

## BILLINGS DOWNTOWN ROTARY INTERNAL CONTROL POLICY FY2013

### INTRODUCTION:

The Officers and Directors of the Billings Downtown Rotary Club have a responsibility to its membership and Rotary International that it is accountable for its programs and finances to its members, the public, donors and government regulators.

Internal controls ensure Billings Downtown Rotary Club:

- Complies with all applicable laws and ethical standards
- Adhere to the Billings Downtown Rotary Club's mission
- Adheres to polices regarding conflict of interest, ethics, personnel and accounting policies
- Protect the rights of its members
- Prepares and files annual financial reports with the Internal Revenue Service and other Rotary bodies are required.
- Provides financial reports to Officers, Board members and the public upon request.

### INTERNAL CONTROLS OF BILLINGS DOWNTOWN ROTARY CLUB

#### I. Receipt of Funds

- a. The Treasurer will be the recipient of all funds owing to or received to Billings Downtown Rotary Club.
- b. The Treasurer is responsible for depositing all such receipts into the Billings Downtown Rotary Checking Account.
- c. The Treasurer will enter all receipts into the Billings Downtown Rotary Club electronic accounting system.
- d. A Monthly detail report will be generated and made available to the Officers and Board members at its monthly Board meeting.
- e. The Treasurer will account for all assets of the Billings Downtown Rotary Club and report the status of such to the Officers and Board members monthly at its Board meeting.
- f. The transfer of funds into and out of bank accounts will be with approval from the Board of Directors.
- g. Reconciliation of monthly bank statements will be completed during the annual internal audit.
- h. All fundraising events will account for all receipts and deposit the same into the checking account of Downtown Rotary and provide a report to the treasurer of each deposit

#### II. Liabilities

- a. Receipt of all liabilities will be provided timely to the Treasurer for posting into the electronic accounting system.

- b. The Treasurer will enter into the ledgers only those liabilities for which a source document exists.
- c. The Treasurer will generate Billings Downtown Rotary Club checks no less than monthly for payment to vendors.
- d. The Treasurer will generate a detailed monthly report to the Officers and Board members of all liabilities and payments issued at its monthly meeting.

### III. Financial Accounts

- a. The President, Vice President or Vice President Elect, with the approval of the Board of Directors will establish and close financial accounts as necessary.
- b. The signors of all finance accounts are the President, Vice President and Vice President Elect.
- c. The Treasurer will be provided "Inquiry Only" access to financial accounts (paper and online)
- d. The President, Vice President or Vice President Elect will sign Billings Downtown Rotary Club checks only after review at the monthly Board of Directors meeting. Each check will have its source document and check voucher attached to it prior to signing.
- e. All checks for payment will be mailed to the Club Post Office box. Mail will be collected by the Club Secretary and distributed as necessary.

### IV. Record Retention

- a. Source documents of Billings Downtown Rotary will be maintained pursuant to applicable Federal and State Laws
- b. All financial records (paper or electronic) will be destroyed six (6) years after the close of the fiscal year they are received.
- c. Electronic Records
  - i. All electronic records will be backed up on a regular basis (at least monthly) to two sources. One backup source to be retained by the Club Accountant and the other by the Club Treasurer.
- d. No financial record of the Billings Downtown Rotary Club will be destroyed of without the approval of the Board of Directors in consultation with and approval of the Club's accountant other than as stipulated in (b) above.

### V. Mission Statement / Objects of Rotary

- a. The mission of Rotary International is to provide service to others, promote integrity, and advance world understanding, goodwill, and peace through its fellowship of business, professional, and community leaders.
- b. The Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:
  - i. FIRST. The development of acquaintance as an opportunity for service;
  - ii. SECOND. High ethical standards in business and professions; the recognition of the worthiness of all useful occupations; and the

- dignifying of each Rotarian's occupation as an opportunity to serve society;
- iii. THIRD. The application of the ideal of service in each Rotarian's personal, business, and community life;
  - iv. FOURTH. The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.
- c. All club transactions and enterprises of the Downtown Billings Rotary Club must adhere to its Mission Statement and Objects of Rotary.

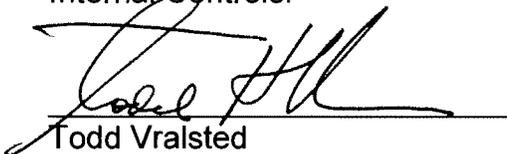
VI. Annual Federal and State Reports

- a. The President is responsible to ensure the Billings Downtown Rotary Club's annual financial statements are provided to the its accountant or other responsible entity ensuring the timely filing of all required Federal and State reports. (i.e., Federal Form 990)
- b. The President will provide the prepared forms or copies thereof to the Board of Directors at their stated meeting for review.

VII. Audit of Operations

- a. The Financial accounts of the Downtown Rotary Club will be audited annually by a committee of Board Members to ensure the Clubs adherence to its Internal Controls.
- b. An External Audit may be commissioned at any time the Officers and/or Board of Directors call for such.
- c. The financial accounts of the Downtown Rotary Club will be audited by a committee of Board Members whenever the Treasurer is replaced other than at the close of the fiscal year when the annual audit is due.
- d. The Treasurer may call for an audit of the financial records by the Board of Directors at any time during their tenure.
  - i. The Treasurer may call for an external audit of the financial records in the event an internal audit raises questions and/or concerns of appropriate accounting of the assets and liabilities of the Treasurer.

This policy was presented to, and approved by, the Billings Downtown Rotary Club at its monthly meeting on Monday, November 12, 2012. This policy supersedes any previous Internal Controls.



Todd Vralsted  
President  
Billings Rotary Club 999