

# Government Relations Report

August 2008 – April 2009

It has been my privilege to be your Government Relations Chairman this year. I attended the Government Relations Committee's annual meeting in Omaha, NE this past fall. Many relevant issues pertaining to the Lodges were presented. I will share the most significant with you in this report.

Every lodge Secretary should have received a copy of the Charity Records book. As some of you may already know, secretaries may now submit your annual charity statistics report online at [elks.org/members/statesecys/StateCharityReport.cfm](http://elks.org/members/statesecys/StateCharityReport.cfm). The American public has proven to be most cooperative with our community work if we keep them informed of our contributions as Elks. That is why it is imperative that we report and report accurately our charitable work. Be assured that the information you provide per the monies and donated goods, the hours worked and miles traveled by your state Committees and volunteers will be used to spread Elksdom's message of hope to every corner of our nation.

Our present economy has placed additional burdens on our lodges for sources of revenue to keep our lodges afloat and to accomplish our charitable works. As members have less expendable income to spend in the lodge or we experience losses in membership many lodges have considered additional revenue sources. Some have considered renting out areas of their facilities to non-members. This creates a conflict with the Elks "closed door" policy. Things to consider when in handling "Rental Agreements" with non-members are the following. How is your lodge handling alcohol and food sales to non-members during "rental agreements?" How are you handling alcohol sales involving members' quests? I suggest that you familiarize yourself with 501C8 and 501C3 tax exempt policies and our closed door policy. Your Government Relations Committee can help you in this regard.

Over the last year many lodges are being audited by the IRS. The IRS is examining lodges to verify the correctness of income or gross receipts, deductions and credits, and to determine that the organization is operating in the manner stated in our 501C8 tax exempt status. I have sample letters that you may receive in the near future outlining what areas being reviewed by the IRS information request; I have one for each lodge. Please see me for a copy. I cannot stress enough about maintaining to the best of our ability the "closed door" policy in our lodges.

As we seek funds for charitable activities in our communities, let me suggest a Lodge Assistance Grant. All too often, local businesses are reluctant to support Lodge

projects because Lodges are not considered charitable organizations under the qualifications of a 501(c) (3). Many businesses even have written policies stating that only 501(c) (3) organizations can receive donation funding from them. In order to help Lodges receive donations from these specific businesses, the Foundation developed the Lodge Assistance Grants. The Lodge Assistance Grant (LAG) helps Lodges by allowing business that only support charitable 501 (c) (3) organizations to support a specific Lodge charitable program or project through a restricted monetary gift to the ENF. 501C8 organizations can donate to 501C3 organizations but not the opposite.

Individual contributions are the third-largest source of nonprofit funds. There are proposed limits to charitable deductions in President Obama's budget plan. His plan would restrict taxpayers that now pay income tax at the 33% and 35% rates to claim deductions at only a 28% rate. This would place an additional burden on our lodges in accomplishing our charitable work. Ask your government representatives not to support this proposal.

Another major issue occurring in our lodges is sexual harassment by both employees and/or patrons of the lodge. I would suggest that lodges that do not have provisions in their House Committee by-Laws concerning sexual harassment do so. It is suggested that lodges add a new Section 4 to Article IX as follows: "The supervising or managing body of the Home, Club or other facility shall promulgate and post a written Lodge Sexual Harassment Policy." Sexual Harassment is a matter that generally relates to employment and the governing body has complete authority over the Club employees. However, to cover Club Employees such as the Secretary and Treasurer who do not fall under the House Committee purview, Lodges should consider a new Article XVII, **Prohibition of Harassment** in their Bylaws. I have suggested language recommended by the Government Relations committee should anyone be interested. But ignoring the fact that sexual harassment could occur in your lodge is not the solution.

This concludes my report.

Howard Boyd Sr