

CHAPTER XII

RULES OF AUDIT

NOTE: The rules of audit are to serve as guidelines for reimbursement and are approved annually by the Council of Governors. Rules of Audit may be subject to change in order to maintain a balanced budget.

No travel expense accounts shall be paid unless submitted upon the approved form properly itemized and accompanied by the necessary receipts. Claims of less than \$20.00 will be held and paid with subsequent claims when they total at least \$20.00.

All claims must be submitted within sixty (60) days of the expense that was incurred in order to be paid.

A. ZONE CHAIRPERSON & ACTING ZONE CHAIRPERSON, who will fulfill the requirements of the Office of Zone Chairperson by January 1, of the current Lions year in which they are serving as Acting Zone Chairperson.

POSTAGE: (postage paid in the currency of the Zone Chairperson's country)

The actual amount of postage can be claimed for the following:

- a) Bulletins: Reimbursed for monthly Zone Bulletins (1 oz, 30 g or less) to each Lions Club President, Secretary, ZC's District Governor, Vice District Governor, MD19 Council Chairperson MD19 Vice Council Chairperson and MD19 Office.
- b) Letters: Reimbursed for two additional mailings (1oz, 30 g or less) per month to each Lions Club in the Zone, the District Governor, the Vice District Governor and MD19 Office.
- c) Reimbursement is contingent on receipt in the MD19 Office of the monthly bulletins and copies of letters sent out.
- d) Canadian Zone Chairpersons will be reimbursed for GST.

MILEAGE FOR VISITS: (Mileage paid in US Funds)

Mileage is to be submitted in miles for both U.S. and Canadian Zone Chairpersons. Miles can be calculated by multiplying Kilometers by .621. Mileage is calculated from the meeting place of the Zone Chairperson's home club. Reimbursement is \$0.25 per mile round trip by the most direct route. Visits must be reported on the proper form as indicated below. Reimbursements will be made for actual ferry fares and the lesser of the actual cost of airfares or the round trip miles, if airfare is submitted. Receipt required for payment.

- a) Official Zone Chairperson visits to Lions Clubs – Max 1 visit - (Reported on Zone Chairpersons Monthly Report)
- b) Official Zone Chairperson visits with District Governor when not traveling with Governor – Maximum 1 visit - (Reported on Zone Chairpersons Monthly Report.)
- c) Zone Meetings (Reported on Zone Advisory Committee Meeting Report) Max 3 Zone Meetings allowed. Must be held within geographic boundaries of the Zone except for a Zone Meeting held at the District Spring Conference.
- d) District Cabinet Meetings (Reported on Zone Chairpersons Monthly Report) Max 3 District Cabinet Meetings. Meetings must be held within the geographic boundaries of the District, except the Cabinet Meeting at the Spring Conference. In order to receive reimbursement for a Cabinet meeting at a Spring Conference, the Conference must be held within 50 miles (round trip) of the District boundaries.
- e) Club Officer Training School (Reported on Form provided by MD19 Office) must be held after club elections in spring and prior to June 30 of his/her year in office.
- f) MD19 Annual Convention. Attendance at the Zone Chairperson Meet-Up or Rap Session required for payment to be made.

FARES:

Reimbursements will be made for actual ferry fares and lesser of the actual cost of airfares or the round trip miles, if airfare is submitted. Canadian Zone Chairpersons will receive reimbursement for fares such as bus, air, ferry and toll highways in the actual currency paid. Fare receipt required for payment.

HOTEL ALLOWANCE: (Hotel allowance paid in US Funds)

Hotel allowance is \$40.00 per night for the following:

- a) One night for Official Zone Chairperson visits over 200 miles round trip or if ferry/plane schedules do not permit same day return. – Maximum 2 per club. Hotel receipt required.
- b) One night for club visits where it is necessary to stay overnight to make two or more Official Zone Chairperson visits on one trip. Hotel receipt required.
- c) One night for District Cabinet Meetings if round trip miles are over 200 miles. Hotel receipt required.
- d) Regardless of the miles traveled, when one of the three District Cabinet Meetings claimed is held in conjunction with the District Spring Conference, 2 nights of hotel allowance are allowed, provided the Zone Chairperson attends the Cabinet Meeting and hotel receipt submitted
- e) MD19 Annual Convention: 2 nights, hotel receipt and attendance at the Zone Chairperson Meet-Up or Rap Session required for payment to be made.

PRINTING COSTS:

An annual allowance of \$20.00 will be made to each Zone Chairperson upon request to help defray copying costs of the Zone Bulletin. REIMBURSEMENT IS CONTINGENT ON RECEIPT IN THE MD19 OFFICE OF 10 BULLETINS.

ZONE CHAIRPERSON ELECT SCHOOL - PRIOR TO THE LCI CONVENTION: (Hotel and mileage allowance paid in US Funds. Reimbursements for fares are in actual currency paid for fare)

ZCE's will be reimbursed \$40.00 per night for a maximum of three nights, and \$0.25 per mile round trip by the most direct route. Hotel bill receipt is required and attendance at the ZC's school is mandatory if claim is made. ZCE's must sign in on the attendance sheet at each session.

There are no allowances for telephone expenses.

B. SEATED 1ST AND 2ND VICE DISTRICT GOVERNORS:

1. DISTRICT CABINET MEETINGS

- a. Attendance verified by District Cabinet Meeting Minutes and Attendance Sheets received in MD19 Office. Max 3 District Cabinet Meetings will be reimbursed. Meetings must be held within the geographic boundaries of the District, except the Cabinet Meeting at the District Conference. In order to receive reimbursement for a Cabinet meeting at a District Conference, the Conference must be held within 50 miles (round trip) of the District boundaries.
- b. One night hotel for District Cabinet Meetings if round trip miles are over 200 miles. Hotel receipt required. Mileage reimbursed at \$0.25 per mile round trip by the most direct route. Mileage must be submitted in miles for both US and Canadian 1st and 2nd Vice District Governors. (See "Mileage for Visits" under the Zone Chairpersons section in the Policy Manual page XII-1.)
- c. Regardless of the miles traveled, when one of the three District Cabinet Meetings claimed is held in conjunction with the District Conference, 2 nights of hotel allowance are allowed, provided the 1st and 2nd Vice District Governor attends the Cabinet Meeting and a hotel receipt is submitted

2. MD19 COUNCIL MEETINGS:

- a. Travel reimbursement shall be reimbursed at the rate of \$0.25 US per round trip mile by the most direct route for their attendance at up to a maximum of three (3) Council Meetings per fiscal year. Reimbursements will be made for actual ferry fares and the lesser of the actual cost of airfares or the round trip miles, if airfare is submitted. NOTE: Attendance at the total Council Meeting is mandatory to have a valid claim and Vice District Governors must sign in on the Official Attendance Sheet. Fares will be reimbursed in the currency in which they were paid.
- b. A hotel allowance at the rate of \$40.00 US shall be as follows: two nights for the MD19 Annual Convention Council Meeting, one night for the Winter Council Meeting, and one night for the Spring Council Meeting. If the round trip mileage for the MD19 Annual Convention, Winter or Spring Council Meetings is 200 miles or more, then one additional night will be allowed. These allowances will be subject to the presentation of receipted bills. NOTE: A hotel receipt, attendance at the total Council Meeting and signing in on the official attendance sheet at the Council Meeting are mandatory in order to receive reimbursement.
- c. Reimbursement of travel and hotel expenses for a fourth (4) Council Meeting is subject to availability of funds.

MILEAGE:

Mileage for District Cabinet Meetings and MD19 Council Meetings paid in US Funds and is to be submitted in miles for both U.S. and Canadian 1st and 2nd Vice District Governors. Miles can be

calculated by multiplying Kilometers by .621. Mileage is calculated from the meeting place of the 1st Vice District Governor's home club. Reimbursement is \$0.25 per mile round trip by the most direct route. Visits must be Expense Claim form provided by the MD19 Office.

FARES:

Reimbursements will be made for actual ferry fares and lesser of the actual cost of airfares or the round trip miles, if airfare is submitted. Canadian District Governors will receive reimbursement for fares such as bus, air, ferry and toll highways in the actual currency paid. Fare receipt required for payment

HOTEL ALLOWANCE:

\$40.00 per night paid in US Funds and a hotel receipt is required for payment.

Attendance at all sessions of each of the MD19 Council Meetings and District Cabinet Meetings claimed as well as signing in on the official attendance sheet at each meeting is mandatory in order to receive reimbursement.

3. USA/CANADA FORUM:

If the 1st Vice District Governor attends the USA/Canada Forum during his/her fiscal year in office, and if money has been budgeted, he/she shall receive the sum of \$300.00 to assist in his/her expenses. **Proof of registration must be presented to the MD19 Executive Secretary/Treasurer in order to receive reimbursement.**

C. IMMEDIATE PAST DISTRICT GOVERNORS, IMMEDIATE PAST COUNCIL CHAIRPERSON AND VICE COUNCIL CHAIRPERSON ATTENDING COUNCIL MEETINGS:

1. Travel reimbursement for Immediate Past District Governors, the Immediate Past Council Chairperson, and Vice Council Chairperson who are members of the Council of Governors shall be reimbursed at the rate of \$0.25 per round trip mile by the most direct route for their attendance at up to a maximum of four (4) Council Meetings per fiscal year. Miles are calculated by multiplying kilometers by .621. Reimbursement will be made for actual ferry fares and the lesser of the actual cost of airfare or round trip miles, if airfare is submitted. NOTE: Attendance at the total Council Meeting is mandatory and Council Members must sign in on the Attendance Sheet to have a valid claim.
2. A hotel allowance at the rate of \$40.00 U.S. for Immediate Past District Governors, Immediate Past Council Chairperson, and Vice Council Chairperson who are members of the Council shall be as follows: two nights for the MD19 Annual Convention Council Meeting, one night for the Winter Council Meeting, and one night for the Spring Council Meeting. If the round trip mileage to the MD19 Annual Convention, Winter or Spring Council Meetings is 200 miles or more, then one additional night will be allowed. NOTE: A hotel receipt and signing in on the attendance sheet at the Council Meeting is mandatory in order to receive reimbursement.
3. The Council Members and the Lion acting as Parliamentarian will be provided lunch on the day Council of Governors Meeting is in session.

D. SEATED DISTRICT GOVERNORS ATTENDING FOURTH COUNCIL MEETING;

Seated District Governors attending a fourth (4) Council of Governors' Meetings will be reimbursed under guideline noted in B.1. and B.2. if funds are available.

E. SEATED COUNCIL CHAIRPERSON AND VICE COUNCIL CHAIRPERSON ATTENDING INTERNATIONAL CONVENTION:

If the seated Council Chairperson or the Vice Council Chairperson are in attendance at the International Convention, he/she shall receive the sum of \$400.00 U.S. if money has been budgeted. **Note: to have a valid claim, it must be accompanied with an International Convention registration or other indication of attendance.**

F. SEATED COUNCIL CHAIRPERSON, VICE COUNCIL CHAIRPERSON, EXECUTIVE SECRETARY/TREASURER ATTENDING INTERNATIONAL CONVENTION OVERSEAS:

The Council Chairperson, Vice Council Chairperson, and Executive Secretary/Treasurer's budgeted allowance for International Convention attendance shall be \$400.00 unless revised by the Council of Governors from available funds other than the Reserve Fund for the purpose of partially compensating an overseas International Convention. **Note: proof of registration must be presented to the MD19 Executive Secretary/Treasurer in order to receive reimbursement.**

G. INTERNATIONAL CONVENTION CHAIRPERSON AND EXECUTIVE SECRETARY/TREASURER:

The International Convention Chairperson and the Executive Secretary/Treasurer shall receive the sum of \$400.00 for participating and organizing the International Convention if money has been budgeted.

H. VICE COUNCIL CHAIRPERSON ATTENDING USA/CANADA FORUM:

If the Vice Council Chairperson attends the USA/Canada Forum during his/her fiscal year in Office and, if money has been budgeted, he or she shall receive the sum of \$300.00 to assist in his/her expenses.

Note: Copy of the hotel receipt or a copy of the registration receipt from the USA/Canada Forum Office must be presented to the MD19 Executive Secretary/Treasurer in order to receive reimbursement.

I. DISTRICT GOVERNORS ELECT AND 1ST AND 2ND VICE DISTRICT GOVERNORS ELECT:

For attendance at the MD19 District Governors Elect and 1st and 2nd Vice District Governors Elect School, reimbursement will be at the rate of \$0.25 U.S. per round trip mile by the most direct route. Miles are calculated by multiplying Kilometers by .621. There will be a hotel allowance at the rate of \$40.00 U.S. for a maximum of three (3) nights. Reimbursement will be made for actual ferry fares and the lesser of the actual cost of airfares or round trip miles, if airfare is submitted. Receipt required. ATTENDANCE IS MANDATORY AT THE TRAINING SESSIONS.

J. COUNCIL CHAIRPERSON EXPENSE FUND – RULES OF AUDIT

Subject to the annual budget allocation for the MD19 Council Chairperson's expenses each year, the following items constitute allowable expense items. Where applicable, rates stipulated in the MD19 Rules of Audit for members of the Council of Governors shall apply. Rates will be based on \$0.25 per mile and \$40.00 per night for hotel rooms. **Hotel receipt required for reimbursement.**

1. Mileage for District Conferences attended.
2. Mileage and overnight lodging for a fourth Council of Governors meeting, if held. **Hotel receipt required for reimbursement.**
3. Mileage for special club visitations, i.e. anniversaries, charter nights, and special speaking requests. (It is recommended the host club assumes responsibility for banquet and accommodation costs.)
4. Council Chairperson and Vice Council Chairperson crests.
5. Name badges for Vice Council Chairperson and partner in service.
6. Postage and business cards.
7. Stationery and envelopes will be supplied by the MD19 Office at no cost to the Council Chairperson.
8. If the seated Council Chairperson is in attendance at the International Convention, he/she shall receive the sum of \$400.00. **Note: to have a valid claim, it must be accompanied with registration or other indicator of attendance.**
9. The Council Chairperson's budgeted allowance for International Convention may be revised by the Council of Governors from available funds other than the Reserve Fund for the purpose of partially compensating an overseas International Convention.

K. SUB-DISTRICT OPERATIONS – RULES OF AUDIT

Preamble: MD19 Sub-districts are responsible for managing the financial affairs of their District Conference and, in compliance with the MD19 Constitution and Bylaws, the expenditures from the District Operations and Escrow Accounts held by the Multiple District. Since the MD19 Policy Manual stipulates that profits derived from District Conferences shall be remitted to the MD19 Executive Secretary/Treasurer to be held in an Escrow Account for the District, and since the collection and general accountability of the Operations and Escrow accounts are the responsibility of the Multiple District, rules of audit are required to provide guidance, direction, and consistency in how these matters are handled at the Sub-District and Multiple District level.

1. District Conferences
 - a. District Conferences are to be self-financing; that is, the registration fees and other Conference revenues should cover ALL conference expenses including:
 - 1) Courtesy rooms and meals as provided in the MD19 Policy Manual.
 - 2) Gifts for visitors and guests, and Conference flowers and pins.
 - 3) Cost of speakers and entertainment, if any.
 - 4) Recognition plaques, contest and award trophies, and engraving.
 - b. In the event that cash advances are required for the District Conference, sponsoring club(s) should be prepared to make temporary funds available for this purpose. If this is not possible, the District Governor may request the Executive Secretary provide an advance from the current year's Operations Account after 30 September. The advance may not exceed 80% of the current year's operations account budgeted for the individual District. If this is not possible, the District Governor

may request the District Cabinet to authorize the Executive Secretary/Treasurer to advance funds from the Escrow Account for this purpose. Any advance granted is to be reimbursed from pre-registration receipts prior to the Conference.

- c. District Conference financial statements must be submitted to MD19 within two months of completion of the Conference. If there is a surplus, such surplus shall be submitted with the report for deposit to the District's Escrow Account before 30 June. If there is a deficit, and a claim is being made for reimbursement from the District Operations or Escrow Account, an explanation of the shortfall must be provided along with the supporting resolution from the District Cabinet to authorize any withdrawal of Escrow funds. The Executive Secretary/Treasurer may seek guidance from the Budget and Finance Committee at his/her discretion. Reimbursement will be subject to review by the Budget and Finance Committee. Failure to submit a financial statement will result in withholding any subsequent claims from the District until the matter is resolved.
2. District Operations Accounts may be used for:
 - a. Gifts and recognition for Cabinet members, to a maximum of US \$30.00 per member.
 - b. Plaques and certificates for special presentations, excluding District Conference presentations.
 - c. Zone Chairperson and Committee Chairperson pin tabs, 1st & 2nd Vice District Governor name badges, District Governor, 1st & 2nd Vice District Governor and Zone Chairperson crests, and updating the District Governor, 1st & 2nd Vice District Governor and Zone Chairperson Banners.
 - d. District training materials, subject to prior consultation with the MD19 Executive Secretary/Treasurer for amounts exceeding \$100.
 - e. Limited training costs for District Officer Training.
 - f. Stationery, if not supplied by MD19 or Lions International.
 - g. Advances toward printing of District Rosters, with such advances to be fully reimbursed by April 1st of that Lionistic year.
 3. Funds from District Escrow accounts may only be withdrawn upon submission of the Minutes of the District Cabinet meeting containing the approval to withdraw a specific amount for a specific purpose along with supporting invoices or receipts for expenditures.
 4. Funds from the District Escrow Account may not be used for personal or travel expenses of any district officer or district committee members with the following exceptions if funds are available and approval is given by the District Cabinet. These expenses will be paid according to the MD19 Rules of Audit.
 - a) The District Leadership, Extension, Membership, Public Relation and Retention (Club Support Team) Team, which includes the District Governor, 1st Vice District Governor, 2nd Vice District Governor and any Club Support Team Sub Committees, may receive travel expenses for the Progress and Planning Meetings held regionally. At the discretion of the District, Zone Chairpersons may also be invited to participate in the above mentioned Progress and Planning Meetings held regionally and may receive travel expenses.
 - b) The Annual District Planning Session/Retreat for a new Lions year.
 - c) The successful extension of a new Lions Club. If travel expenses for the MD19 Extension Chairperson are to be covered and matching funds received from the Multiple District, the Rules of Audit found in Chapter II, page 2 must be followed.
 5. With the agreement of the District Governors and MD19 Executive Secretary/Treasurer, orders may be placed and paid directly by the MD19 office, and charged back to the respective District accounts. In ALL other instances, the account must be paid by the District Governor and claims for reimbursement must be accompanied by appropriate receipts. When in doubt, the District Governor should contact the Executive Secretary/Treasurer for a prior ruling on the acceptability of a particular purchase if reimbursement is expected.

NOTE: TO HAVE VALID CLAIM FOR REIMBURSEMENT, EVERY CLAIM MUST BE ACCOMPANIED WITH A PROPER REGISTRATION FORM OR OTHER INDICATION OF ATTENDANCE.