

# CHAPTER XVI

## LIONS CLUBS INTERNATIONAL FOUNDATION

### A. STRUCTURE

#### 1. Purpose And Mission Statement

- a. Lions Clubs International Foundation, herein referred to as LCIF, is a public, nonprofit, tax-exempt corporation as described in Section 501 (c) (3) of the U.S. Internal Revenue Code of 1954. LCIF was incorporated in the United States on June 13, 1968, as the charitable arm of Lions Clubs International. LCIF is a vehicle by which contributions, large and small, are received and disbursed to aid Lions worldwide in humanitarian service endeavors.
- b. The foundation's mission is to support the efforts of Lions clubs around the world in serving their local communities and the world community through humanitarian service, major disaster relief and vocational assistance programs.

#### 2. Members Of The Foundation

- a. **Non-Voting Members** – Non-voting members (Contributing Members) are individuals who contribute US\$20 in unrestricted funds during the period of one fiscal year.
- b. **Voting Members** – The members of the board of trustees of this corporation, as from time to time constituted, shall, by virtue of such positions, be voting members of this corporation, and shall comprise the entire voting membership thereof. Any person who ceases to hold such a position shall cease, thereon, to be a voting member of this corporation.

The district governors of Lions Clubs International, during their term of office, shall be non-voting trustees of the Lions Clubs International Foundation.

#### 3. Board Of Trustees

The board of trustees shall be composed of all voting members of the board of directors of Lions Clubs International and shall include two (2) additional Lions selected from the past officers of said association, one (1) of whom shall be a past president of said association. These two additional members shall be appointed by the president of LCI, with the consent of the LCIF board of trustees and shall be voting members of said board of trustees.

Each appointed trustee shall serve until the close of the next annual meeting of members of the foundation following the appointment or until that successor shall have been appointed and qualified, whichever shall first occur. Past officers may be reappointed but cannot serve more than two (2) consecutive one-year terms.

#### 4. Officers

- a. **Executive Officers** – The executive officers of the foundation shall be a chairperson who shall be the immediate past international president of The International Association of Lions Clubs; and a vice chairperson, a secretary and a treasurer. Any two or more offices may be held by the same person, except the office of chairperson and secretary.
- b. **Administrative Officer** – The executive director of The International Association of Lions Clubs shall be the executive director of LCIF.

### B. GRANT PROGRAMS

#### 1. Grant Making Purpose And Scope

- a. The mandate and challenge to Lions Clubs International Foundation is to provide significant humanitarian benefits and achievements through judicious use of funds available. Any project for which a grant is authorized shall meet an important human or social need.
- b. All foundation grant programs and grant awards shall meet one or more of LCIF's major objectives – humanitarian service, major disaster relief, and vocational assistance programs. The development of the foundation's grant making initiatives, including setting of criteria and funding parameters, shall be guided and approved by the LCIF trustees. All individual grant awards above \$10,000, except for all Designated Grants, as well as Major Catastrophe Grants of up to \$250,000, require approval of the LCIF trustees or designated subcommittee(s) or advisory committees as duly authorized.

#### 2. Grant Monitoring And Evaluation

Staff, with approval of the LCIF chairperson, shall conduct site visits to selected grant-funded projects to ascertain progress and verify appropriate use of awarded grant

monies. Trustee members may also be called upon to make monitoring visits with approval of the LCIF chairperson. As deemed necessary, larger-sale project and program evaluations may be undertaken by the foundation using staff, consultants and trustee members as required. The annual budget for monitoring and evaluation activities shall be equivalent to a maximum of two (2) percent of grant awards from the prior fiscal year.

### **3. Annual Grants Budget**

The annual budget for the foundation's grant programs funded with unrestricted donations shall be set at 75 percent of the previous fiscal year's unrestricted donations, with the remaining 25 percent held in a grant budget reserve and released for grant making in years when donations are less than US\$10,000,000 or when investment returns are negative. Any funds not awarded in a particular year shall revert to the foundation's unrestricted reserves.

### **4. Grant Related Solicitations For Disaster Relief**

In accordance with Chapter XV, Paragraph A.2.f., of the Board Policy Manual the International Board of Directors does hereby authorize the international president to solicit funds or aid or anything of material or commercial value from any and all Lions clubs and/or Lions districts but only in connection with a specific disaster relief appeal that has been approved by the LCIF Chairperson.

## **C. LIONS QUEST PROGRAM**

### **1. Overview**

Lions Quest is a school-based program of LCIF focused on providing life skills to students grades K through 12. This includes information that teaches skills needed for everyday living including learning to accept responsibility, communicating effectively, setting goals, making healthy decisions and resisting pressure to use drugs and alcohol. Schools which adopt Lions Quest incorporate the curriculum into the school day as a separate course. Lions Quest teachers must attend workshops hosted by the program to become adequately familiar with the curriculum and recommended methods of implementation.

### **2. Administration**

LCIF, through the Lions Quest Department, will be responsible for the administration and management of Lions Quest programs. LCIF may contract a third party provider to

offer fulfillment services for materials orders by customers for the Lions Quest program. Consultants also may be retained to provide marketing, technical support or program development services at the discretion of the LCIF Division Manager and the LCIF Chairperson.

### **3. Revenues And Programmatic Expenses**

Through the Lions Quest program, LCIF will receive program revenue. This revenue shall be used to pay for the programmatic and administrative expenses for the Lions Quest program, which will be kept separate from other administrative expenses of the foundation.

### **4. Budget**

The Lions Quest budget will be maintained separately from the LCIF general budget but will follow the same process of approval, forecasting, and review.

## **D. OPERATION**

### **1. Administration**

The administrative operations of the foundation are subject to compliance with the LCIF Articles of Incorporation, By-Laws and Policy Manual.

### **2. Solicitation And Fund Development**

a. In accordance with Chapter XV, Paragraph A.2.f., of the Board Policy Manual, the International Board of Directors does hereby authorize Lions Clubs International Foundation to solicit, for its lawful corporate purposes, funds or aid or anything of material or commercial value from any and all Lions clubs, member or members, and/or Lions districts (single, sub and/or multiple).

b. Although local Lions organizations are encouraged to solicit corporate and foundation sources for local service initiatives, it is necessary that they contact the LCIF Development Department before soliciting the corporate headquarters of a multinational corporation or foundation to ensure coordination of efforts and avoid any action that may negate potential major gifts for LCIF.

c. LCIF development staff in conjunction with the LCIF trustees may actively solicit contributions from corporations, foundations, governmental bodies and the general public. The foundation, trustees and staff will exercise their authority in regard to the established policies, con-

stitution and by-laws and procedures of the foundation as they relate to the protection of its name and emblem.

### 3. Major Fundraising Campaigns

- a. With approval of the board of trustees, the foundation may conduct from time to time major fundraising campaigns soliciting gifts and pledges from Lions and other funding sources in support of major humanitarian initiatives of LCIF as defined under paragraph 'b' below. The gifts and donations resulting from said campaigns, including investment income derived from said funds, shall be restricted to the program and purpose for which they were raised.
- b. A major campaign is defined as any fundraising initiative with a goal of raising at least US\$10,000,000 in restricted funding. The foundation shall only conduct such campaigns in support of programs and initiatives that (1) are consistent with major service aims of LCIF, as defined in Article I of the LCIF By-Laws, or (2) support the major international service commitment of Lions Clubs International.
- c. Approval of the LCIF board of trustees is required to authorize any major fund raising campaign. The primary body responsible for planning major campaigns is the LCIF Executive Committee or duly authorized subcommittee(s). Before planning commences, the LCIF Executive Committee shall consult with the LCI Long Range Planning Committee to ensure a proposed campaign does not conflict with the current long-range service initiatives of LCI. Considering that Lions members also have financial responsibilities to LCI, and given that a campaign may place extra demands on headquarter operations, the timing of any campaign shall take into account revenue constraints being faced by LCI that could negatively impact a campaign.
- d. The LCIF Board of Trustees shall authorize the planning steps for a campaign that shall include the following activities in this order: 1) a feasibility study conducted by staff or hired consultant to assess Lions members' receptivity to a campaign, the potential fundraising goal, and external considerations such as global financial markets that may impact a campaign; 2) the development of a case statement (i.e., a document outlining the purpose for

which funds will be raised and expected results); and 3) an operating plan and budget addressing all major issues required for a successful campaign including, but not limited to, required staffing, a time frame for campaign completion and for each major phase, the type and manner of fundraising strategies and campaign recognitions to be employed, and composition of any leadership committees formed to help carry-out a campaign. The LCIF Executive Committee shall be responsible for overseeing the above planning documents and planning phases as authorized by the board of trustees.

- e. Since the foundation must also continue to fund its regular grant making activities during a campaign, provisions shall be made to ensure sufficient grant budget reserves are set aside to fund regular grant making activity during the active period of a campaign when unrestricted donations tend to significantly decline.
- f. Given the complexity of major campaigns, the use of outside consultants with special expertise in larger capital campaigns shall be encouraged, especially for the phases involving the feasibility study and development of case statement materials.

### 4. Gift Acceptance Policies

The LCIF Development Department with guidance from the LCIF trustees shall maintain and regularly review a comprehensive gift acceptance policy concerning contributions derived from wills, estates and bequests, annuities and trusts, stocks and real-estate, as well as acceptance of in-kind donations.

### 5. GUIDELINES FOR LCIF FORMING PARTNERSHIPS AND ALLIANCES WITH FOR-PROFIT ORGANIZATIONS

- a. Partnership shall be considered only with international or local organizations which agree to comply with the mission of Lions Clubs International Foundation.
- b. The affiliation shall identify specific, mutually agreed upon objectives to be achieved within a period not to exceed three years, unless extended by action of the LCIF Executive Committee. The term of affiliation shall expire at the end of the LCIF fiscal year.
- c. Proposals for partnerships, including a complete report on the objectives and

potential benefits of affiliation, shall be referred to the LCIF Executive Committee. Proposed partnerships shall be delivered to LCIF Executive Committee members with other materials three weeks prior to the next meeting.

- d. The LCIF Executive Committee shall review said partnership at least annually at the October/November meeting.
- e. As part of the proposal for partnership, a budget shall be prepared and submitted detailing projected costs, need for administrative staff and any other funding requirements. If the affiliation is approved, a budget status report shall be submitted annually at the October/November meeting.
- f. Proposed partnerships shall include a descriptive plan for promoting public awareness of the relationship and its goals.
- g. Partner organizations shall not be permitted to solicit, contact or otherwise communicate with Lions clubs, districts or multiple districts without the express written permission of LCIF.
- h. Any partnership or alliance shall promote the LCIF global image and shall include appropriate recognition of LCIF (e.g., prominent use of the LCIF emblem).
- i. Monetary recovery of funds originally advanced by LCIF may be considered when appropriate.

## E. RULES OF AUDIT

- 1. LCIF Executive Committee Members: The travel, lodgings and associated expense claims of LCIF Executive Committee members not also serving on committees of Lions Clubs International Board of Directors, and their spouses, shall be audited, and due reimbursement made in accordance with the following rules:

- a. **Transportation:**

- (1) Travel by Air: Least expensive available fare not to exceed coach economy fare will be reimbursed. Cost of special chartered plane will be paid only in emergency, subject to approval by the International President or his/her designee.

When scheduled flying time exceeds five hours, not including

time on the ground for connecting flights, reimbursement shall be on the basis of business class fares. If no business class is available, reimbursement shall be based on the coach-economy air fare rule. Past International Presidents' airfare shall be reimbursed according to Section 4.a that follows.

- (2) Travel by Train: When train transportation is used, actual cost shall be reimbursed with canceled tickets to accompany the claim for reimbursement.
  - (3) Travel by Auto: Auto may be used for nearby trips at US\$.26 per mile or US\$.161 per kilometer. However, when auto is used in attending LCIF Executive Committee meetings, reimbursement will be made on the basis of allowable air fare or mileage, whichever is the lesser amount. In no case will more than US\$.26 per mile/US\$.161 per kilometer or the actual cost of the trip (whichever is the lesser) be reimbursed. Reasonable auto parking and storage, when necessary, shall be reimbursed.
- b. **Hotel:** The amount of a reasonably priced room may be submitted (parlors not included). Reasonable laundry, dry cleaning and pressing expenses may be reimbursed.
  - c. **Meals:** Reimbursement will be made for actual amount spent by LCIF Executive Committee member. Receipts shall be required.
  - d. **Meetings:** Reimbursement will be made for the most direct route and for layovers en route only if transportation connections cannot be made. Expenses will be paid en route and for hotels and meals beginning the day before the meeting is to start and terminating on the day after the meeting ends, consistent with reasonable convenience and the right to remain for the delivery of the LCIF Chairperson's report to the International Board of Directors. It is further understood that the member's expenses at the LCIF Executive Committee meeting held in conjunction with the International Convention shall begin the day before the LCIF Executive Committee meeting is to start and terminate on the day after the annual membership meeting ends.

- e. **Date Expenses Begin and End:** The expenses of incoming LCIF Executive Committee members not also serving on board committees begin the day they are officially appointed (which means one-half of the round-trip transportation to the convention site where the appointment is made will be paid by the foundation). However, said LCIF Executive Committee members will be paid their entire transportation to and from the International Convention, along with their expenses according to the Rules of Audit, at such time as their terms of office expire.
  - f. **Presentation of Claims:** Expense claims should be submitted only on the official form, monthly, by the 20th of the following month. If claims are received 90 days after the deadline, they can be paid by approval of an administrative officer only with documentation of valid reasons for the delay. Claims received 120 days or later after the deadline will not be considered.
  - g. **Canceled Tickets and Hotel Receipts:** Claims for transportation (except for auto) and hotel cannot be paid unless claims are accompanied by canceled transportation tickets and proof of payment (canceled check or credit card receipt) and hotel receipts.
  - h. **Reimbursement:** Reimbursement will be made in the currency of the domicile of the LCIF Executive Committee member, except when the best interest of the foundation requires otherwise.
  - i. **Insurance:** LCIF Executive Committee members not also serving on board committees are to be furnished coverage of US\$100,000 each of accidental death and dismemberment insurance.
  - j. **Countries Where Transfer of Association Funds Is Restricted:** Notwithstanding anything to the contrary herein set forth, if transfer of association funds is restricted in such Lion's country of residence for more than one year, the expenses of any such LCIF Executive Committee member shall be paid only from association funds that are restricted in his/her country.
2. **SightFirst Advisory Committee and Lions Quest Advisory Committee:** The same Rules of Audit that apply to LCIF Executive Committee members (Chapter XVI, Paragraph E.1. of the Board Policy Manual) shall apply to members of the SightFirst Advisory Committee and the Lions Quest Advisory Committee.
3. **SightFirst Technical Advisors and other independent LCIF contractors**
- a. **Presentation of Claims**  
Expense claims should be submitted only on the official form, monthly, by the 20th of the following month. If claims are received 90 days after the deadline, they can be paid by approval of an administrative officer only with documentation of valid reasons for the delay. Claims received 120 days or later after the deadline will not be considered.
  - b. **Transportation**
    - (1) **Travel by Air:** If airplane travel is used (commercial, private or charter), maximum reimbursement will be the most economical fare. Canceled tickets and proof of payment (canceled check or credit card receipt) must be attached to the expense claim.
    - (2) **Travel by Train:** If rail travel is used, first class and Pullman (roomette) fare will be reimbursed, provided that canceled tickets are attached to the claim.
    - (3) **Travel by Auto:** The allowance for automobile is US\$.28 per mile or US\$.173 per kilometer, all inclusive. Tolls will be reimbursed if receipt accompanies claim.
  - c. **Travel Authorization:** For SightFirst Technical Advisors, travel shall be limited to activities directly involved with Lions and the SightFirst program, and at the request of either LCIF and/or the Lions in technical advisor's area of responsibility. Travel outside of the SightFirst Technical Advisor's contracted geographical area requires written prior approval from the LCIF Sight Programs Department. Travel authorization for other LCIF technical advisors and consultants, unless otherwise agreed to by LCIF, shall require approval of the department responsible for overseeing the consultant.
  - d. **Hotel:** Payment will be made for a reasonably priced hotel room at the single rate. Receipted bill is required. Incidentals such as personal telephone calls, in-room movies, etc., are considered personal items.

- e. **Meals:** Reimbursement will be made for a reasonable amount for the technical advisor's own personal meals when traveling. Please note that alcohol is considered a personal item. A receipt is required for reimbursement and should be dated; include the name of the restaurant and amount, less alcoholic beverages (if any).
  - f. **Telegrams, Telephone, Fax, Printing and Postage Expense:** A reasonable amount will be paid with itemization required as an attachment, including person and purpose.
  - g. **Office Equipment and Supplies:** Permission must be obtained in advance from LCIF and three bids or newspaper advertisements must be submitted prior to the purchase of office equipment. Form LCIF-104 showing LCIF as sole owner of equipment purchased needs to be completed and submitted with invoice for payment. Reimbursement will be made for reasonable purchase of office supplies, with paid receipts.
  - h. **Staffing:** Reimbursement will be made for an appropriate level of secretarial support. Any secretarial arrangement shall be made by the technical advisor and does not constitute a contractual agreement between the supplier of secretarial support and LCIF or Lions Clubs International. Reimbursement for secretarial support will be made with receipt or invoice for the secretarial services, which will be limited exclusively to work on SightFirst.
  - i. **Office Rental:** Where absolutely necessary, office rental, including utilities, will be reimbursed for a reasonable amount with paid receipt.
  - j. **Professional Meetings:** Permission to attend professional meetings, seminars, and conferences must be obtained from the responsible LCIF department prior to attending.
4. **Other Travel on Behalf of LCIF:** For travel with respect to LCIF, including visits for project sites, the following rules shall apply:
- a. **Travel by Air:** Least expensive available fare, not to exceed coach economy fare will be reimbursed. Cost of special chartered plane will be paid only in emergency, subject to approval by the international president or his/her designee.

When scheduled flying time exceeds five hours, not including time on the ground for connecting flights, reimbursement shall be on the basis of business class fares. If no business class is available, reimbursement shall be based on the coach-economy air fare rule.

First class air fare is authorized when used by the executive officers and their spouses.

A past international president, when accompanied by spouse, shall be reimbursed for the actual cost of the air fare for self and spouse, by the most direct route, not to exceed two business class air fares (coach-economy air fares if business class not available). When traveling alone, reimbursement shall be actual cost of air fare for self by the most direct route, not to exceed one business class air fare (coach-economy air fare if business class not available). When scheduled flying time exceeds five hours, not including time on the ground for connecting flights, reimbursement shall be on the basis of first class air fares for any function for which the foundation is responsible for payment under the Rules of Audit.

- b. **Travel by Train:** When train transportation is used, actual cost shall be reimbursed with canceled tickets to accompany the claim for reimbursement.
- c. **Travel by Auto:** Auto may be used for nearby trips at US\$.26 per mile or US\$.161 per kilometer. When auto is used, reimbursement will be made on the basis of allowable air fare or mileage, whichever is the lesser amount. In no case will more than US\$.26 per mile/US\$.161 per kilometer or the actual cost of the trip (whichever is the lesser) be reimbursed. Reasonable auto parking and storage, when necessary, shall be reimbursed.
- d. **Spouse's Transportation and Transportation of Other Family Members:** The transportation expenses of the spouse of an executive officer or past international president shall be reimbursed on the basis shown in the preceding paragraphs only when the trip can be classified as being in the interest of Lions Clubs International Foundation. The transportation of a spouse accompanying an executive officer or past international president to the Oak Brook headquarters or elsewhere for committee meetings or project monitoring or

other similar type functions shall not be subject to reimbursement. No transportation expenses will be reimbursed for sons, daughters, sisters, aunts or other family members

5. **Authorization for Travel:** The LCIF chairperson may authorize travel, on behalf of LCIF, as well as his own travel, provided such travel is in accordance with these Rules of Audit and the expense is covered within the LCIF budget. The LCIF chairperson shall coordinate such travel so as not to conflict with the travel of the president of Lions Clubs International.

#### F. ENDOWMENT FUNDS

1. The board of trustees of Lions Clubs International Foundation authorizes the acceptance of donations restricted for the purpose of endowment. These funds may be restricted only to activities normally conducted by Lions Clubs International or funded by Lions Clubs International Foundation. Such activities would include those listed in Chapter I, Activities of the Association of the Board Policy Manual for Lions Clubs International.
2. The principal of endowment gifts will be maintained in perpetuity or until such time or such occurrence as specified or agreed to in writing by both the donor and the foundation at the time of the gift.
3. Revenue from endowment gifts shall be used for the unrestricted purposes of the foundation unless otherwise specified at the time of the gift and fall within the purview of the normal and generally accepted activities of the foundation.
4. Restrictions and procedures for the acceptance of non-cash gifts for the purpose of funding the endowment portion of the foundation will be the same as for the acceptance of unrestricted non-cash gifts to the foundation.
5. For the purpose of investments, endowment funds may be commingled with other restricted funds but not with the general purpose funds of the foundation under the direction of the standard investment policies and practices of the foundation.
6. If an individual donor specifies at the time of the gift, any endowment gift of US\$100,000 or more in value may be restricted in a "named account."
  - a. Income of "named accounts" within the foundation that were given for a specific

program of the foundation and/or the association may be diverted for other programs by action of the board should the original program for which the gifts were restricted no longer be offered by the foundation or the association to the general public or its members;

- b. All "named accounts" which restricted income to be used for a specific purpose other than the generally established board-approved endowed funds have a "life" of ten years after the last contribution to the named fund. After that time, the principal can be transferred to the foundation's unrestricted fund and the income from the fund will be used for the general purposes of the charity which may or may not include the original program toward which the gift was restricted.
7. All "named" accounts will be permanently listed in the foundation's annual report unless the accounts ceased to exist due to the passage of specific time or the occurrence of a specific event as restricted or agreed to by the donor at the time of the gift.
  8. A gift of US\$10,000 or more may be made to an existing "named account" if it is restricted by donor at the time of the gift.
  9. A combined gift valued at or greater than US\$100,000 made in unison directly from the individual donors and not from clubs, districts and multiple districts or solicited from the public at large can be restricted as a "named account." Two or more individual donors may act in unison to be restricted a "named account" even though their individual gifts are less than US\$100,000.
  10. Any endowment gift of less than US\$100,000, and any endowment gift regardless of size, which the donor does not wish to be restricted as a "named account" shall be placed in the appropriate general endowment fund corresponding with the identified activity of the donor.
  11. Donors to the endowment program of the foundation are to be encouraged to restrict revenue from their gifts to the restricted activities as approved by the board.
  12. A donor wishing to make an endowment gift with revenue restricted to a specific program or purpose is to be encouraged to include a clause allowing the board of trustees to redirect such revenue if the original program or purpose ceases to exist.
  13. Endowment gifts, the revenue of which is to be restricted to the current ongoing grant pro-

grams of the foundation, that do not have a redirection clause, may be accepted by the executive director, the division manager and the manager of the development department, if, in their collective opinion, the size of the gift and the probable duration of the program warrant such action.

14. Endowment gifts, the revenue of which is restricted to a specific purpose other than the ongoing activities of the foundation and/or the association, may be accepted only with the approval of and an appropriate resolution from the board of trustees.
15. The primary but not sole source of the foundation endowment funds should be received through cash gifts of the estate, as planned gifts - assisted with professional advice, non-cash gifts, or from wills, trusts, legacies or insurance policies.
16. The purpose of these funds is to strengthen the financial reserves of the foundation, thereby assuring the orderly continuation of services which the foundation supports. Designation of current forms of operational support to the foundation as endowment gifts is to be strongly discouraged.
17. Subject to the conditions above, endowment gifts may be accepted in the name of the foundation by any two of the following: the executive director, the Lions Clubs International Foundation division manager or the Development Department manager; or, either the executive director, the Lions Clubs International Foundation division manager, or the Development Department manager in conjunction with the member(s) of the board of trustees.

## **G. NON-DISCRIMINATION POLICY**

### **1. Non-Discrimination Policy – Employment**

Lions Clubs International Foundation is an equal opportunity employer. Discrimination on the basis of race, religion, color, age, sex, national origin, disability, handicap, marital status, ancestry, veteran status or other protected status is prohibited and will not be tolerated.

### **2. Non-Discrimination Policy – Program**

Lions Clubs International Foundation affirms a policy of non-discrimination in all programs without regard to race, religion, creed, color, gender, age, national origin, or disability. The board of trustees is committed to this policy of non-discrimination and urges each Lions club participating in foundation-funded projects to uphold the Lions Code of Ethics and

purposes of Lions Clubs International by reflecting the common cause of friendship and services in all activities in a non-discriminatory manner.

## **H. BANKING**

### **1. The Northern Trust Company of Chicago**

BE IT RESOLVED: That The Northern Trust Company of Chicago, Illinois as a designated depository of this corporation be and it is hereby requested, authorized and directed to honor checks, drafts or other orders for the payment of money drawn in this corporation's name, including those drawn to the individual order of any person or persons whose name or names appear thereon as signer or signers thereof, when bearing or purporting to bear the facsimile signature(s) of any two of the following:

Maryellen Skerik, LCI Treasurer  
Michael Carroll, Manager, LCI Information  
Technology Division  
Mark Koerlin, Manager, LCI  
Accounting Department  
Janet Bianchetta, LCI Accountant/Analyst

and said The Northern Trust Company shall be entitled to honor and to charge this corporation for all such checks, drafts or other orders, regardless of by whom or by what means the facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the facsimile specimens duly certified to or filed with said The Northern Trust Company by the Secretary or other officer of this corporation.

### **2. The Northern Trust Company of Chicago**

WHEREAS, it is deemed to be to the best interest of this organization that custody of the securities belonging to this organization be lodged with The Northern Trust Company, Chicago, Illinois, and that the special safe-keeping account agreement hereinafter described (referred to herein as the "Agreement") be entered into by this organization with The Northern Trust Company;

BE IT RESOLVED, That the form of the Agreement between this organization and The Northern Trust Company which has been presented to this meeting is hereby approved and that the Treasurer of this organization is authorized, for and on behalf of this organization and under its seal to be attested by the Secretary, to execute and deliver the Agreement.

BE IT RESOLVED, FURTHER, That Any Two of the following officers of this organization to-wit:

Maryellen Skerik, Treasurer  
Michael Carroll, Manager, Information Technology  
Mark C. Koerlin, Manager, LCI Accounting Department  
Janet Bianchetto, LCI Accountant/Analyst

are (is) hereby authorized on behalf of this organization;

- a. To deposit with The Northern Trust Company under the provisions of said Agreement such securities and property as they in their sole discretion may deem advisable from time to time;
- b. To give the directions and instructions provided for under said Agreement, including directions for the sale or purchase of securities and property;
- c. To request and receive delivery of and to receipt for any securities or property held from time to time by The Northern Trust Company under terms of said Agreement;
- d. To terminate said Agreement by giving written notice of such termination to The Northern Trust Company.

**3. The Northern Trust Company of Chicago**

- a. RESOLVED: That The Northern Trust Company of Chicago, Illinois, hereby is designated a depository in which funds of this organization may be deposited, and that any officer of this organization hereby is authorized for and on behalf of this organization to open an account or accounts with said depository and to make such arrangements for the conduct thereof as he shall deem proper, and, also, that any officer, agent, or employee hereby is authorized to deposit the funds of this organization in such account or accounts, and to indorse for deposit or collection checks, drafts, notes, certificates of deposit, and like obligations. Endorsements for deposit or collection may be by the written or stamped endorsement of the organization, without designation of the person making the endorsement.
- b. RESOLVED, also That The Northern Trust Company hereby is authorized to pay out funds on deposit with it to the

credit of this organization, upon withdrawal order(s) for payment of money, and signed in the name of this organization by any two of the following, to-wit:

Maryellen Skerik, LCI Treasurer  
Michael Carroll, Manager, LCI Information Technology Division  
Mark Koerlin, Manager, LCI Accounting Department  
Janet Bianchetto, LCI Accountant/Analyst

- c. RESOLVED, also, That The Northern Trust Company shall not in any way be responsible for, or have any obligation to inquire into the circumstances of the issuance of any withdrawal order for the payment of money, or other instrument signed as hereinabove provided, or the application, disposition, or use of the proceeds thereof, or of any of the funds deposited with it as hereinabove provided.
- d. RESOLVED, also, That each of the aforementioned officers or other persons authorized to act for this organization in any case aforesaid hereby is authorized without the concurrence of any other officer or person to act for this organization in the transaction of all other business for its account with The Northern Trust Company.
- e. RESOLVED, also, That the Secretary of this organization shall file with The Northern Trust Company a certified copy of this resolution under the seal of the organization, and also shall file with The Northern Trust Company a list of the persons at the present time holding the offices above mentioned in this organization, and The Northern Trust Company as against this organization shall be entitled to presume conclusively that the persons so certified as holding such offices respectively continue to hold the same until otherwise notified in writing by the Secretary of this organization, and Secretary is authorized and directed to certify that the provisions hereof are in conformity with the constitution, by-laws and other rules of this organization.
- f. RESOLVED, also, That this resolution shall be in full force and effect and binding upon this organization until it shall have been repealed, and until written notice of such repeal shall have been delivered to The Northern Trust Company at its office in the City of Chicago, Illinois.”

4. Northern Trust, as a designated depository of this corporation, is authorized and directed to honor checks, drafts or other orders for the payment of money drawn in this corporation's name, including those payable to the individual order of any person or persons whose name or names appear thereon as signed or signers thereof, when bearing or purporting to bear the facsimile signature(s) of any two of the following:

Maryellen Skerik, LCI Treasurer  
Michael Carroll, Manager, LCI Information  
Technology Division  
Mark Koerlin, Manager, LCI  
Accounting Department  
Janet Bianchetto, LCI Accountant/Analyst

and the Northern Trust Company of Chicago shall be entitled to honor and to charge this corporation for such checks, drafts or other orders, regardless of by whom or by what means the actual or purported facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the facsimile specimens duly certified to or filed with The Northern Trust by the Secretary or other officers of this corporation.

With respect to facsimile-signed checks, these may not exceed US\$10,000.

5. **Lions Quest Bank Account:**

A separate bank account shall be maintained for the collection of revenues from the Lions Quest program. Lions Quest expenses may also be paid from this account. Periodically, LCIF may transfer funds from this account to the Northern Trust account as determined by LCIF and LCI authorities.

The Wachovia (branch office located in Annapolis Junction, MD) is designated as the depository for funds of Lions Quest. All checks or other orders for the payment of money from the First Union Bank must be signed jointly by any two of the following:

Maryellen Skerik, LCI Treasurer  
Michael Carroll, Manager, LCI Information  
Technology Division  
Mark Koerlin, Manager, LCI  
Accounting Department  
Janet Bianchetto, LCI Accountant/Analyst

## I. INVESTMENTS

The board of trustees may employ one or more investment advisors or fiscal agents to handle the details of its investment program, the purchase and sale of securities and investments under the

supervision of the board of trustees, the custody of all securities and investments, and the keeping of corporate accounts and records whenever the funds of the corporation are sufficiently large to justify the same. (Bylaws, Article XI.)

The investments of LCIF shall be made primarily with a view to safety of principal for the long-term rather than with a view to increase in equity and the highest investment yield, with the exception of funds placed with investment managers, to which the Statement of Investment Policy (Exhibit B) shall apply.

The board of trustees appoint, authorize and direct, with the approval of the LCIF Chairperson, the LCIF Executive Director, the LCI Treasurer, the LCIF Division Manager, and the LCI Accounting Department Manager, as agents jointly to invest and reinvest funds of the corporation. Investments of fewer than 30 days are exempt from this requirement.

- a. As has been common practice in LCIF, all marketable and publicly traded securities donated to LCIF may be sold as soon as reasonably possible after the securities are in the possession of LCIF.
- b. In certificates of deposit, as they deem proper, provided, however, that the amount invested in certificates of deposit of any one financial institution at any one time shall not exceed the sum of US\$100,000 and the maturities shall not exceed five years.
- c. In U.S. Treasury and U.S. Government Agency Securities or obligations and investments guaranteed by any national government or any agency thereof with a rating equivalent to Standard and Poors AAA.
- d. In money market funds that invest exclusively in securities issued by the government of the United States. LCIF is authorized to open accounts with those mutual fund companies that hold shares donated to LCIF, for the purpose of accepting such shares as contributions. The Chairperson of LCIF and the LCIF Division Manager are duly authorized to give instructions for purchase, sale, exchange or transfer of shares and to execute necessary forms in this connection.

The board of trustees authorizes the LCIF executive director and the LCIF division manager, in consultation with the investment management consultant, to reallocate the LCIF portfolio and change managers as needed, upon approval of the LCIF chairperson.

**J. ACCOUNTING PROCEDURES**

**1. Accounting System**

The financial records of Lions Clubs International Foundation are maintained in accordance with U.S. Generally Accepted Accounting Policies (GAAP) as well as local and federal rules and regulations. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. All amounts are presented in United States Dollars.

**2. Internal Audit Function**

Lions Clubs International and Lions Clubs International Foundation (LCI and LCIF) supports Internal Audit as an independent appraisal function to examine and evaluate the LCI and LCIF's activities as a service to management. The objective of internal audit is to assist the Audit Committee in the effective discharge of their responsibilities.

**Planning**

An independent internal auditor will conduct a risk assessment of both LCI and LCIF every three years. The results of this risk assessment will form the basis of a three-year internal audit plan. The Audit Committee must approve any changes to this internal audit plan. The Audit Committee will have final approval of the independent internal auditor engaged to perform the internal audits.

**Audit Scope**

Responsibilities include examining and evaluating the policies, procedures and systems, which are in place to ensure:

- Reliability and integrity of information;
- Compliance with policies, plans, procedures, laws, and regulations;

- Safeguarding of assets;
- Economical and efficient use of resources; and
- Accomplishment of established objectives and goals for operations of programs.

**Coordination of Internal Audit Function**

Coordination of the internal audit function shall be the responsibility of the Treasurer with oversight by the Audit Committee. The Treasurer is responsible for ensuring that the resources are available to promote an efficient and effective audit.

**Reporting**

A written audit report will be prepared and issued by the internal audit organization following the conclusion of each audit project and will be addressed and distributed to the Audit Committee and Executive Administrator. The report will also be distributed to the Treasurer, independent auditors and other management, as appropriate. The manager of the activity or department receiving the report will respond to any audit recommendations and the responses will be included in the finalized report. The final report should include: Significant findings during the audit work and suggest a course of action where appropriate.

**K. FISCAL AGENTS**

Country	Name	Effective
India	Neville Mehta	06/29/06
India	Phil Writer	06/29/06