

◆ Section IV ◆

Lapsation Manual

with Sample Letters, Ideas and Membership Management Forms

Foreword

This Lapsation Manual is a start toward standardizing the Subordinate Lodge collection and lapsation procedures. We hope to periodically revise and add new ideas to this manual. If your Lodge has a proven method not mentioned here, please tell us about it. Write the Grand Secretary at 2750 N. Lakeview Avenue, Chicago, Illinois 60614-1889, or e-mail grandlodge@elks.org.

Delinquency Defined

All Elks should know the correct method of computing delinquency. The Laws of the Order, Section 14.300, provide that “*dues must be paid semi-annually in advance on April 1 and October 1; provided, however, a member may... pay not to exceed one year’s dues in advance as of April 1 in any year.*”

Thus, since dues are payable in advance, delinquency begins on the first day of the dues-paying period. Members without membership cards showing that they are paid in advance of the current date are delinquent. If they owe six months’ dues to reach an advance date, they are six months delinquent. If they owe one year’s dues to reach an advance date, they are delinquent one year; and if they owe more than one year’s dues to reach an advance date, they are more than one year delinquent.

Understanding six-month, one-year and more than one-year delinquencies is essential. If you aren’t sure, check with your District Deputy.

Suggested Collection (Lapsation) Plan

The poor delinquency record of many Lodges is partially due to the lack of any definite plan in collecting dues. This, coupled with an inexperienced Exalted Ruler, an apathetic Secretary or inactive Lapsation Committee, is certain to throw any Lodge into a delinquency tailspin.

This manual outlines a definitive plan for those charged with dues collection. Collecting dues is an administrative problem. Exalted Rulers are obligated, as Chief Executive Officers, to see that the proper Administrative Officers do not shirk this duty.

Not sure how seriously you should treat lapsation? Just look at the record. Many Lodges drop from 7 to 15 percent of their membership for nonpayment of dues each year. The average for the Order is now more than 5.5 percent. Nationwide, for every three new members initiated, roughly four old members are dropped. The problem isn’t bringing in new members, it’s keeping the ones we have.

Every Lodge is different. Each has its own idiosyncrasies that make a single, standard program impossible. However, the plan that follows is flexible and proven. If you have a lapsation problem, try adopting this plan and molding it to fit your exact needs.

Let's start with this: An Elks Lodge is a business and should be run like a business. Dues are our accounts receivable. Elks Lodges, like businesses, cannot survive without a good plan for collecting this income.

Every successful business establishes a credit policy. Ours is based on the premise that members who will not pay one year's dues certainly will not pay two years' dues. We must not allow our members to become more than one year delinquent. That's our credit policy — it has been tried by a number of Lodges, and it works. Experience has shown that when a membership realizes the Lodge means business, even the habitual offenders will pay rather than let their membership lapse.

One of the most important features of the plan is keeping the statement of Membership and Delinquency forms, which you'll find at the back of this manual. Most Lodges let their lapsation work drift along until the end of the year and then suddenly realize that they have a tough problem. This is partly due to those responsible for collecting dues are unaware of delinquent members until they are called upon to drop a group for nonpayment of dues. An up-to-date comparative statement of Membership and Delinquency will apprise the Secretary, Exalted Ruler and Lapsation Committee of the progress made each month in collecting dues and maintaining membership. Major changes in the delinquency percentage will be apparent immediately and can be addressed before the situation is out of control.

To ensure that we're all on the same page regarding lapsation statistics, here's a short course on the accepted formula for determining the lapsation or delinquency percentage. For any given date, divide the number of delinquent members by the total membership. Multiply the resulting decimal figure by 100 to get the delinquency percentage, which should then be entered in the appropriate column of the membership charts and reported to those tabulating membership statistics.

For example, 165 delinquent members in a Lodge of 1,071 would mean a delinquency percentage of 15.4: $165/1071 = 0.1540616 \times 100 = 15.4$ percent (rounded off).

Dues collection is shared by the Secretary, Exalted Ruler and Lapsation Committee. All must play a role. Suggestions for each role follow. No doubt you'll think of others, and we'd appreciate your input if you do.

Remember: The collection effort begins immediately upon the start of the Lodge year! Anyone delinquent on April 1 or before is a candidate for being dropped for nonpayment of dues on the following March 31!

In April, the Committee can personally contact members who owe dues from the preceding year. Those who owe dues from September 30 to March 31 cannot be dropped on March 31 because they only owe six months' dues. But on April 1, they owe another semi-annual dues payment and therefore, become one-year delinquent. These members must be talked to personally, and April is the best time for the Committee to do this.

In May, the Committee should begin sending letters to the delinquents. Choose from among the sample letters in Appendix A, or devise your own, but always address the members by name. We can't stress enough that dues-collection letters addressed to "Dear Member" are counterproductive. If you were "*Dear Member,*" would you believe that the Lodge really wanted you back? Send a second wave of letters on June 1.

By June 1, the Committee should have initiated personal contact. Face-to-face contact is better than by telephone. On the phone, it's too easy to say no or that the check's in the mail. And the

fact that the Lodge has taken the time to pay a visit will not go unnoticed by the delinquent member. If you choose to call, don't leave messages. Be sure you talk to the member directly. Whichever way you go, enlist the aid of the member's proposer.

We have not emphasized the "Early Bird Plan" enough. In the February bulletin, publish an announcement that members who pay their dues before April 1 will have Early Bird stickers affixed to their membership cards. Include a similar announcement with the dues notices. Try it! You'll be surprised how many members will pay their dues in advance just to get their sticker. Any gimmick that you can use to encourage members to pay their dues early will lighten the burden of collection, so be creative. And remember: Face-to-face contact will say more about our desire to have a member back than anything we could write or say over a telephone.

There is no magic to dues collection — just hard work!

The Secretary

- 1.** Bill all delinquents monthly!
- 2.** Just before the first of each month, including the first of April and October, mail bills to all unpaid members.
- 3.** On the bills mailed May 1 and November 1, stamp "Second Notice." The bill should also carry the statement: "Your Lodge has advanced the money to pay for your subscription to *The Elks Magazine*, Grand Lodge per capita assessment, Service Commission assessment and State Association per capita amounting to \$X, therefore the Lodge will appreciate your prompt payment of your dues."
- 4.** On the bills going out June 1 and December 1, stamp "Past Due — Third Notice." This bill should carry the same statement as in Paragraph 3.
- 5.** Use personal letters or notes, gags, cartoons or clever sayings. Conduct face-to-face interviews with delinquents. Suggest partial or monthly payments for clearing up old delinquencies.
- 6.** Keep a running record as of the end of each month showing the year-to-date figures for new members initiated, transfers in, reinstatements, dropped for nonpayment, transfers out, absolute dimits, deaths and number of those delinquent six months, one year, or more than one year. *See Statement of Membership and Delinquency at the back of this manual.*
- 7.** Cooperation with the Exalted Ruler and Lapsation Committee is essential to the success of this plan. Prepare and mail letters for the Exalted Ruler and Lapsation Committee. Keep the Statement of Membership and Delinquency up to date, and give these figures to the ER and Lapsation Committee at the first of each month.
- 8.** As the paid Lodge Officer, you're largely responsible for dues collection and prodding the others into keeping this lapsation schedule.
- 9.** Use remittance and window envelopes for billing and collecting dues. They may be secured through the Grand Secretary's office.
- 10.** Sixty days before the last meeting in March, read to the Lodge the names of all members delinquent one year or more.
- 11.** Thirty days before the last meeting in March, mail all members delinquent one year or more an official final notice.
- 12.** At the last regular meeting in March, read the names of those delinquent one year or more and enter them in the minutes as dropped for nonpayment of dues as of March 31.
- 13.** On April 1, delete from the minutes of the last regular March meeting the names of those delinquent one year or more who have since paid their dues.

14. On April 1, mail members dropped for nonpayment of dues a letter advising them of the Lodge's action and the proper procedure to follow for reinstatement.
15. Follow this with a second letter on May 1 if the member has not reinstated, explaining that the 30-day grace period has expired.
16. When an Absolute Dimit is granted by the Lodge, mail a letter notifying the member and explaining the reinstatement procedure.

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The Exalted Ruler

1. If the Lodge budget permits, hold a free dinner for all paid-up members the night of the first meeting in April.
2. Strictly enforce the law that members cannot attend Lodge Sessions unless paid-up, and don't allow delinquent members to use the club facilities.
3. On May 1, write to all members delinquent more than the current half-year dues, expressing surprise at finding their delinquency and asking their support and cooperation by paying up at once. On November 1, write a similar letter.
4. When you send an announcement for a big event, jot down a personal, handwritten note to some of the delinquents (a different group each time). Mention that you haven't seen them in the Lodge room during your term and that you would appreciate their special effort to attend this function. Be sure to thank them if they come.
5. About 90 days before a member will become more than one-year delinquent, write him or her a letter explaining that on a certain date, you have to turn over a record of all delinquent members to the Lapsation Committee. Explain that you hate to give up on a member this way and ask if there's anything you personally can do to change his or her mind about paying their dues.
6. In February, write to all delinquents asking for their help in breaking the Lodge record for paid-up membership. Tell them that you'll consider it a personal favor if they pay their dues before the close of the year.
7. Instruct the Interviewing Committee to discuss with each applicant the Lodge rules for paying dues and the applicant's ability to meet these financial obligations promptly. Many Lodges obtain a credit report on each applicant. Emphasize that dues must be paid in advance.
8. Instruct the Orientation Committee to emphasize rules regarding dues payment and the penalties for nonpayment.
9. Make lemonade out of lemons. Despite your efforts, some delinquent members won't pay their dues. So after dropping these members, contact them and ask why they let their membership lapse. (*If you contact them by letter, include a self-addressed, stamped envelope for their response.*) Perhaps through this contact you'll learn of and correct a problem with the Lodge. That may not get this member back, but it might stop another from leaving.

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The Lapsation Committee

The Laws of the Order, Section 13.090, state: The Lapsation Committee “*shall investigate and report on all delinquencies in Lodge dues and employ such means and methods as may be best adapted to prevent the dropping from the rolls of members for nonpayment of dues. ... The committee shall report at the first meeting in each month.*”

These are the goals we strive for:

- 1.** Reduce Lodge delinquencies by June 30 to 10 percent or less of the June 30 membership.
- 2.** Reduce Lodge delinquencies by September 30 to 5 percent or less of the September 30 membership.
- 3.** Reduce Lodge delinquencies by March 31 to 2 percent or less of the March 31 membership total — all only six months’ delinquent.
- 4.** Reduce the total members dropped for nonpayment of dues to 2 percent or less of the total membership at the beginning of the year.
- 5.** Maintain a year-round watch over delinquencies and guide the Exalted Ruler and Secretary in collecting dues.
- 6.** See that a planned collection program is carried out throughout the year.
- 7.** Sixty days before a member will be dropped for nonpayment of dues, write a letter calling attention to this deadline established by the Laws of the Order, and enclose a self-addressed stamped envelope to the Chairperson of the Lapsation Committee. Suggest partial payments for paying their arrears. Invite them to share their reasons for not paying their dues. (*Again, this feedback could prove valuable.*)
- 8.** During this month, ask an Officer, Committee Member or Past Exalted Ruler who knows the delinquent Member personally to write a friendly letter on plain stationery. (*One Lodge mailed 150 of these letters and received a 15 percent favorable response in one week.*) This is also a good time to ask the Member’s proposer to initiate face-to-face contact.
- 9.** Thirty days before dropping a member, have the Secretary send the required official 30-day notice of suspension. Please note that members may be dropped for nonpayment in September as well as March.
- 10.** During this 30-day interval, have Lapsation Committee Members, along with the proposer, visit the delinquent Member in a final effort to retain him or her. Failing this, try to get them to pay up and take an Absolute Dimit. Solicit the assistance of the proposer, the Past Exalted Ruler who initiated him or her, or a close friend. Call out-of-town delinquents. Sundays at noon is a good time to make these calls; one Lodge succeeded in collecting dues from 75 percent of its out-of-town members this way.
- 11.** Use your best judgment when recommending that the Lodge pay the dues to keep a member in good standing. Length of service, illness or financial distress may be suitable reasons, but only if you have substantiated evidence and the member is sincere about retaining membership in the Order. Such payments should be made by check from the Charity Committee and not read before the Lodge. Where such cases are known in advance, pay the dues at the beginning of the period. This not only removes the name from the delinquent list but also allows the member the benefits of membership.

12. At the last regular meeting in March, under the Laws of the Order, Section 14.160, the Lapsation Committee should read the names of all members owing one or more year's dues in order to place the names in the minutes. No motion to drop them for nonpayment of dues is necessary as the Laws of the Order make severing their membership automatic.
13. The Lapsation Chairperson should classify each member dropped according to the following schedule, and turn in to the Secretary for permanent file the number of members dropped in each classification:

Reasons for Relinquishing Membership:

1. Unable to locate.
2. No longer interested.
3. Finances.
4. Out of jurisdiction.
5. Dissatisfied with Lodge and Officers.
6. No time — too busy.
7. Poor health.
8. Business reasons.
9. Other reasons — specify.
10. Refused a reason.

Length of continuous service of those dropped:

1. Two to five years.
2. Five to eight years.
3. Eight to 12 years.
4. 12 to 16 years.
5. 16 to 25 years.
6. 25 to 35 years.
7. Over 35 years.

The questions on the mind of every delinquent are:

Why should I pay my dues?

Why should I continue to be active in the Lodge?

This should be answered by a more important question:

Why did you join the Lodge?

If we took the money we spend at the Lodge in dues, charity functions and contributions, social activities and other Lodge events, and gave it to deserving students seeking higher education; or bought food, toys and clothing for the needy; went to visit the local VA medical center, writing letters for and entertaining the bedridden and arranging outings for veterans able to enjoy such events, maybe we wouldn't need an Elks Lodge.

But, how many of us can afford to do these things? How many can or will carry out such projects? Very few.

As we say in the Elks National Foundation: *“If you can’t give a million, be one of a million to give.”* This is why you joined the Lodge. This is the primary function of the modern Lodge. It’s not just a friendly spa where friends meet to drink and enjoy good fellowship. It’s where we can pool our funds, whether \$1 or \$1,000, to make our communities, states and country better places to live.

“Why did you join the Elks?”

Was it the fellowship you saw at a family outing or when a neighbor asked you to leave the TV for a night to help out at Las Vegas Night at the area VA medical center?

Possibly it was the day you were asked to play one of Santa’s elves at a Christmas party for disadvantaged children. That was the day you noticed two of the kids making so many trips through the hotdog line. It was only after you followed them back to the bus that you discovered they weren’t eating them — they had a bedridden mother and two little brothers, and no father at home, who hadn’t had a good hotdog in weeks.

Or maybe one of those little kids was you, and you resolved that day that when you grew up, you’d give back to your community the way the Elks gave to you.

Is that why you’re an Elk?

The community still needs the Elks, and the Elks still need people who care. People like you.

Even if you’re not as active as you used to be, your dues still make our charitable and philanthropic works possible. We need you, and the community needs you!

Yes, you should remain a member. Your dues make you a member of one of the greatest organizations in the world!

Your dues enable your Elks Lodge to continue making your community, state and country a better place to live!

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Computing Delinquencies

1. Dues are payable in advance on April 1 but may be paid semi-annually on April 1 and October 1.
2. Compute delinquencies as of the close of business on the last day of each month. Remember that all membership statistics reports are due on July 20 and November 20, but that the requested membership delinquency figures are those from April 1 to July 15, due July 20, and from April 1 to November 15, due November 20.
3. Since dues may be paid semi-annually in advance, the term of delinquency is determined by how many semi-annual periods for which the member owes dues. If they owe for one semi-annual dues period, they’re six months delinquent; if they owe for two semi-annual periods, they’re one year delinquent; and if they owe for three semi-annual periods, they are one and one-half years delinquent. For example:
 - a) Dues not paid for 4-1 to 9-30...six months delinquent.
 - b) Dues not paid for 4-1 to 9-30 and for the period 10-1 to 3-31...one year delinquent.

- c) Dues not paid for 10-1 to 3-31 of the preceding year, for 4-1 to 9-30 and for 10-1 to 3-31...one and one-half years delinquent.

It is this easy! Starting from the date the report requests, count the number of semi-annual periods the member owes dues for to determine his or her delinquency. How many semi-annual dues payments will it take from the date of delinquency to pay dues up to and including the date of the report?

Dropping for Nonpayment

1. Sixty days before the last meeting in March, the Secretary shall read into the minutes, the names of all members one year delinquent or more.
2. Thirty days before the last Lodge meeting in March, the Secretary shall send a final notice, in person or by prepaid first-class mail, addressed to all members delinquent one or more years, advising that they will be dropped from the Lodge membership rolls as of the close of business on March 31 unless their dues are paid before that time.
3. At the last meeting in March, the Secretary shall include an updated list of those members listed in Item 1 who have not at that date been returned to good standing by paying their dues. The Secretary shall mark off this final list any members who pay their dues between this meeting and the close of business March 31. All others remaining on the list shall be stricken from the membership roll as of that March 31.
4. A member who is delinquent one year on September 30 may be dropped from the roll as of that date by following the same procedure outlined above. But the date for first reading and recording in the minutes as provided in Item 1 shall be 60 days before the date of the last Lodge meeting in September, and the date of sending the final notice shall be 30 days before the last Lodge meeting in September. Dropping members at September 30 is optional with the Lodge. These members will become one and one-half years delinquent on October 1, but may be carried over until March to give additional time for collection. The per capita taxes have already been paid, so it costs little to carry them over.

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