



Use of Funds Chart and Information Sheet

| How Funds Are Raised | Use for Public Projects? (Activity Account) | Use for Administrative Expenses? (Administrative Account) |
|--|--|--|
| Administrative – dues, rental fees, fines, advertisement in newsletters to Lions | Yes | Yes |
| Public – any fundraising event open to the public, public contributions and bequests | Yes | No * |
| Interest – accumulated investments from money received from the public | Yes | No* |
| <p><i>*Direct expenses may be deducted from a public fundraiser to replenish the Administrative Account. Also, if a Lions building is used to meet the needs of the community at large, the club may deduct an amount of the proceeds of each activity held at the clubhouse to go towards the operating expenses of the building.</i></p> | | |

Activity Fund (Public)

All funds raised from the public must be returned to public use, including money accumulated from invested public funds. These funds may not be used for administration, to benefit a member, or for travel and meeting expenses for conventions.

Administrative Fund

Administrative funds are supported through contributions from Lions through dues, fines and other individual contributions. It is possible for Lions Clubs to fund their administrative account in the following manner:

- Private fundraising activity limited to Lions Clubs members and their spouses
- Advertisement proceeds for Club Newsletters
- Donated member compensation for work as individual citizens at non-lion events, while not dressed or identified as Lions
- Deduct direct operating expenses of a fundraiser
- If the Lions building is used to meet the needs of the community at large, the club may deduct an amount of the proceeds of each activity held at the clubhouse to go towards the operating expenses of the building.

**LEGAL OPINION ADOPTED BY THE
INTERNATIONAL BOARD OF DIRECTORS**

FUNDS RAISED FROM ACTIVITIES

QUESTION:

May funds raised from the public be used for administrative or other non-public purposes?

OPINION:

No. The Articles of Incorporation of The International Association of Lions Clubs state that the association is organized, among other things, "to govern all such chartered clubs so that they shall be nonpolitical, nonsectarian, not for profit of the individual club or its individual members."

Therefore, the Articles of Incorporation of The International Association of Lions Clubs expressly forbid that any part of the net earnings from activities shall inure to the benefit of any individual Lion or Lions club. Since districts are created by the association to facilitate its administration of individual Lions and Lions clubs, this proscription, by implication, runs to district administrative expenses as well.

The wisdom of this proscription is clear. To finance and fulfill their basic function of service, Lions clubs ask the public to patronize fairs, circuses, raffles, show and the like, and to purchase products infinite in variety. This public support is sought, and given, on the mutual understanding that the net funds raised thereby will go to finance some community need. Consequently, any diversion of such funds to other purposes constitutes a breach of faith with the contributing public. The proscription in the article quoted exists to prevent any such breach and to protect and preserve the image of Lions Clubs International. Therefore, the use of any such funds to finance convention trips, politics or candidates, or administration dues, deficits or expenses at the club, district, or international level is a breach of faith and an express violation of the basic document of the association.

This opinion shall be interpreted to mean that there shall be no public solicitation of funds to defray administrative expenses of a Lions club.