

## CHAPTER II BOARD COMMITTEES

### A. AUDIT COMMITTEE OF LIONS CLUBS INTERNATIONAL AND LIONS CLUBS INTERNATIONAL FOUNDATION

1. **Objective** – The purpose of the committee is to assist the Board of Directors in fulfilling its oversight responsibility relating to:

- a. The integrity of the financial statements and financial reporting;
- b. The annual independent audit of the financial statements;
- c. Engagement of the independent auditor;
- d. Compliance with legal and regulatory requirements;
- e. Evaluation and assessment of risk management;
- f. Accounting systems and internal controls, and;
- g. Fulfillment of other responsibilities set out herein.

2. **Composition** – The Audit Committee shall be composed of five members:

- a. The first vice president;
- b. A past international director that served on the preceding year's Finance and Headquarters Operation Committee;
- c. A second year director who is a member of the LCI Finance and Headquarters Operation Committee;
- d. A second year director who is serving on the Constitution and By-laws Committee;
- e. A second year director who is serving on any committee excluding the Finance and Headquarters Operation Committee or Constitution and By-laws Committee.

The International President, subject to approval by the Board of Directors, shall appoint one of the members identified above as the chairperson of the committee, excluding any member who will be currently serving on or has served on the preceding year's Finance and Headquarters Operation Committee.

3. **Duties** - The audit committee shall assume the following responsibilities to accomplish its charge:

- a. Supervise the annual audit by an independent auditor and review such statements with management and the independent auditor.
- b. Recommend to the Board of Directors the selection and/or retention of the independent auditor to perform the audit of the financial statements. The qualifications, independence and prior performance must be reviewed and investigated prior to the recommendation.
- c. Recommend to the Board of Directors the engagement of an independent internal auditor to assist the committee in the examination and evaluation of the internal controls. The qualifications, independence, and prior performance must be reviewed and investigated prior to the recommendation.
- d. Review annual financial statements, including any adjustments to those statements recommended by the independent auditor, and any significant issues that arose in connection with the preparation of those financial statements. The committee will inform the Executive Committee and report to the Board of Directors any significant findings.
- e. Review the financial reporting and accounting policies, significant changes in accounting principles and regulations or in their application, and the key accounting decisions affecting the financial statements, including alternatives to, and the rationale for, the decisions made.
- f. Review, as appropriate and in consultation with the independent auditor, accounting policies, internal controls and procedures of the organization as well as management responses to comments relating to those policies and procedures.
- g. Review and investigate any matters pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct as required in the policies of the association and foundation. This should include regular reviews of the compliance processes in general and the corporate governance process in particular, including "whistle blower program" and document retention policy. In connection

with these reviews, the committee will meet, as deemed appropriate, with the general counsel and other officers or employees.

- h. Evaluate the business risks of the organization and plans to mitigate risk, including requiring management to communicate its risk assessments to the committee.
- i. Review the conflict-of-interest policy, recommending changes as needed, and ensuring the organization's compliance with its policy on at least an annual basis.
- j. Meet as frequently as circumstances require, but at least twice annually, with the independent auditor to discuss any issues arising from the audit committee's responsibilities. Two such meetings will be an audit planning meeting to adopt the scope of the upcoming audit and a post-audit meeting to receive the results of the audit.
- k. The committee shall have authority to retain such outside counsel, experts and other advisors, to investigate, when deemed necessary, potential or actual improprieties in the organization's operations in its sole discretion. The committee shall have authority to approve related fees and retention terms.
- l. The committee shall submit the minutes of all meetings to the Executive Committee and Board of Directors after each committee meeting.

**4. Meetings** – The committee shall meet as often as necessary to perform its duties as prescribed in this policy and generally before and after the scheduled annual audit. The chairperson may call a meeting at any time, as he or she deems advisable. Other committee members may request meetings through the chairperson of the committee. Refer to section 3.j.

**5. Reporting** – The committee shall prepare a report of progress, plans and recommendations for approval at each meeting of the board of directors.

## **B. CONSTITUTION AND BY-LAWS COMMITTEE**

**1. Objective** – To see that the association's constitutional provisions are upheld and adhered to, to guide the board in constitutional interpretations and legal matters, to recommend and advise the board concerning recommended constitutional changes.

**2. Requisite** – Entire committee must familiarize itself with the constitutions - at international, district and club levels, and with board actions and policies.

## **3. Duties**

- a. Review all matters of constitutional and/or legal nature referred to it, including insurance and trademarks, and make recommendations thereon, when deemed proper, to the Executive Committee and the board of directors.
- b. Prepare the form of constitutional amendments proposed by international board.
- c. On constitutional and/or legal questions requiring interpretation rather than board action:
  - (1) Confer, if necessary, by letter or telephone until a majority opinion of the committee is secured.
  - (2) Instruct general counsel on procedure.
- d. Approve form of policy manual changes proposed by other committees of the board.

## **4. Meetings**

- a. Committee meets at time and place of board meetings.

At such meetings, officers and directors from areas where questions have arisen are requested to appear and present views.
- b. Special meetings may be convened with approval of the president or the Executive Committee.

**5. Reporting** – The committee gives an official report at each board meeting concerning the above matters.

## **C. CONVENTION COMMITTEE**

**1. Objective** – To provide direction, establish norms, recommend and implement authorized procedures to ensure proper organization and operation of all phases of the international convention.

**2. Requisite** – the committee should be familiar with all aspects of the international convention, particularly as they pertain to: attendant board policy, convention budgeting, existing contracts and commitments, basic format of

a convention schedule of events, convention hall and headquarters hotel requirements, established housing and preregistration procedures as well as requirements/support of local Lions in a convention city.

3. **Duties** – Subject to board approval, the Convention Committee, in conjunction with the convention division manager:
  - a. Research and determine the feasibility, propriety, practicality and timeliness of all components needed to ensure the success of the international convention.
  - b. Establish guidelines and procedures for the proper implementation and management of approved plans for the international convention. Such guidelines and procedures should be characterized by sensitivity to the diverse cultures and traditions of international Lionism.
4. **Meetings** – The Convention Committee and convention division manager meet in conjunction with all board of directors' meetings. Additional Convention Committee meetings are held in accordance with board policy. Prior to all committee meetings, the convention division manager will supply the committee with research information and a report on the status and progress of plans for the next convention.
5. **Reporting** – At the time of each board meeting, the committee prepares and submits a status report on the next international convention. Recommendations may also be submitted affecting board policy concerning the international convention. Relevant information concerning other future convention arrangements may also be submitted, as determined by the committee.

#### D. DISTRICT AND CLUB SERVICE COMMITTEE

1. **Objective** – To provide direction and recommend policy, for the successful administration and operation of districts and clubs throughout the world with special attention to young, small, un-districted, or declining clubs, clubs with problems, and club mergers, as well as districts in need of redistricting, and also to establish policy for the association's language operations.
2. **Requisite** – The committee should familiarize itself with details of district and club administration, know the related policy and procedures as well as the regional differences in culture, tradition, customs, social conditions, etc. among the Lions' countries and geographical areas.

#### 3. Duties -

- a. Maintain continuous review of programs and procedures related to districts and clubs, and plan special programs, as needed, to strengthen and fortify districts and clubs.
  - b. Review the rules for the Excellence Awards for district governors, region chairpersons, zone chairpersons, and club presidents.
  - c. Review and recommend to the board redistricting proposals, single club transfers, and club charter cancellations.
  - d. Review and supervise the association's language operations.
  - e. Select the seminars to be held at each international convention in the area of district and club administration.
  - f. Review the status of districts, including provisional, and recommend changes in the policy and procedures for betterment of those districts.
4. **Meeting** – The committee meets at the site of the board meetings or as approved by the international president.
  5. **Reporting** – The committee prepares a report of progress, plans, and recommendations for presentation at each meeting of the international board of directors.

#### E. FINANCE AND HEADQUARTERS OPERATION COMMITTEE

##### 1. Finance Function

- a. **Objective** – To assist the International Board of Directors in its constitutional responsibility of establishing policies and procedures as related to management and control of the business, property and funds of Lions Clubs International and periodically review the financial status of the association.
- b. **Requisite** – A comprehensive knowledge of the association's physical and financial structure, as provided in information furnished by headquarters' staff.
- c. **Duties**
  - (1) Works with the president, Executive Committee, executive director, secretary, treasurer and division managers – as well as other committees - on financial matters.

- (2) During the October or November board meeting, makes a thorough study of the financial statements covering the preceding fiscal year. At this time, a careful review is made of the current fiscal year operations, giving special attention to over budget items. The tentative budget for the current fiscal year is presented for final adoption.
- (3) Reviews investments.
- (4) Reviews bank accounts and the transfer of funds.
- (5) During the March or April board meeting, develops a preliminary budget for the next fiscal year. This requires work with the executive officers, each committee of the board, the executive director, secretary and treasurer and division managers.
- (6) Reviews the Rules of Audit for district governors in conjunction with the District and Club Service Committee.
- (7) Periodically reviews all financial policy - makes recommendations to the Executive Committee or board of directors for change.
- (8) Annually reviews the total Clubs Supplies and Distribution operation and budget including association inventory, purchasing and mail distribution procedures.
- (9) Annually reviews the operation and budget of the Information Technology Division.

## 2. Headquarters Operation Function

- a. **Objective** – To promote efficient performance by our Headquarters Operation – in keeping with both sound business practices and the requirements for serving Lions and their programs around the world.
- b. **Requisite** – Complete knowledge of facilities, physical layout and organizational structure.
- c. **Duties**
  - (1) Working with the executive director, reviews the overall headquarters operation.

- (2) Reviews major organizational changes and make recommendations to the board of directors.
- (3) Thoroughly acquaints itself with employment policies in the Oak Brook area.
- (4) Reviews proposed personnel policy changes – such as working hours, vacations, holidays, sick leave, group insurance, retirement, etc., – and makes recommendations to the board of directors.
- (5) Yearly reviews adjustments in salary ranges (See Chapter XII, Paragraph A.3.).
- (6) Reviews all insurance coverages yearly.

- 3. **Meetings** – At the time and place of regular board meetings or as approved by the president or Executive Committee.
- 4. **Reporting** – The committee prepares a report of progress, plans and recommendations for approval at each meeting of the board of directors.

## F. LEADERSHIP COMMITTEE

- 1. **Objective** – To improve the quality of Lions leadership through systematic high quality learning opportunities.
- 2. **Requisite** – The committee should familiarize itself with the body of knowledge of leadership development, research, and publications.
- 3. **Duties**
  - a. Review and recommend leadership programs in conjunction with the professional staff of Lions Clubs International.
  - b. Assist with development of leadership materials for use at all levels within the association.
  - c. Provide guidance and assistance to professional staff with implementation and quality control of leadership programs.
  - d. Provide sessions at the international convention for the development and leadership of Lions at the club, district, and international levels.
  - e. Provide guidance to professional staff on development and delivery of leadership curriculum for members at all levels in the association.

- f. Provide guidance to professional staff on development and delivery of programs for international office staff.
  - g. In conjunction with the District and Club Service Committee, develops and executes plans for the District Governors-elect Seminar.
4. **Meetings** – The committee meets at the site of the board meetings or as directed by the president.
  5. **Reporting** – The committee prepares a progress report, plans, and recommendations for presentation at each meeting of the board of directors.

### G. LONG RANGE PLANNING COMMITTEE

1. **Objective** – To determine, by thorough and systematic studies, long range issues affecting association operations and to make recommendations for board action to meet the same.
2. **Requisite** – Study, review and gain working knowledge of all association operations – past, current and prospective – at all levels.
3. **Duties**
  - a. Study, with staff research, long range issues referred to committee by committees of the board.
  - b. Based on own studies and experiences, determine, within committee, new substantive long range problems, needs and desires of association, clubs, districts, etc.
  - c. Prepare Long Range Planning Report for each March/April board meeting.
  - d. Prepare general recommendations for study by specific standing board committees and implementation of specific action items.
  - e. It is the responsibility of the Long Range Planning Committee to begin the process of selecting Lions major service commitments. The process and criteria for such selection shall include the following:
    - (1) Proposed projects must represent a challenge to the association, its directors and clubs in meeting a significant need of mankind.

- (2) Proposed projects are to be owned, controlled and administered by Lions Clubs International.
  - (3) Proposed projects are to be structured so that any collaborative efforts with non-Lion organizations, institutions, consultants, etc., will not prove detrimental to but will rather enhance the efforts and image of the association.
  - (4) Proposed projects are to be an outgrowth of research and conference with experts inside and outside of Lionism.
  - (5) Proposed projects are to be such that substantially all areas of the world and cultures within Lionism would choose to participate.
  - (6) Proposed projects are to provide for development of the desired relationship between individual club activities and the larger collective service mission of Lions, internationally.
  - (7) Proposed projects are to achieve measurable results within a given period of time.
  - (8) Proposed projects are to have a potential public relations benefit for the association which is clearly identifiable and understood.
  - (9) Proposed projects should include a funding role for LCIF.
  - (10) Proposed projects which become a Lions major service commitment adopted by the board of directors shall be binding on association officers, clubs and generally be for a term of five years or more.
- f. Review the Board Policy Manual every five years.
4. **Meetings** – Meetings of the Long Range Planning Committee may be held at such place and at such time as shall be approved by the chairperson.
  5. **Reports** – Committee gives preliminary report of areas of study at October/November board meeting and final substantive report at March/April board meeting.

## H. MEMBERSHIP DEVELOPMENT COMMITTEE

1. **Objectives** – To promote, in conjunction with the District and Club Service Committee, the organization and chartering of new clubs, growth and development of membership and to assist in the reorganization of weak and status-quo clubs. To see that all programs are carried out in keeping with sound business practices and association policy, with emphasis on the responsibilities of the sponsoring club and the Guiding Lion as they relate to new clubs.
2. **Requisite** – Committee should familiarize itself with current extension programs and practices and current membership procedures.
3. **Duties**
  - a. Study new countries for extension possibilities, giving consideration to the following:
    - (1) Political attachment and philosophy.
    - (2) Practical effect of location of country or area under consideration with respect to provision of services by a sponsoring club, district officer, coordinating Lion or the International Headquarters.
    - (3) Does the country or area under consideration lend itself favorably to the precepts and purposes of Lionism?
    - (4) Short and long-term effect of rates of exchange and/or fiscal policy of country or area on total association operation and, specifically, favorable money exchange and future extension possibilities.
    - (5) Prospects in country or area for future growth (clubs and membership) by reason of culture, population, etc.
  - b. Study methods to promote organization of Lions clubs in:
    - (1) Metropolitan areas
    - (2) Rural areas
    - (3) Subdivisions
    - (4) Additional clubs in areas of existing clubs
    - (5) Institutions of higher learning
    - (6) Shopping centers or malls
    - (7) Corporations
    - (8) Other potential areas of extension
  - c. Study conduct of our extension program in light of sound management practices:
    - (1) Periodically review overall extension program to determine:
      - Whether new clubs operate on sound basis by conducting:
        - Good club meetings
        - A major service activity
        - A major fundraising activity
        - A good membership development and retention program
      - (2) Whether sizes of clubs organized are too large or too small - and whether clubs organized are of good quality.
      - (3) Whether results of our extension program are gained within the bounds of cost effectiveness.
  - d. Review all matters relevant to the association's membership programs.
    - (1) Study membership statistics and reports and recommends necessary changes to improve the association's program.
    - (2) Recommend awards and rules for all membership programs.
    - (3) Recommend ways and means of increasing strong membership growth and development through promotion of club and district participation.
  - e. Study association's long range membership proposals and reports its findings and recommendations to board of directors.
4. **Reporting** – The committee prepares a report of progress, plans and recommendations for presentation at each meeting of the board of directors
5. **Meeting** – Meets at site of each board meeting and otherwise when approved by president.

## I. PUBLIC RELATIONS COMMITTEE

### 1. Public Relations

a. **Objective** – To enhance the image, prestige and acceptability of Lions Clubs International with Lions and public through a public relations program designed to acquaint both Lions and general public with Lions' purposes and accomplishments.

b. **Requisite** – Committee must familiarize itself with the structure and procedures of the Public Relations and Production Division in the international office, as well as those of any outside P.R. resources.

#### c. Duties

- (1) Evaluate the programs of the Public Relations and Production Division, confer with the staff and lend its recommendations and counsel.
- (2) Originate and suggest public relations ideas, projects and policies to the Executive Committee and board of directors.
- (3) Review major public relations proposals and submit same to Executive Committee or board for approval.
- (4) Evaluate ideas and opinions on public relations from individuals, clubs, district officers, etc., and where deemed practicable, recommend their adaptation for use by Lions Clubs International.
- (5) Confer and cooperate with other board committees, the executive director and staff, bringing to them the public relations viewpoints.
- (6) Review and evaluate image and effectiveness of association awards.
- (7) Plan a meeting of magazine editors at international headquarters every three years.

### 2. THE LION Magazine

a. **Objective** – to ensure that THE LION Magazine and publications area operates on sound public relations and business principles, particularly keeping in mind its purpose as a communications medium with our most important asset - the Lion member.

b. **Requisite** – The committee should understand the purpose and the responsibility of THE LION Magazine (in all editions) for conveying the story of Lionism, its activities, its programs and its Lionistic messages to the membership.

#### c. Duties – Magazine

- (1) As soon as possible after the convention, the committee should meet to become thoroughly acquainted with procedures and methods of operation.
- (2) The committee should:
  - (a) Familiarize itself with the rules and procedures governing the various editions of THE LION Magazine.
  - (b) Make recommendations to the Executive Committee or board on all matters concerning THE LION Magazine and its editions.
  - (c) Ensure that all board-adopted policies are carried out.
  - (d) Conduct readership surveys at such times as deemed necessary and advisable by the board of directors.
  - (e) Endeavor to gain working knowledge of board policies affecting committee function.
- (3) Exercise due caution against imposition of personal likes, dislikes or prejudices or suggestion of abrupt change in format or policy, without thorough study and research with the board of directors.

### 3. Lions Information

a. **Objective** – A better and stronger membership through a well-planned education program.

b. **Requisite** – Thorough understanding and knowledge of current Lions Information programs.

#### c. Duties – Lions Information

- (1) Determine type of Lions information which should be generally distributed to association members.

- (2) Develop plans and recommendations for the distribution of Lions information.
- (3) Recommend categorical Lions information for magazine, Leadership Update and other official publications.
- (4) Continuing projects – review and update.
  - (a) Development of material for use by district information chairperson.
  - (b) A continuous Lions education program for the general membership.
- 4. **Meetings** – The committee meets at the site of board meetings and otherwise as directed by the president.
- 5. **Reporting** – The committee prepares a report of progress, plans and recommendations for presentation at each meeting of the board of directors.

#### J. SERVICE ACTIVITIES COMMITTEE

- 1. **Objective** – To formulate and recommend for board approval policy governing all Lions programs which provide services either in terms of manpower or financial support.
- 2. **Requisite** – The committee should familiarize itself with board policy statements on: 1) environment, 2) cultural activities, 3) service to community, 4) individual well-being, 5) international relations. It should be familiar with the association's global programs, such as the SightFirst Program as well as the Sight Conservation and Work with the Blind Program, the Hearing and Speech Action and Work with the Deaf Program, the Environmental Program, Leo Program, Lions International Youth Camp and Exchange Program and International Relations programs (such as Lions Day with the United Nations, Club Twinning and Lions Interclub).
- 3. **Duties**
  - a. The committee studies and recommends general directions for service activities considered appropriate for clubs, districts or multiple districts.
  - b. The committee reviews the district chairpersons guides detailing programs for which the committee is responsible.

- c. The committee recommends general norms to be observed in promulgating and administering these activity programs. Such norms should be characterized by sensitivity to the diverse cultures and traditions of Lionism.
- d. Before formally recommending the adoption of a new activity program, the committee, through the resources of the International Activities and Program Planning Division, will determine the feasibility, propriety and timeliness of the proposed activity. If adopted by the board, the staff will then recommend procedures for implementation of the program. The committee, however, should determine whether or not a probationary period should be established during which the new activity program will be observed and analyzed by staff; and the results evaluated by the committee.
- e. The committee supervises the following major service activities: Sight Conservation and Work with the Blind; Hearing and Speech Action and Work with the Deaf; Diabetes Program, Environmental Services; International Relations; Leo Clubs; International Youth Exchange and Youth Camps, Lions Youth Outreach/ Lions Quest and other service activities not assigned to specific committees of the board.
- f. The committee may provide recommendations and/or advice to the Long Range Planning Committee concerning programs suitable for adoption as a Lions Major Service Commitment, and shall provide for implementation of such a program upon approval by the International Board of Directors.
- g. The committee reports to the board on the status of the association's relationship with international organizations and acts as liaison to international agencies as are approved by the board.
- h. The committee coordinates partnership agreements involving service activities in conjunction with LCIF if the activities are funded.
- 4. **Meetings** – The committee meets at the site of the board meeting or as directed by the president.
- 5. **Reporting** – The committee prepares and submits a report on the status and progress of service activities and recommends for approval by the board new concepts agreed to by the committee.