

LAW COMMITTEE REPORT – SPRING CONVENTION 2013

LODGE GOVERNANCE – DUTIES OF TRUSTEES AND BOARDS

Questions regularly arise regarding the various boards required for lodges and clubs. Trustees, Board of Directors, Board of Governors, House Board, House Committee – which one and/or how many is often asked. In an attempt to provide some insight, we offer the following:

As to the Lodge:

GLS 12.070 provides the requirements for governance of the *lodge* and *lodge* operations, as distinguished from *club* and *bar* operations, which will be discussed below. That provision provides that the lodge shall be governed either by a Board of Trustees, or a Board established in accord with GLS 16.020. GLS 16.020 provides that a lodge may incorporate itself and if so, then it is to be governed by a Board of Directors. In Michigan, all lodges are incorporated, so 16.020, as incorporated into 12.070 requires that the lodge operations be controlled by a Board of Directors. The Board of Directors is comprised of the five (5) Trustees and the four (4) chair officers. This board performs the same duties done by a Board of Trustees in an unincorporated lodge. There is no need for any separate meetings of the Trustees, as it relates to *lodge* functions, as they have no independent role separate from the Board of Directors. Rather, the Trustees provide stability to the Board of Directors as they are elected for five (5) year terms while the remaining members of the Board of Directors are elected to annual terms co-existent with their roles as chair officers.

As to the Club:

GLS 16.040 mandates a lodge to use one of three methods to govern the club/bar operation, to-wit:

- a. By the trustees and the four (4) chair officers (Board of Governors);
- b. By the trustees of the lodge (Trustees);
- c. By a house committee (of not less than 3 nor more than 13) appointed by the Exalted Ruler (House Committee).

The lodge specifies which of these three boards will be used in that lodge, which is then put into the By-Laws of the lodge.

Under this scenario, all lodges are required to have two boards – one for the lodge and one for the club. Each of the two boards is required to meet monthly, and is also required to keep minutes of their meetings. Each board is required to create and follow a budget – a lodge budget and a club budget, respectively. Separate meetings, separate budgets and separate minutes. Thus, the only circumstances under which the Trustees will meet separate from the Board of Directors, or have duties in addition to the Board of Directors, is if the By-Laws of a given lodge appoint the Trustees to run the club/bar functions of the lodge under GLS 16.040.

If there are any further questions please feel free to contact me at pr@sullivanleavitt.com

Respectfully Submitted

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