

MD24 Constitution:

ARTICLE X – FINANCIAL ACCOUNTING

Section 2. PER CAPITA ANNUAL TAX.

[The committee does not recommend a dues increase at this time but suggests a reallocation of the \$16 per member dues funding as proposed in the following table in order to better align with current funding needs.]

	<u>Fund</u>	<u>Current</u>	<u>Proposed</u>
(a)	DISTRICT ADMINISTRATION FUND.	\$6.40	\$7.00
(b)	STATE ADMINISTRATION FUND.	\$7.30	\$7.90
(c)	INTERNATIONAL CONVENTION FUND.	\$1.10	\$0.55
(d)	STATE CONVENTION FUND.	\$1.10	\$0.55
(g)	MD COMMITTEE CHAIRPERSON TRAVEL FUND	\$0.10	\$0.00

[Language to be added to Paragraph (a)] In addition, annually a distribution shall be made to the District Administration Fund of five (5) percent of the resulting account balance of the Vanguard Mutual Fund account on October 31 reduced by the then current Special Campaign Fund balance. Distribution to District Accounts shall be based upon membership on October 31 of the year. This distribution shall be made effective on November 1 of the year.

[In approximately the year 2000, the then Council of Governors revised the funding for District Administration to include 5% of the undesignated portion of the Vanguard Mutual Fund investment account rather than distributing the earnings on the Special Campaign Fund which is a designated fund invested in this same account. The 5% distribution results in greater funding to District Administration. The earnings on this account generally exceed the 5% distributed. This has been the practice for the past 25 plus years and the Finance Committee suggests this practice should be codified in the Constitution.]

(b) [In paragraph (b), the word “help” is suggested to be added before the word “defray” to clarify that this funding may not be adequate to fully fund State Administration and funding from other sources, including reserves, may be necessary to meet a shortfall.]

(e) SPECIAL CAMPAIGN FUND. [Strike the sentence “Any interest/dividend earnings on the Special Campaign Fund on or after July 1, 1996, shall be distributed to the District Accounts based on membership as of October 31st of each year thereafter.”]

Section 9. USE OF PRIOR YEAR DISTRICT ADMINISTRATIVE FUNDS. The District Governor and his Cabinet shall not incur expenses in excess of the anticipated income from the annual per capita district administrative tax ~~[and any earnings on the Special Campaign Fund set forth in this Article IX, Section 3.(e)],~~

[In the two paragraphs above, delete the language stricken through related to use of earnings from the Special Campaign Fund. Reference the rationale to revision of paragraph (a) above.]

This revision is necessary to coordinate with revision in paragraph (a) related to funding for District Administration.]

Delete paragraph (g) of section 2 and line (h) of section 4 in their entirety related to the Committee Chairperson Travel Fund.

[This fund has not been used for the past several years, and it is the opinion of the Finance Committee that it is no longer required.]

MD24 By-Laws:

ARTICLE VII – STATE CONVENTION FUND

Section 1. **STATE CONVENTION FUND TAX.** Revise the funding from the per capita tax to reflect the change in funding from \$1.10 to \$0.55.

[The current balance of the State Convention Fund is more than adequate to meet the need and this allocation may be reduced to help offset the increase in funding proposed for other funds. This coordinates with Article X, Section 2, paragraph (d) of the MD24 Constitution.]