

FUND RAISING POLICIES & PROCEDURES

INTRODUCTION

Because Shriners have been the driving force behind Shriners Hospitals for Children, it has become natural to associate the Fez with this charity. However, the Shrine of North America and Shriners Hospitals are separate and distinct legal corporations.

Shriners Hospitals for Children is incorporated in the state of Colorado, and it operates 22 hospitals. Its purpose is to provide medical care to children with disabilities without regard to race, creed, sect, or nationality. The treatment for the children is provided at no cost. This is the Charitable Corporation.

The Shrine of North America is incorporated in the state of Iowa and it presently has 191 unincorporated fraternal associations in Canada, Mexico, the United States and Republic of Panama. We know them as Shrine Temples. This is the Fraternal Corporation.

A study done by Shriners International Headquarters found that Shrine Temples conduct more than 2,000 fund-raising activities annually. Many of these fund-raisers are strictly for the Temples – and this is perfectly acceptable. Other fund-raising activities are for the benefit of Shriners Hospitals for Children – and this is also perfectly acceptable.

However, the individual purchasing a ticket, product, etc., or the donor, should be advised, in advance, how the proceeds will be used. This section is intended to provide guidance to the Temples, units, clubs and Nobles in their fund-raising activities so there can be no criticism directed at them that the solicitation did not conform to the requirements of the law or was deceptive or misleading.

Types of Fund-raisers

There are two types of Shrine fund-raisers – Charitable and Fraternal.

Charitable Fund-raisers – Where 100 percent of the net proceeds benefit Shriners Hospitals for Children. (See page 55.)

Fraternal Fund-raisers – Where the net proceeds benefit the Temple, which in Turn may distribute them as it sees fit. For example, profits may be disbursed to the Temple general fund, a building fund, to clubs and/or units, to Shriners Hospitals for Children, to local community or Masonic related projects (DeMolay, Masonic Home, etc.) or any combination thereof. (See page 56.)

PROCEDURES THAT APPLY TO ALL SHRINE FUND-RAISING ACTIVITIES

All fund-raising must comply with the laws of the jurisdiction where the activity takes place. This includes national, state, county and city laws.

The use of the name Shriners Hospitals is governed by Section 503.10 of the bylaws of Shriners Hospitals.

All fund-raising is governed by General Orders as may be issued on that subject by the Imperial Potentate.

All contracts must be reviewed and approved by the Temple Potentate after receiving the advice of the Temple attorney.

All fund-raising promotional materials (including Temple publications) must include a statement indicating the major entity benefited by the funds [Statement of Purpose]. (see below)

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AND MOST IMPORTANTLY...

Imperial Law requires that all fund-raisers must be covered with a minimum of \$1,000,000 in comprehensive general liability insurance, and shall include at least minimum limits for voluntary medical payments for injury to members and guests as well as fire and explosion, and legal liability for any leased premises.

Approved club and unit fund-raisers are provided this insurance by Abou Ben Adhem Temple, with one exception: All sporting events (fishing tournaments, golf tournaments, tractor pulls, marathons, etc.) require additional insurance coverage. Contact the Temple Business office if you have any questions concerning insurance coverage requirements.

Statements of Purpose

All fund-raising promotional materials must contain a STATEMENT OF PURPOSE. Below are examples for each type of fund-raising activity.

For charitable Fund-raisers:

“Net proceeds from this (activity, event, etc.) are for the benefit of Shriners Hospitals for Children.”

For Fraternal Fund-raisers:

“Net proceeds from this (activity, event, etc.) are for the benefit of XYZ Temple / Unit / Club.”

Disclosure

All fraternal fund-raisers must include the DISCLOSURE that states the payments are not tax deductible.

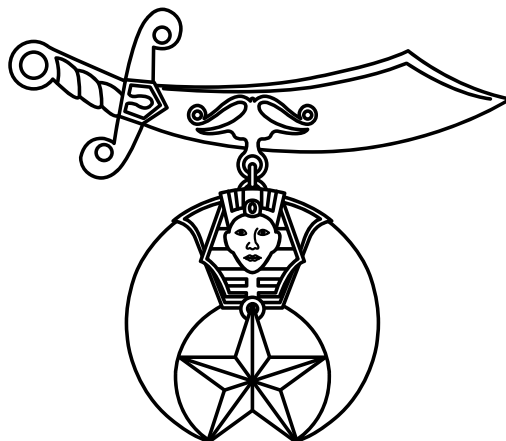
Disclosure (for Fraternal Fund-raisers):

“Payments are not deductible as charitable contributions.”

Disclaimer

Entrants agree to hold harmless <Club> and Abou Ben Adhem Shriners from any loss, damage or injuries.”

Note: All Fraternal fund-raising materials must include both the Statement of Purpose, Disclosure, and Disclaimer as three separate sentences.



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CHARITABLE Fund Raisers. It should be emphasized at this point that a Noble (in his capacity as a Shriner), a Shrine Temple, club/unit an organization of Nobles, or affiliated/appendant corporations SHALL NOT engage in an) charitable fund raising effort other than for the benefit of Shriners Hospitals for Children.

When a decision is made to conduct a charitable fund raiser, the responsible Noble (club/unit president, committee chairman. etc.) must submit a written request to the Temple Potentate having jurisdiction thereof. A Fund-Raiser Approval form is included in this Handbook. You may make as many copies of this form as you need throughout the year. If he approves, the Potentate must then obtain the written consent of the Imperial Potentate and Chairman of the Board of Trustees. This request shall be sent to the Executive Vice President-Fraternal, International Shrine Headquarters. P. O. Box 31356, Tampa Florida 33631-3356. Final approval for a charitable fund raising activity) is effective upon the Temple's receipt of a Charity Activity) Form. If the Imperial Potentate and Chairman of the Board of Trustees deny a request, the Temple Potentate will receive a full explanation in writing.



Fig. 1 - Sample ticket for Charitable Fundraiser

All solicitation materials, tickets, programs and documents regarding use of the proceeds.

All solicitation materials, tickets, programs and documents must include factual information (Statement of Purpose) regarding use of the proceeds.

Information about our hospitals (obtainable from the Imperial Public Relations Department), such as patient success stories, facts and figures, photos or other appropriate material, may be used in programs for charitable fund-raisers. The Temple shall report the results of each charitable fund raising activity within sixty (60) days of the activity to Shriners Hospitals for Children on the Charity Activity Form provided to the Temple, a Temple that fails to remit the net proceeds within sixty days of the activity) shall be assessed interest retroactive to the date of the activity). The Temple shall maintain detailed financial records of all fund raising activities involving 'Nobles, clubs, units, and organizations of Nobles or affiliated 'appendant corporations for a period of seven years. Details of all revenues and disbursements shall be maintained in such financial records.

Note to Temples in Florida: State law requires that the following statement be included in all printed solicitation materials, receipts, written confirmations, or reminders of contributions soliciting charitable contributions for Shriners hospitals. The statement must be conspicuous!) displayed in all capital letters, exactly as printed below-

"SHRINERS HOSPITALS FOR CHILDREN ARE DULY REGISTERED WITH THE STATE OF FLORIDA AS REQUIRED BY ITS SOLICITATION OF CONTRIBUTIONS ACT. 1 HEIR REGISTRATION NUMBER IS SC 00-433. A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL- FREE 1-800-435-7352, WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT OR APPROVAL OR RECOMMENDATION BY THE STATE."

One hundred percent of the net proceeds from charitable fund raisers must be given to Shriners Hospitals for Children.

Expenses for operating the event must be actual, and no labor charges can be made for volunteer work by Shriners and for their families.

Under certain conditions, existing General Orders allow the use of a portion of funds raised for the hospitals to be used for patient transportation. (See "Special Purpose Funds" section of General Order #I for complete details.)

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Fig. 2 - Sample Insert for Charitable Fundraiser

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FRATERNAL Fund Raisers. A Noble (in his capacity as a Shriner), or a Shrine Temple club/unit, or an organization of Nobles or affiliated appendant corporations must obtain the prior written consent of the Temple Potentate having jurisdiction thereof before engaging in any fund raising activity. A Fund-raiser Approval form is included in this Handbook. You may make as many copies of this form as you need throughout the year. *There can be no representation, express or implied, that the proceeds will be for the benefit of Shriners Hospitals for Children.*

When the Potentate gives his written consent for a fraternal fund raising activity, a copy of the same shall be mailed to the Imperial Recorder. Further, any printed materials pertaining to the fund raising activity shall be promptly sent to the Imperial Recorder if so requested.

All promotional material, tickets, programs and documents must contain a Statement of Purpose and Disclosure. [See Figure 3.] information about our hospitals may be used in programs for fraternal fund-raisers provided that each contains the appropriate Statement of Purpose and Disclosure.

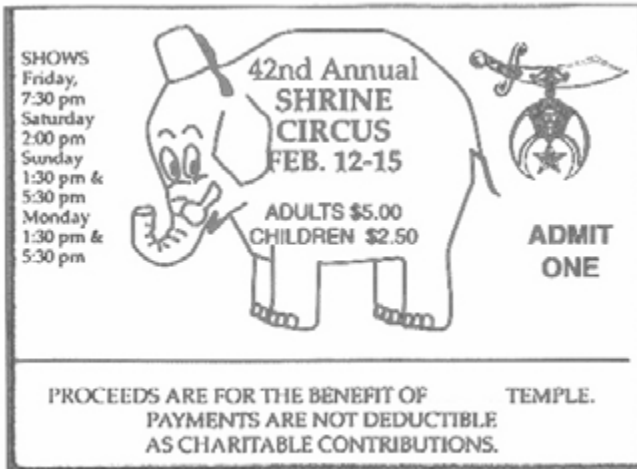


Fig. 3 – Sample Ticket for Fraternal Fundraiser

This information must appear in a *conspicuous* location using **lettering bold enough** to be easily read. **Programs** and **other 'booklet' type materials** *must include* the **Statement of Purpose and Disclosure** on the front cover or the first page [See figure 4.] The Statement of Purpose and Disclosure should also be included as a part of each fund raising activity advertised in Temple publications.

The Temple shall maintain detailed financial records of all fund raising activities involving Nobles, clubs, units, and organizations of Nobles. or affiliated/appendant corporations for a period of seven years. Details of all revenues and disbursements shall be maintained in such financial records.

FURTHER INFORMATION

If you have any questions regarding the proper procedures for fund raising, you are to communicate with your Temple Representative.



Fig. 4 – Sample Program Cover for Fraternal Fundraiser

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CHARITABLE FUND-RAISER CHECKLIST

- Has written permission been obtained from the Temple Potentate, Imperial Potentate and Chairman of the Board of Trustees?
- Has the Temple Potentate reviewed and approved any necessary contracts?
- Has the appropriate insurance been obtained?
- Has the Temple Potentate examined all solicitation and promotional material to assure compliance with Shrine law?
- Have federal, state/province, and local laws been complied with?
- Has there been compliance with The Revenue Act of 1987 (if the Temple is located in U.S.A.)? (See General Order #1.)
- Has a "Statement of Purpose" been included on all tickets, solicitation and promotional material?
- Has the Charity Activity Form been completed and returned to Headquarters within 60 days of the activity to avoid an interest penalty?

FRATERNAL FUND-RAISER CHECKLIST

- Has written permission been obtained from the Temple Potentate?
- Has a copy of the approval been sent to the Imperial Recorder?
- Has the Temple Potentate reviewed and approved any necessary contracts?
- Has the appropriate insurance been obtained?
- Has the Temple Potentate examined all solicitation and promotional material to assure compliance with Shrine law?
- Have all federal, state/province, and local laws been complied with?
- Has there been compliance with The Revenue Act of 1987 (if the Temple is located in U.S.A.)? (See General Order #1.)
- Have a "Statement of Purpose", "Disclosure" and "Disclaimer" been included on all tickets, solicitation and promotional material, including Temple publications?

UNDERWRITING FISHING TOURNAMENTS

The Fraternal Comprehensive Liability coverage excludes athletic events where the Temple has the responsibility for organizing, selecting the participants, and staging or producing the event itself; and, where an admission is charged to members of the public.

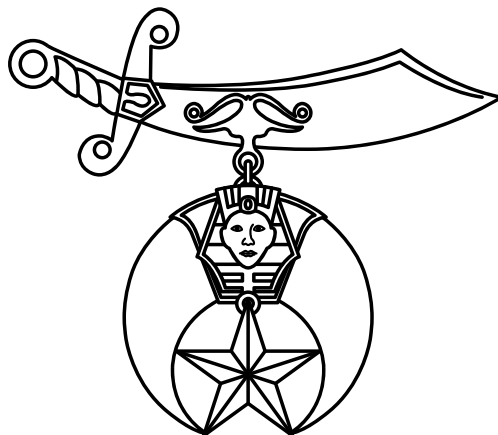
Acknowledging that a number of Temple's do, in fact, hold fishing tournaments that do not follow within the exact parameters of the exclusion the following guidelines will assist in determining which tournaments would be covered.

1. The tournament must be open only to members and invited guests (no open public entries). One Shriner per boat.
2. It should be of a non-profit nature (entry fees should cover prizes, launching fees, rentals, and refreshments only). Profit, if any, should be solely for the benefit of the Shrine.
3. All personally owned vessels should carry liability with minimum limits of \$300,000 per occurrence.
4. Entry forms should indicate that participants enter at their own risk and the Shrine is not responsible for loss of property, or injuries sustained, during the event

Any events that do not fall within the above guidelines should be submitted for review and are subject to a premium charge. Proper review will require submission of any signed contracts, flyer's or brochures advertising the event, entry / registration forms (injury / property waiver is mandatory), location of event, safety guidelines, number of participants and confirmation of coverage for individually owned vessels. No certificates utilizing an Additional Insured designation may be issued for Fishing Tournaments without clearance from the Thompkins & Company Underwriting Department. Premium charge will be based on number of entrants, and is subject to a minimum premium of \$100 per day.

In addition to the required Statement of Purpose and Disclosure, Abou Ben Adhem Temple also requires that the following Disclaimer be added to all fishing tournament entry forms / flyer's: "Entrants agree to hold harmless <Club> and Abou Ben Adhem Shriners from any loss, damage or injuries."

If it is not on the entry form or flyer, it can be a separate statement signed by each participant upon check-in at the tournament. This helps protect both the Shrine Club and the Temple from liability due to damage or injury.



UNDERWRITING GOLF TOURNAMENTS

The Fraternal Comprehensive Liability coverage excludes athletic events where the Temple has the responsibility of organizing, selecting the participants, and staging or producing the event itself; and, where an admission is charged to members of the public.

Acknowledging that a number of Temples do, in fact, hold golf outings which do not fall within the above parameters of the exclusion, the following guidelines will assist in determining which outings are covered under the policy.

1. The outing must be strictly social in nature.
2. There must be no spectators and/or paid public admissions.
3. It must be open to members and their invited guests only. (one out of four must be a Shriner)
4. It must be of a non-profit nature (entry fees should cover green fees, golf carts, prizes, and food only). Profit if any, should be solely for the benefit of the Shrine.

As with all events and activities there are always certain details that may represent “gray” areas and are not directly addressed above. In the event that the outing falls into this area, it will be necessary to contact the Temple Business office for underwriting review and determination of eligibility.

In order to properly underwrite an event, any written agreements or advertising flyer's should be submitted for review. Subject to underwriting approval, these events may be covered for an additional premium that will be based on the number of entrants and days involved. Minimum premium to insure a golf event will be \$100 per day.

In addition to the required Statement of Purpose and Disclosure, Abou Ben Adhem Temple also requires that the following Disclaimer be added to all golf tournament entry forms/flyer's:
“Entrants agree to hold harmless <Name of Club> and Abou Ben Adhem Shriners from any loss, damage or injuries.”

If it is not on the entry form or flyer, it can be a separate statement signed by each participant upon check-in at the tournament. This helps protect both the Shrine Club and the Temple from liability due to damage or injury.