chairperson or a past international director from the district.

LIONS DISTRICT 5 SE RULES OF AUDIT

Total Allowable Expense:

1. The amount of expenses to be reimburse may not exceed that 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 accompanied by the necessary receipts and signed,
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 vice district governor 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 rate 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 on 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) 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 Development 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 Lions Clubs International 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 submit on official voucher forms.

Meals and Lodging:

1. For overnight trips required by district officers and/or 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 receipts,
2. For overnight trips required by district officers and/or 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 receipts are required and costs must be listed on 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 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 districts responsibilities,
3. To be considered for payment, all claims must be itemized, showing dates and purpose with proper receipts attached, and submitted on authorized voucher forms.

Telephone:

1. Actual telephone expenses may be paid to zone and region chairpersons and committee chairpersons to administer their designated offices. E-mail 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.

IMPORTANT INFORMATION FOR ALL DISTRICTS AND CLUBS SUBJECT TO UNITED STATES TAX LAWS

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 (November 15). Information about income tax is included on pages of the SOP.

Re: 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 receipts amount, and
- 2) The total value of the district or club assets.

The following are several possible combinations of these two items which 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 complete 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, 2004, through June 30, 2005, requires that a 2004 tax form be used; the calendar period January 1, 2005, through December 31, 2005, requires use of a 2005 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 are available on the LCI website.

Please be advised that all Lions districts and individual clubs are exempt 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 on-line by topic or keyword,
4. Send comments or request help from the IRS via e-mail.

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 from(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)

Amendments to SOP:

1. The procedure for amending this Standard Operating Procedure (SOP) is as follows: 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. 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.

Revised May 1, 1999
Revised July 30, 2000
September 30, 2005
Revised January 27, 2006
February 13, 2009
July 18, 2009

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

**Dues and Assessments
Exhibit I**

Lions Clubs International:	<u>Semi-annual</u>	<u>Annual</u>
Lions Clubs International Dues:	\$19.50	\$39.00
Family Unit Dues:		
Head of Household	\$19.50	\$39.00
Family Members up to 4	\$ 8.25	\$19.50
 Rules of Audit: (actual cost or maximum amount)		
Mileage (per mile)		\$.30
Lodging (per day)		\$50.00
Meals (per day)		\$16.00
 Charter Member Initiation Fee		\$30.00
New Member Initiation Fee		\$25.00
 Multi-district and District 5SE:	<u>Semi-annual</u>	<u>Annual</u>
Multi-district 5 Dues	\$2.00	\$ 4.00
District 5SE Dues	\$2.50	\$ 5.00
SD Lions Publication Assessment	\$2.50	\$ 5.00
SD Hall of Fame Assessment	<u>\$.25</u>	<u>\$.50</u>
Total Dues and Assessments	\$7.25	\$14.50
 Monthly prorated Dues		\$.17
Annual Club Bond Fee		\$ 5.00
 District Governors Remittance:	Monthly	Annual
SD Lion	\$50.00	\$600.00