

Lions Clubs



International

Lions and the Law

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INTRODUCTION



LCI Legal Division

What Information Does the Legal Division Provide to Lions?

LCI Program of Insurance

Constitution & By-Laws, Board Policy, Parliamentary Rules
Trademarks

Dispute Resolution

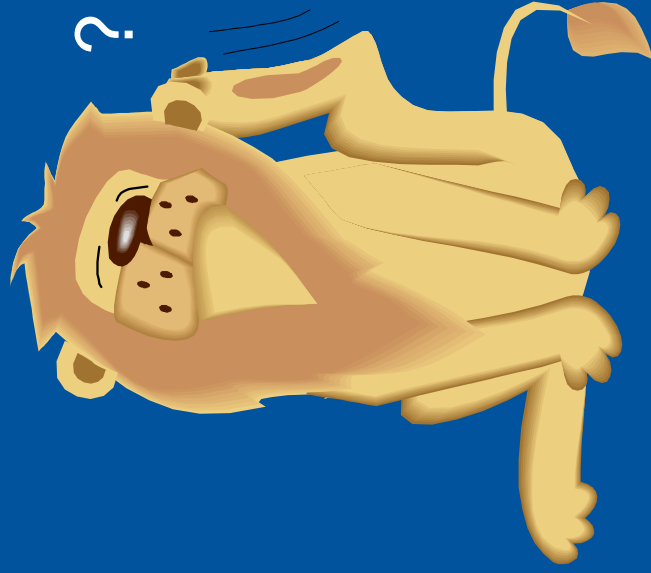
Corporate Governance

Lions Clubs



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LIONS & THE LAW



TRAINING OVERVIEW



- **Risk Assessment**
- **Insurance**
- **Use of Funds**
- **CBL Updates**
- **Tax Updates**
- **Legal Resources**
- **Questions & Answers**



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RISK ASSESSMENT



RISK ASSESSMENT

Lions Clubs and Districts Engage in Activities that present legal liability to the clubs, districts, officers and individual Lions

- **Special Events/ Fundraising**
- **Conferences/ Meetings**
- **Youth Camps / Youth Exchange**
- **Disaster Relief**
- **Health Screening**



RISK ASSESSMENT

Evaluate whether the benefit of the activity outweighs the risks to the club, officers and members.



RISK ASSESSMENT

- **Review existing safety procedures or precautions that are in place**
- **Develop procedures to minimize risk such as assigning a safety officer**
- **Consult local legal counsel for statutory/regulatory compliance**
- **Determine what insurance coverage exists and review whether additional insurance is needed**

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INSURANCE



INSURANCE

Commercial General Liability Provided to All Lions Clubs *Automatically*

Policy by ACE American Insurance

\$1 Million liability coverage for bodily injury
and/or property damage to third parties per
occurrence

\$2 Million aggregate liability coverage

\$1,000 limited medical expense



INSURANCE

Coverage

The policy pays sums that the insured becomes legally obligated to pay as damages to third parties because of ***bodily injury*** or ***property damage*** arising out of or in the course of Lions functions and activities



INSURANCE

Coverage Examples

- Damage to third party property
- Products Liability
- Personal Injury and Advertising Injury (ex: defamation)
- Incidental Malpractice
- Medical payments (limited to \$1,000)



INSURANCE

Exclusions

- Employment related liability
- Automobile owned by a named insured
- Watercraft and Aircraft
- Pollution & Asbestos
- Liquor Liability



INSURANCE

Claim Costs

- Costs of insurance program are paid by LCI as part of Lions annual dues
- Premium costs of the program are directly related to claims, therefore safety is a priority to reduce the amount of claims

INSURANCE

Safety Officer – each Lions Club should designate a Safety Officer with the following duties:

- Become familiar with insurance program
- Review Club activities and identify potential hazards
- Complete self-inspection checklist
- Ensure adequate supervision of event
- Obtain Certificates of Insurance from other organizations
- Gather and report information on potential claims



INSURANCE

Hazardous Activities

Dunk Tanks

Carnivals, Circuses & Rodeos

Events where Alcohol is Served

Amusement Rides

Races

Rock Concerts

Fireworks Displays & Sales

Swimming Pools

Construction & Demolition Projects

Tractor Pulls



INSURANCE

Evidence of Coverage

Coverage afforded by the program is ***automatic***. If you are required to provide evidence of coverage, a certificate of insurance may be ***immediately*** printed online 24 hours a day at www.lionsclubs.org in the resources section.

Call 800-316-6705

Fax 630-324-2779

Email Request to lionsclubs@willis.com



INSURANCE

Claim Reporting

All claims, or occurrences which might lead to claims, should be reported to ACE Insurance.

- US call (888) 217-8074
- Outside US call (866)809-0396

Do not admit liability or suggest compensation will be offered



INSURANCE

Supplemental Insurance

Effective October 1, 2010 Lions Clubs, Districts and other authorized Lions Organizations may apply for supplemental insurance at discounted rates.



INSURANCE

Supplemental Insurance by Philadelphia Insurance and QBE Insurance

- Directors & Officers Liability Insurance
- Crime/Fidelity (Bond) Coverage
- Special Events/Liquor Liability
- Accident Insurance



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USE OF FUNDS



USE OF FUNDS

Managing Accounts

- Activity Funds
- Administrative Funds





USE OF FUNDS

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*



USE OF FUNDS

*Direct Expenses may be deducted from public fundraisers 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 expense of the building.

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CONSTITUTION & BY-LAWS UPDATES



STANDARD FORM CLUB CBL

- **Selection of Club Delegates**
- **Elections & Nominations**
 - Notice Requirements
 - Voting & Ballot Requirements
 - Reporting results to LCI
- **Club Meeting/ Alternative Meeting Formats**
- **Authorized Signatories**
- **Transfer of Club Records**
- **Membership Transfer**



STANDARD FORM DISTRICT CBL

- **Supremacy of the Forms**
- **Removal from Office**
- **Delegates to District Conventions**
- **Automatic Updates**
- **Transfer of District Records**
- **Meeting formats**
- **Region/Zone Organizations**



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Tax Updates



Tax Updates

- Lions Clubs are chartered by LCI and covered under LCI's group exemption as 501c4 organizations, and are exempt from Federal Income Tax.
- Donations made to Lions Clubs are not tax deductible, under this group exemption.
- 501c3 organizations such as LCIF are formed solely for charitable, educational, etc. purposes. Donations made to 501c3 organizations are tax deductible.



FOUNDATIONS

Clubs, Districts & Multiple Districts may form a separate legal entity “*Foundation*” using the Lions name and logo

Option for a Club that wants to form a 501(c)(3) organization in order to benefit as a “charity” in the United States.



FOUNDATIONS

Apply to use the Lions name and emblem through the Legal Division

- ✓ Completed Application
- ✓ Proposed Constitution & By-Laws
- ✓ Evidence of Lions supporting the formation of the entity (such as club minutes/resolution)



Tax Filings

- Lions Clubs must either file a Form 990, 990-EZ or the e-Postcard (990-N).
- Lions Clubs have a fiscal year of July 1-June 30; e-Postcard is due the 15th day of the **fifth** month after the close of the tax year.
- **Clubs will lose their tax-exempt status if this is not filed three years consecutively.**
- For more information on whether your club has lost its tax exemption, visit the IRS website.



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LEGAL RESOURCES



RESOURCES

Governing Documents

Constitution and By-Laws

Board Policy, including Privacy, Trademarks & Ethics Policies

Guidelines

Dispute Resolution

Elections

Trademarks

Insurance Brochure

Tax Resources



Lions Clubs International

QUESTIONS?

Lions Clubs International - Legal Division

Website: www.lionsclubs.org

Email: legal@lionsclubs.org

Call: 630-571-5466 ext. 360

Fax: 630-571-0953