SPECIAL PURPOSE FUNDS

Inasmuch as Shriners Hospitals for Children are the primary charitable concern of the Order, it is necessary that Shriners International exert every effort to insure that Shriners Hospitals for Children are financially stable and have adequate funding for operational needs. The reports of the Special Purpose Funds Committee have indicated to the Imperial Potentate and the board of directors that some temples, either directly or through Special Purpose Funds, have accumulated charitable funds and assets which are in excess of amounts reasonably needed for transportation of patients and could be better utilized for our orthopedic and burns hospitals if they were administered together with other endowment funds and accounts of Shriners Hospitals for Children.

Now, therefore, by virtue of the authority in me vested by §206.5(a)(4) of the bylaws of Shriners International, IT IS HEREBY ORDERED:

1. **Sole Charity:** Neither the temples, their shrine clubs, their units, nor their membership shall solicit charitable gifts or bequests for any purposes, organizations, or charities other than Shriners Hospitals for Children, except as may be allowed by §335.4(b) of the bylaws of Shriners International and the provisions of paragraph 2(a)(1) of Fundraising Activities herein.

2. **Restricted Fund.** A temple shall maintain a separate bank account or accounts, designated Shrine Hospital Patient Transportation Fund, for disbursements and expenses, in accordance with the provisions of the Shrine Hospital Patient Transportation Fund herein.

   (a) All receipts and disbursements related to charitable activities shall be clearly designated and classified as such in the books of all temples, temple affiliated corporations, shrine clubs, committees, boards, or other entities subject to the supervision or control of any temple; and such books of accounts shall be reviewed annually in a manner consistent with the requirements of §334.6 of the bylaws of Shriners International.

   (b) The custody and administration of all charitable funds and assets under the control of any temple, including those of temple affiliated corporations, shrine clubs, committees, boards, and other entities subject to the supervision or control of any temple, shall be the responsibility of the board of directors who are charged with the custody and administration of the general funds of the temple. The temple shall maintain a separate bank account or accounts, designated **Shrine Hospital Patient Transportation Fund** to make deposits and disbursements for the purposes herein authorized. Interest earned on the restricted fund balance must be credited to the hospital patient fund account.

   (c) Any temple may be required by the Imperial Potentate to show cause why any part of its charitable funds or assets not reasonably needed for purposes permitted under paragraph 1 hereof should not be transferred to Shriners Hospitals for Children; and the board of directors of the Iowa Corporation shall have the power to require the transfer to Shriners Hospitals for Children of any such charitable funds or assets not reasonably needed for the purposes permitted under this paragraph after the temple has been given a reasonable opportunity to be heard by the board of directors or by a committee thereof with respect to the matter.
(d) After a fundraising event for the benefit of Shriners Hospitals has been held, and upon written request to, and written authorization by, the chairmen of the boards of directors and trustees of Shriners Hospitals for Children, up to one-half of the net proceeds of a designated fundraising activity may be held by a temple to be used exclusively for disbursements and expenses in accordance with the provisions of Shriners Hospital Patient Transportation Fund herein. Such retained funds, including interest earned on the funds, shall be maintained pursuant to the **Uniform Chart of Accounts for Shrine Temples**, in a separate account designated as the “Shrine Hospital Patient Transportation Fund.” The balance in the fund shall not exceed twice the amount of the expenditures made from such fund during the preceding year, unless the chairmen of the boards of directors and trustees so authorize. Any sums in excess of that shall be turned over to Shriners Hospitals for Children. If for any reason this fund should terminate, the entire balance in the fund shall revert to Shriners Hospitals for Children.

(e) In the event a temple is experiencing an undue hardship in meeting the expenses enumerated in subparagraph (g), its written request should so specify. When such a request is received, it shall be reviewed by the Executive Vice President and the Director of Temple Accounting, and they shall issue their recommendation thereon. Thereafter, if the chairmen of the boards of directors and trustees, after a review of all of the circumstances, make a finding of undue hardship, they may authorize the temple to retain a percentage in excess of 50% of the net proceeds of the designated fundraising activity, solely for the uses enumerated in subparagraph (g). This authorization shall apply only to a specific fundraising event or activity, and that event or activity shall not have a duration of longer than one year.

(f) Prior to the granting of authorization to retain a fund balance in excess of twice the amount of expenditures made from the fund during the preceding year, or to retain funds from fundraising events, as outlined under subparagraphs (g) and (h) hereof, the temple must submit its request in writing and must have on file with Shriners International or attach to the request:

1. Reviewed statements of its transportation fund for the past three years, such statements to include a statement of receipts and disbursements and balance sheet as of the date of the last review.

2. A summary of the total receipts and disbursements for each month since the last reviewed statement and a current month end balance sheet.

(g) In the event a temple has insufficient independent funds and ability to purchase a hospital van and it desires to use moneys from a charitable fundraising activity or from its Shrine Hospital Patient Transportation Fund, or both, it shall make a request pursuant to the **Shrine Hospital Patient Transportation Fund** provisions in any General Order.

(h) A temple with the approval of its board of directors, may make disbursements from its temple hospital transportation fund to Shriners Hospitals for Children and to the Headquarters Emergent Transportation Fund.

(i) No permission will be given for any fundraising event or the use of the name Shriners Hospitals for Children or for the retention of funds if any Shrine Charity Activity (CAF) form for a previous fundraising event authorized to be held by the temple or any of its shrine clubs or units is remaining outstanding for more than 120 days after the event was held at the time the request is made.

3. **Compliance with Law.** All fundraising activities must comply with the law of the land and Shrine law, including the **Fundraising Activities** provisions of any General Order.