

# Maine State Council Knights of Columbus – State Advocacy Newsletter Summer 2012

## Home Corporations & Local Councils



### Rental of Facilities Owned by Home Corporations

Home corporations are legally distinct from the Knights of Columbus. They are independent corporate entities that exist to support the mission and activities of the council. Successful home corporations provide facilities for councils and assemblies to host meetings and conduct degrees. Some home corporations choose to make their facilities available for rent to the public to host events, parties, or other social or recreational functions.

Occasionally, a person or an organization will seek to rent a “home corporation” facility for an event or function that may be incompatible with the principles of the Knights of Columbus or the tenets of the Catholic faith. Such a rental could impair the mission and activities of the council. Accordingly, if the council is concerned about a home corporation rental, the Grand Knight should, before taking any action, refer the concern to the State Deputy and State Advocate and, if necessary, the Supreme Advocate’s Office for review and consultation.

**Home corporations that rent out their facilities to the general public may be subject to federal, state, and local laws and regulations governing public accommodations.** Failure to observe these laws & regulations may expose the home corporation to significant penalties. Accordingly, Knights who hold leadership positions in their council’s home corporation should ensure compliance by consulting with a knowledgeable attorney.

**SPECIAL NOTE:** Councils completing their semiannual audits should not include home corporation bank account information (dividends, interest, etc.) or assets on the form. If a home corporation sells their facility, the local council cannot keep the proceeds as they did not own the building.

Recently questions have arisen regarding what the role of a home corporation is in regards to a local council. This can be a sensitive subject since many councils use a hall for their activities.

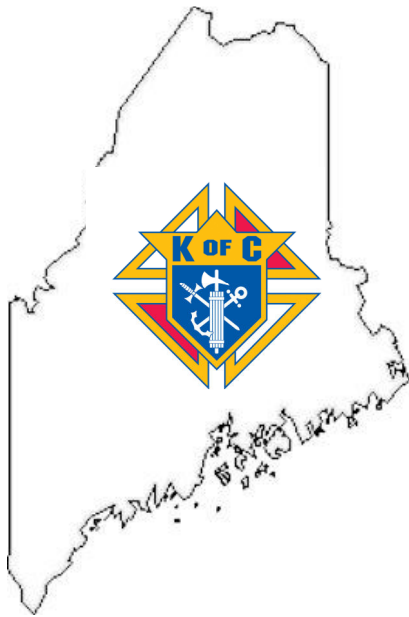
**SPECIAL NOTE:** No local council can own its own building; they are housed in a Church, a Home Corporation owns the building, or they rent another organization’s building; i.e., VFW Hall, etc. Since a local council falls under the 501c (8) tax requirement for a “Fraternal Beneficiary Society”, the council CANNOT promote the hall for rental/income purposes.

If a home corporation owns the building, when a council conducts a business meeting, only two items can appear in the minutes:

- The home corporation made a “donation” to the council for the purpose of giving to a charity, OR
- The local council “paid rent” to the home corporation for use of the building.

Only the home corporation can “rent the building” for special functions, not the local council. The home corporation must have a “representative” that oversees the building: such as paying property taxes, utilities, any licenses, accepting rent, providing maintenance and cleaning, etc. If a local council pays rent to a home corporation then that can show in the council minutes. However, AT NO TIME can a home corporation have information regarding the facility be included in the local council’s business meeting minutes other than stated above.

**SPECIAL NOTE:** the “representative” of the home corporation CANNOT be the Grand Knight or the Deputy Grand Knight. However, the Grand Knight should be an “ex-officio” of the home corporation. Usually, home corporations cannot exist without the local council.



**We hope this newsletter will provide answers to questions that you may have in your Council in regards to the Constitution and By-Laws.**

**Written by State Advocate Mark Bourgoin and approved by State Deputy Philip Lizotte.**

**If you have any questions whatsoever regarding information printed in this newsletter, please do not hesitate to contact the State Advocate or the State Deputy.**

**Feel free to e-mail the State Advocate at [mbourgoin@tamc.org](mailto:mbourgoin@tamc.org) if you wish to see a specific issue addressed in this newsletter.**