

**POLICIES AND GUIDELINES FOR ADMINISTERING  
ROTARY INTERNATIONAL DISTRICT 5190**

SPECIAL NOTE: The District Governor (DG) is charged with the responsibility of presenting a copy of these guidelines to the District Governor Elect (DGE) and the District Governor Nominee (DGN) and ensuring that they understand them.

**PREAMBLE**

The activities and organization of Rotary International (RI) District 5190 (District) shall exist solely to help individual Rotary Clubs advance the Object of Rotary and should not tend to diminish services provided by Rotary Clubs and Rotarians on the local level. With the exception of committees specifically recommended by and constituted in the manner prescribed by the Board of Rotary International from time to time, no continuing officers, organization or committees shall be created within the District that may in any way tend to dilute the authority or responsibility of succeeding DGs. The type and number of District committees should only be as extensive as is necessary to effectively promote the program of Rotary and ensure the integrity of the District. DGs are encouraged to appoint Rotarians of experience as chairs of District committees.

A permanent District organization that includes permanent or part time staff providing services to any of the duly elected or appointed District officers should only be implemented after careful consideration and with the appropriate approvals as provided herein.

The Rotary Clubs of District 5190, to ensure continuity, and with the expectation of an improved understanding of the objectives and operational procedures, have caused this document to be drawn and by a vote of their members present and voting at the District Conference or by other methods that may be authorized herein, have adopted, and from time to time may revise, the provisions contained therein.

**ARTICLE 1—DISTRICT FUNCTIONS (GENERAL)**

The required District functions are covered in Chapter 2 of the Manual of Procedure of Rotary International (Manual of Procedure) regarding Rotary Districts and all District functions shall be in accordance therewith. On occasion, District 5190 has sponsored other events on a District-wide basis. In addition, certain Club events have been promoted District-wide.

**ARTICLE 2—DISTRICT CONFERENCE**

Site selection, planning and execution of the District Conference and of the District Assembly shall be in accordance with appropriate provisions of the Manual of Procedure. Business sessions of the District Conference shall be conducted in accordance with the Manual of Procedure or as otherwise provided through these policies and guidelines insofar as they are not inconsistent with the Manual of Procedure.

### **ARTICLE 3—DISTRICT ORGANIZATION**

3.1 The DG shall have maximum flexibility in developing and establishing the District's organizational structure as is appropriate to best achieve the District's goals and objectives. This may include, but is not limited to, appointments of Lieutenant and/or Assistant Governors, Governor's Aides or Executive Aides and District Committee Chairs. The District Officers shall be the DG, DGE, District Treasurer and District Secretary. The structure suggested by these Guidelines is recommended but not mandated. The DG should consider structure and appointments that will provide opportunities for continuity from one year to the next.

3.2 Purpose. The purpose of the District Organization is to provide an operating structure which supports and provides assistance to the DG, DGE and DGN, with focus on policy issues, and provides continuity and uniform and efficient administration of the District.

3.3 District Advisory Board. A District Advisory Board shall be established consisting of the DG, Immediate Past District Governor, DGE, District Treasurer, and District Secretary. Additionally, at the discretion of the DG, the functional and service areas of the district may be represented on the board by Rotarians in good standing that are selected by the DG. These Areas of Service and Function are initially defined as 1 – District Administration, 2 – Service, 3 – Foundation, 4 – Membership, 5 – New Generations, 6 – Club Administration, 7 – Technology, and 8 – Public Image as reflected in the attached organization chart. The District Governor Nominee, District Governor Nominee Designate, District Conference Chair and District Executive Assistant shall sit on the board and serve as non-voting members.

3.4 Officers. The District Governor shall serve as Chair and CEO of the District Advisory Board. In the absence of the DG, the District Governor Elect shall act as Chair. The District Secretary shall be the recording secretary of the Board and take minutes of each meeting, record recommendations made by the Board and forward copies of the recommendations to the Board members and the active Past District Governors within the District.

3.5 Duties of the Board. The District Advisory Board will meet up to four times each year at a time and location determined by the DG. The agenda will be prepared by the DG and will be limited to policy considerations of the District. District operating procedures may be referred to the Board by the DG on an advisory basis but are at the discretion of the DG. The District Advisory Board will act as a conduit of information and District Policy to and from their respective Committees.

### **ARTICLE 4—DISTRICT COMMITTEES (GENERAL)**

4.1 STANDING COMMITTEES. The standing District Committees include, but are not limited to: District Administration, Finance, Nominating, Service, Foundation, Membership, New Generations, Club Administration, Technology, Public Image, Strategic Planning, Training

and Facilities. District Committees and District Leadership shall be organized in concert with the RI District Leadership Plan.

4.1.1 Facilities Committee. The District Governor may select a committee of Rotarians that are knowledgeable in the development of hotel space and accommodation requirements for District meetings and to act on behalf of the District in securing proposals for the annual meetings described herein and to negotiate the necessary contracts to assist the DG, DGE, and DGN. It is deemed to be in the best interest of the District to consider multi-year contracts for facilities to provide such meeting capabilities, subject to the approval of the affected incoming DGE and DGN.

4.1.2 Strategic Planning Committee. The District Governor shall appoint a Strategic Planning Committee to review the Strategic Plan and make recommendations for updating the Plan to the District Governor and Board of Directors at least every three years.

4.1.2.1 Composition. The Committee shall be composed of at least three Past District Governors, the District Governor Elect and the District Governor Nominee. The appointments shall be specifically for the update for that term and will expire upon completion of the Strategic Plan update.

4.1.3 Technology Committee. The purpose of the Technology Committee is to advance the use of technology in assistance of all Rotarian endeavors. Areas of focus for the Committee shall be, but not limited to, the District Website, Distance Learning, On-Line Meetings and Special Projects.

4.1.3.1 Composition. Members of the Technology Committee shall be appointed by the DG, based on recommendations from the Technology Committee Chair, who possess the technical skill sets to best accomplish the mission of the Committee.

4.1.4 Public Image Committee. The Purpose of the Public Image Committee is to assist District Leaders in implementing the third element of the Rotary International Strategic Plan to “Enhance public image and awareness of Rotary” within the District. Further, the Committee shall support and strengthen the Clubs of District 5190 by enhancing their image in their communities.

4.1.4.1 Composition. Members of the Public Image Committee shall be appointed by the DG, based on recommendations from the Public Image Chair, who possess the skill sets to best accomplish the mission of the Committee.

4.1.5 District Training Committee. The purpose of the Committee is to support the DG and DGE in training Club and District Leaders and provide continuing education to Rotarians.

4.1.5.1 Composition. In order to carry out this purpose of the Committee, members or sub-committees shall be appointed by the DG, based on recommendations from the Training

Committee Chair. Sub-Committees shall include the Rotary Academy, District Training Assembly and the Rotary Leadership Institute.

4.1.5.2 Duties. The District Training Committee or sub-committees shall be responsible for, but not limited to, the following: conducting and evaluating needs assessments and meeting evaluations; developing training curriculum, coordinating logistical arrangements for training and manage the meeting budget; selecting and preparing training leaders; preparing and distributing meeting materials; managing registration for training meetings; publicizing training events.

4.2 APPOINTMENTS. The DGE should appoint the Chairs of standing committees, with the exception of the Nominating and Finance Committees, as soon as practical and in all events prior to the District Training Assembly immediately preceding the DGE's term as DG.

4.3 TERMS OF APPOINTMENTS. Chairs of standing committees shall serve at the pleasure of the appointing DG. The period of term of office is normally consistent with that served by the appointing DG.

4.4 COMPOSITION. It is recommended a Rotarian serve as a member of a committee no more than three consecutive years with the exception of the Rotary Youth Exchange (RYE) Committee, but only at the pleasure of the DG. All appointments shall be made only after assent has been obtained from the appointee. In order to provide continuity, it is suggested that all of the District committees, other than Finance and District Administration, should be composed of members serving at least two-year terms. Because of the complex nature of the responsibilities of the RYE Committee, the DG is advised that member change be accomplished only after consultation with the RYE Committee Chair.

4.5 COMMITTEE CHAIRS. All committee Chairs shall be subject to the appointment and direction of the DG and shall report to the DG at such times as the DG may direct. It is strongly recommended that a Rotarian not serve more than three consecutive years as a Chair of any single committee.

4.6 COMMITTEE MINUTES. All standing committees are encouraged to keep minutes. One copy of the minutes shall be sent to the DG and a second copy shall be filed in the District Office.

## **ARTICLE 5—FINANCE COMMITTEE**

5.1 COMPOSITION. The District 5190 Finance Committee shall have five voting members, all of whom are Past District Governors (PDGs) who are members in good standing of a Rotary Club in District 5190: three PDGs who shall serve three-year staggered terms; an additional PDG appointed to serve as Chair of the Committee for a three year term; and the immediate Past DG who will serve for a one-year term. Each year, the DGE shall appoint a single PDG to replace the one of the three PDGs whose term is expiring. Every third year, the DGE shall appoint the Chair. The DG shall fill by appointment any vacancies that arise, and fill

the remaining portion of any term, including appointing a PDG if the immediate PDG is unable to serve. The Chair of the Committee will appoint a vice chair from the other members of the Committee to serve one year as Vice Chair.

The Chair of the Committee may appoint a member in good standing of a Rotary Club in District 5190 to serve as financial advisor, who shall not have a vote. Nothing in these Guidelines will prevent the Rotarian from being reappointed as a technical advisor. No rights of succession are intended for any of the members of the Committee, including the Chair.

5.1.1 Treasurer. The District Treasurer (Treasurer) is appointed by the incoming DG and shall serve at the DG's pleasure. The Treasurer shall serve as a non-voting member of the Committee and shall be deemed qualified by virtue of the appointed office. It is suggested that an attempt be made to appoint a Treasurer for multiple years to provide accounting continuity. It will be necessary for the DG, DGE and DGN to work cooperatively together to accomplish this objective.

5.1.2 Other Non-voting Members. The DG will serve on the Committee with voice but without vote. Others encouraged to attend Finance Committee meetings include the DGE and the DGN who may participate in the meeting but not vote.

5.1.3 Term Limits. Members may serve no more than one consecutive three-year term.

5.2 RESPONSIBILITIES OF FINANCE COMMITTEE. The Committee shall undertake the following duties:

5.2.1 Budget. Receive the DGE's proposed budget, provide guidance, evaluate the proposed budget, recommend approval of the budget to the Presidents-Elect, prepare and publish the annual District budget cooperatively with the DGE. The proposed District budget must be provided to the District's incoming Club Presidents for their approval at least four weeks before the District Assembly or four weeks before any other scheduled meeting of the incoming Club Presidents that is held prior to the beginning of the Rotary year.

5.2.2 Financial Review. The Committee will be responsible for reviewing all reports and financial statements prepared by the District Treasurer during the year and will make recommendations concerning acceptance of the final financial statement for the year to the representatives assembled at the Business Meeting held during the District Conference.

5.2.3 Financial Reporting. Publish an annual year-end financial report that must be given to all Club Presidents in the District. This report should be published as soon as possible but no later than three months after the end of the Rotary Program year. File all required reports with appropriate state and federal agencies. These reports must be filed in a timely manner.

5.2.4 Independent Financial Statement Review. Annually cause the District's financial records and statements to be reviewed by an independent accountant or District audit Committee and shall include details as prescribed in RI Bylaws section 15.060.4. The review,

which will include a report of the findings and any recommendations for improvements, shall be presented for discussion and adoption at the next District meeting to which all Clubs are entitled to send a representative and for which 30 days notice has been given that the statement of the District finances will be presented for adoption or if no such meeting is held, by the following District Conference. The Committee should carefully evaluate the necessity and associated cost of a financial review or audit before ordering such review or audit and should be cognizant of the different levels of audit technique associated with the standard of care in the accounting profession that will be required if a full audit is desired.

5.2.5 Long-Range Financial Planning. Prepare long-range financial plans and surveys in concert with the DGE and others that will be useful to the Committee in establishing income and expense projections.

5.2.6 District Reserve Funds. Review at least annually or more often if reasonable the amount of money in the District Reserve Funds to ensure compliance with Section 7.6 below.

5.2.7 District Financial Accounts. Provide oversight and monitor control of all District financial accounts. (See also Section 7.1 below).

5.2.8 Meetings. Meet at least quarterly or more frequently if requested by the DG or the Chair, to receive a current District financial report from the Treasurer and to conduct such other business and to receive and prepare such other reports as the Committee deems useful in discharging its responsibilities.

5.2.9 Committee Minutes. The Finance Committee is required to record and maintain minutes of their meetings for a period of five years.

5.3 RESPONSIBILITIES OF TREASURER. The Treasurer shall undertake the following duties:

5.3.1 Financial Statements. Prepare quarterly financial statements including accounts receivable and payable and other information requested by the DG and/or the Committee.

5.3.2 Financial Reports. Present financial reports to the Committee quarterly or more often as requested by the Chair or by action of the Committee.

5.3.3 Oversight. Oversee all District accounting.

5.3.4 Budget. Assist DGE in development of the budget as needed. Review budget with DGE in conjunction with the Finance Committee prior to presentation to the Presidents-Elect.

5.4 RESPONSIBILITIES OF FINANCE COMMITTEE CHAIR. If the Chair should be unavailable due to death, illness, no longer a member in good standing of a Rotary Club in District 5190 or declines to serve, the appointed Vice Chair would serve as Chair. The Chair shall:

5.4.1 Calendar Meetings. Set the meeting date(s), time and agenda utilizing the suggestions received from the members of the Committee.

5.4.2 Preside at Meetings. The Chair shall preside over the meeting and will use “Roberts Rules of Order” in settling any questions of procedure.

5.4.3 Professional Services. With the concurrence of the Finance Committee the Chair may engage or otherwise provide professional services, on a fee basis, for the preparation of official financial documents that may be required in the State of California, State of Nevada, or by the US Internal Revenue Service.

5.5 QUORUM AND VOTING. A quorum shall consist of three (3) voting members present. Three affirmative votes are required for action.

#### **ARTICLE 6 – ADVISORY COUNCIL OF PAST GOVERNORS**

Composition and Authority. An Advisory Council of PDGs shall be organized in District 5190 and shall be composed of all PDGs who are members of Rotary Clubs within the District. The DG is urged to call a meeting of the Council at least once a year to allow the DGE to inform the current and past governors about the issues debated and presented at the International Assembly. In practice, this meeting typically occurs on the day before District Assembly.

The authority and or the responsibility of the Governor shall in no way be impaired or impeded by the advice or actions of the Past Governors whose role shall be purely advisory.

#### **ARTICLE 7– FINANCIAL MANAGEMENT**

7.1 BANK ACCOUNTS. All bank accounts shall be maintained in a bank within the District and must be insured by the FDIC or equivalent. Checks written and/or draws made on District accounts may only occur after the DG approves such action in writing, except as provided in section 7.5.0.2. The DG and Treasurer are expected to be the two individuals authorized to sign for District checking account withdrawals or payments and only one signature will be required on checks provided the expenditure amounts have been approved in writing by the DG. In the event the DG becomes incapacitated, the Finance Committee may approve expenditures in writing. Any withdrawals or transfer from the District Reserve Accounts will require the approval of the Finance Committee as provided in Article 7.6 of these policies. With the approval specified, the Chair of the Finance Committee and District Treasurer will then have the authority to authorize transfers or withdrawals from the Reserve Accounts.

7.1.1 PayPal Account. A PayPal account will be allowed to be maintained for the purpose of offering attendees of district paid events the opportunity to make payments using their personal PayPal account. PayPal accounts are not FDIC insured so only low balances should be allowed to reside in the account.

7.1.2 Separate Bank Accounts. Any District committee wishing to have its own bank account must first obtain the approval of the DG and the Finance Committee each year. If approved, the Committee must provide a budget of income and expenditures for approval, as well as during the year, copies of monthly bank account statements and a financial statement at the end of the Rotary year showing income and detailed expenses supported by documentation. The year-end report shall then be included in the District's year-end financial report. Funds raised or collected for a specific purpose may be used only for purposes stated.

7.1.3 District Foundation. If a District Foundation is created, any Foundation funds in the District derived through donation or other fundraising activity, should be kept in a separate account and may be used only for the purposes intended. Interest may be used for the Foundation Committee's promotional expense and other administrative expenses. The year-end District Foundation financial reports will be included with the District year-end financial report. File all required reports with appropriate state and federal agencies. These reports must be filed in a timely manner.

7.2 ROTARY INTERNATIONAL STIPEND FUNDS (DG's expenses): Funds furnished to the District and/or the DG to reimburse the DG's expenses shall become a part of the General Fund of the District. At the end of the DG's term, it is the responsibility of the DG to complete any and all forms required by Rotary International to obtain all of the expense reimbursement the District and/or the DG is entitled to receive.

7.3 ADDITIONAL GUIDELINES FOR THE FINANCIAL MANAGEMENT OF DISTRICT FUNDS. The following guidelines are intended to serve as a guide for DGs, DGEs, DGNs, District Treasurer and the District Finance Committee in preparation of a District Budget and as a general guide regarding District finances.

#### 7.4 DISTRICT BUDGET

7.4.1 Development of District Budget. The DGE is responsible for developing a budget for his/her year of service. The DGE is encouraged to work with the DG, the Treasurer and the Finance Committee to develop a budget that will be consistent with expected revenues and projected expenditures. The District Budget will be prepared including the beginning and the ending balances of the Operating Reserve Fund using standard accounting practices.

7.4.2 Adoption Procedures. The proposed budget should be submitted to the Finance Committee a minimum of 90 days in advance of the District Training Assembly to allow the Committee to review and consider the budget. The Committee may make a recommendation for approval or disapproval and should forward the recommendation to the DGE. The DGE should forward the budget to the Club Presidents-Elect in the District no later than 30 days prior to the District Training Assembly. In addition, the DGE may choose to review the budget with the Presidents-Elect during Pre-PETS, PETS or other District wide meetings. The DGE and Finance Committee will jointly present the budget and the recommendations from the Finance Committee to the incoming Club Presidents at the District Training Assembly. The incoming Club Presidents must approve the budget document.



7.4.3 Administration of District Budget. The budget approved by the Club presidents is to be strictly adhered to and may not be exceeded or amended without the approval of the Finance Committee with the exception of the DG's ability to transfer items as described in 8.5.0.6. The general guidelines in this document are to be used by the DG and District Treasurer in administering the budget during the year.

7.4.4 Budget Reports. Quarterly reports showing budgeted amounts, amounts spent and the balance for each item in the budget shall be presented to the DG, the DGE and the District Finance Committee by the District Treasurer within thirty days of the end of each quarter. Statements from banks or other investment agencies must also be provided to the Finance Committee quarterly.

7.4.5 Final Budget Report and Financial Statement. The final quarterly report is the end-of-the-year report required by RI. The District Finance Committee shall review it and a recommendation formulated for submittal to the Club presidents in the District along with the final financial statement. This review and acceptance is intended to meet RI requirements of an "audit." In addition to mailing or emailing the aforementioned recommendation and final financial statement to the Club Presidents, a summary of the final budget report along with the response from the District Finance Committee shall be reported to the District Conference and Rotarians in attendance shall be asked to accept this report. The year-end financial report shall show any separately maintained accounts as separate line items.

7.4.6 Chart of Accounts. An attempt should be made to utilize line items and account numbers from year to year, thus allowing for a comparison review. The DG should coordinate the transfer of the accounting system with the DGE, the current year Treasurer and the incoming Treasurer to ensure and optimize consistency.

7.4.7 Budget Approval. The DGE shall present the proposed District budget with the recommendation from the District Finance Committee to the Club Presidents-Elect at the District Training Assembly for their approval.

## 7.5 BUDGET ITEMS.

### 7.5.0 Recitals

7.5.0.1 Basis of Projections. All budget line items in the District budget should be self-explanatory or should be footnoted so that there will be no ambiguity about the projected budget of the District.

7.5.0.2 Expense Documentation. All expenses incurred by the District, District Officers, District Committee Chairs and others within the District should be supported by copies of receipts and submitted for reimbursement within 30-days of expenditure. Receipts received after 30 days require approval of the Finance Committee. The District books shall be closed and no expenses reimbursed 90 days after the close of the fiscal year. Expenses that do not obviously fit the approved budget must be approved by the DG.

7.5.0.3 Budget for the DGN and DGE. The DG is responsible for the financial results of the District during his/her year of service. During this time, the DGE and DGN will incur costs in preparing for their years of service. To meet some of these needs and still assure that the DG will have predictable expenses, a series of allowances will be provided for the DGE and DGN. These allowances are in addition to the meeting and travel expenses detailed elsewhere. All requirements for submitting expense item summaries and the District reimbursement request form will be followed, including RI stipend reimbursement guidelines and District policy. Any pre-payments must be approved in advance by the DG, DGE and the Finance Committee. If the DGE has special expenses or early Conference expenses not covered by the DG's budget, the DGE or DGN may have those expenses paid from their future year's budget, assuming all other requirements are satisfied. These expenses shall be listed as pre-paid expenses on the Balance Sheet.

7.5.0.4 Special Activities. In recent years, the DGE and DGN and others have been requested to participate in more activities, particularly in Zone functions. Discretion should be exercised in attending such functions and such activities should be included in the District budget prior to incurring expenditures for such activities.

7.5.0.5 District Governor (Elect and Nominee). Every effort will be made to pay the reasonable and normal costs of the DG and certain costs of the DGE and DGN for participating in Rotary events that cover the program of Rotary in the District. However, these individuals and their partners are expected to pay normal living costs when not traveling for Rotary. When attending special meetings as may be scheduled by RI, RI Director, RI Foundation or any other special meetings, all expenses must be approved by the DG and subject to the budget constraints.

7.5.0.6 Line Item Adjustment. The DG has the discretion to move up to 10% of any budget expense category to another budget expense category. Transfer or reallocation of an amount greater than 10% must be approved by the Finance Committee. The DG may also move expense account budget amounts within a budget expense category as long as the budget expense category budget total is not exceeded.

Any transfer between primary expense account headers requires approval of the Finance Committee.

A budget expense category is defined as the first level of expense account headers listed under the primary expense account header. For example, the primary expense account header "District Governor" has first level expense account headers "Travel," "Meetings Held," "Materials & Supplies," etc.

7.5.0.7 Meals. During District sponsored programs, the term "meals" means food that is provided to attendees and is paid for by the attendees as part of their registration fee. These registration fees should also cover the cost of any meals consumed by invited guests, speakers or invited staff.

During travel by the DG, DGE and DGN, the term "meals" means official meals provided by the event being attended and which include a Rotary Program. Incidental meals are not covered by District funds. The only exceptions are meals consumed by the DG during the first round of Club visits.

During meetings held by the DG or DGE, the term "meals" means the food brought in for the benefit of the attendees.

7.5.0.8 Mileage. Mileage will be reimbursed at the current IRS allowable mileage rate.

7.5.0.9 Transportation. Reimbursable transportation costs will be reimbursed at the economy fare. If you choose to travel at a higher fare rate, you will need to provide the economy rate for reimbursement.

7.5.0.10 Budget. The following discussion of budget line items provides guidelines as to what types of expenses may be permissible by the District or Rotary International. Their presence does not mean that reimbursement is mandatory for that item. Each DG's priorities are different and accordingly the DG will create a balanced budget that may or may not include individual line items presented here. Ultimately it is the budget and the discretion of the DG that rules.

7.5.1 Income

7.5.1.1 Income from Clubs

7.5.1.1.1 Membership and District Dues. In the preparation of the budget, this line item shall show the estimated number of Rotarians that will be reported as members for the July 1 Semi-Annual Report to Rotary International and the proposed per capita District dues. The number of members reported by the Clubs to the District should agree with the report to RI. The membership number shall include all active, active excused and honorary members. Active excused members are required to pay District and RI dues. Honorary members are not required to pay District or RI dues. RI and District dues are due and payable July 1st and January 1st.

7.5.1.1.2 Additional Club Support. At the discretion of the DG, the Clubs may be asked on a voluntary basis to help support District level projects. Examples might be contributions to a District wide public relations campaign.

7.5.1.2 Income from Far West PETS. Far West PETS typically provides an amount to help cover refreshment costs incurred during PETS.

7.5.1.3 Income from Rotary International

7.5.1.3.1 RI Stipend for DG Expense. The RI stipend is reported as income to the District. The Stipend should be set up to be deposited directly to the District bank account rather than delivered to the DG who then would remit to the District. The Stipend is delivered in two parts.

The first deposit is 70% of the stipulated amount. Once the entire stipend has been justified, RI will deposit the remaining 30%.

Rotary International will also provide reimbursement for AG training expenses and GETS expenses that occurred during the DG's DGE year.

The DG and Treasurer are responsible for submitting documentation to Rotary International, when required, to substantiate the expense in conjunction with the received stipend.

7.5.1.3.2 International Assembly Reimbursement. Rotary International will reimburse the DGE for any out of pocket expenses associated with attending the International Assembly. This reimbursement must be applied for and must exactly offset the expenses paid for under the DGE expense section for International Assembly. Since this is a breakeven item, it does not need to be estimated in the budgeting process.

7.5.1.3.3 Grants. The District may apply for grants from Rotary International for various projects.

7.5.1.3.4 RI Convention Incentive. Rotary International will pay the District an amount based upon the number of Rotarians from the District that attend the Rotary Convention. It is based on the number of attendees above some base number and is calculated by RI.

7.5.1.3.5 New Club Charter Reimbursement. Rotary International will reimburse the district up to 50% of a new club's admission fee paid by the new Rotary Club.

7.5.1.4 Income from The Rotary Foundation (TRF). District Designated Funds (DDF) consist of 50% of the total District contributions made to The Rotary Foundation three years prior. The District may apply for a District Block Grant (DBG) for an amount not to exceed 50% of the DDF. The remainder of the DDF is available via a DDF Credit Account.

The District Block Grant is paid in cash to the District and must be strictly accounted for, including the establishment of a separate checking account. The DBG may be used for programs such as District Service Grants (DSG), Vocational Training Teams (VTT), District Supported Scholars and other programs to be determined. Any unused DBG funds greater than \$200 must be returned to TRF and will be added to next year's DDF Credit Account.

DDF Credit Account funds may be used to match Global projects such as Global Grants, Global VTT, Global Scholars, Polio Plus and Peace. This funding does not flow through the district. At year end, any unused funds in this credit account roll over into the next year's DDF Credit Account.

7.5.1.5 Interest Income. This line item should include projected or actual earnings on investments from reserve or unexpended funds. The District Treasurer should attempt to minimize the cash on hand in order to maximize additional interest income.

7.5.1.6 Miscellaneous Donations. Occasionally there may be income that may not fit in another category.

7.5.2 District Programs Income / Expense. It is recommended that all District programs and events be budgeted on at least a break-even basis, with the exception of Seminars and other training events that may receive District support or underwriting.

A final financial report should be filed with the Finance Committee within 45 days of the final day of the District program event. This report should include all revenues, expenses, number of attendees, attendees paid, attendees invited and attendees unpaid.

Any expenses paid for by the venue (meals, rooms, etc.) will be treated as income and will not be assigned to any particular attendee, District officer, invited guest, speaker or staff member.

7.5.2.1 Seminars. The District conducts seminars to educate Rotarians in many areas. For example: Membership, Foundation, Grants Management, Youth Services, Public Image and Ethics. Other subjects may be added at any time. Income usually consists of a single registration fee. Expenses may include speaker costs, space rental, equipment rental, meals, materials & supplies, printing, postage, etc.

7.5.2.2 Rotary Academy. The District conducts the Rotary Academy to educate Rotarians about Rotary in much more depth. Income usually consists of a single registration fee. Expenses may include Rotary manuals, materials & supplies, printing, postage, etc.

7.5.2.3 Paul Harris Society Dinner. The District conducts a PHS dinner to honor and induct new Paul Harris Society members. The dinner includes a program pertinent to The Rotary Foundation. Income usually consists of a single registration fee. Expenses may include speaker costs, space rental, equipment rental, meals, materials & supplies, printing, postage, etc.

7.5.2.4 District Training Assembly. The District Training Assembly should be included in the budget as a separate line item with footnotes indicating the assumptions used. For purposes of final accounting, this item should show the income received for the District Training Assembly and should include the number of paid attendees, registration revenues, meal and other related revenue sources. District Training Assembly should be budgeted on at least a break-even basis. A final financial report of all revenues and expenditures of the District Training Assembly should be filed with the Finance Committee within 45 days of the final day of the Assembly.

7.5.2.5 District Conference. The District conducts the District Conference to celebrate the Rotary year. The District Conference should have its own detailed budget with only summary line items reported in the District budget. Income usually consists of a registration fee, Club and corporate sponsorships, meal sales, event sales and merchandise sales. Expenses may include registration and payment collection costs, speaker costs, entertainment costs, space rental, equipment rental, meals, materials & supplies, printing, postage, etc. The Conference covers the room and meal costs of the Conference chairperson and partner. The Conference

may also cover certain costs of other Conference staff that expend extraordinary time and sacrifice in producing the District Conference.

The RI President's Representative's lodging, meal expenses and gift shall be covered by the Conference.

District Conference planners and the DG should carefully consider the purpose of the Conference and plan speakers accordingly. The use of paid professional speakers has significantly increased the cost of Conferences without including the primary message of Rotary. RI discourages the practice of paying stipends to Conference speakers from District funds, although such expenditures may be covered by Conference fees. Conference planners should understand that paid speakers should not lessen the opportunity for official speakers of Rotary International, including the RI President's representative, to present the President's message to the Conference.

The Speech Contest and Music Contest expenses should be considered expenses of the Conference. The Conference Committee should endeavor to offset the costs of these contests by soliciting named sponsorships or some other form of fund-raising.

The District typically holds events in conjunction with the Conference such as a golf tournament, trap shoot, bowling tournament, etc. The fees charged for these events must fully support the expenses of the event.

7.5.2.6 Rotary International Grant Expenditures. The District may apply for grants from Rotary International. Separate accounts in the chart of accounts under PROGRAM COSTS will be set up as needed for the expenditures of each type of Grant received. The District grant matching expenditures will be expensed in the EXPENSE section of the income statement.

7.5.2.7 District Block Grant (DBG) Expenditures. The DBG may be used for programs such as District Service Grants (DSG), Vocational Training Teams (VTT), District Supported Scholars and other programs to be determined. Any unused DBG funds greater than \$200 must be returned to TRF and will be added to next year's DDF Credit Account.

Separate accounts in the chart of accounts under PROGRAM COSTS will be set up for each type of use of the DBG.

### 7.5.3. Expenses of the District Governor (DG)

#### 7.5.3.1 Travel

7.5.3.1.1 Club Visits. The District will pay for the actual mileage for one official Club visit to each Club in the District. If public transportation is required to be used, the District will cover its cost. Lodging and meals are typically paid for by the Clubs in the Area being visited. The DG will be reimbursed for lodging and meals if those costs are not paid for by the Clubs.

7.5.3.1.2 District Conference Planning. Reimbursement will be made for a reasonable number of round trips for planning and conducting the District Conference. To the extent that some of these planning trips occur during the DG's DGE year, their cost will be accrued as a prepaid expense on the balance sheet and expensed during the incumbent DG's year. If lodging and meals are necessary for such meetings, those costs may be reimbursed by the District.

7.5.3.1.3 Club, Area, District Events. This item is intended to provide for reimbursement for travel by the DG and partner that is not explicitly provided for in the budgeted amounts for special Rotary events. This may cover attendance at Area Foundation Dinners, Club functions, District Seminars, etc. If lodging and meals are necessary for such meetings, those costs may also be reimbursed by the District.

7.5.3.1.4 Leadership. This item is intended to provide for reimbursement for travel that is associated with a DG Leadership Meeting. If lodging and meals are necessary for such meetings, those costs may also be reimbursed by the District.

7.5.3.1.5 Presidents-Elect Training Seminar (PETS). The District will pay travel expense including hotel, meal and registration costs and any registration fees to PETS. There is no provision for partner's expenses for participation at PETS.

7.5.3.1.6 Zone Institute. The District will send the DG and their partner to the Zone Institute. The District will pay the registration fee, hotel room for the required nights and round trip economy airfare on an advance purchase basis. If the DG chooses to drive rather than fly, the reimbursable amount will be the lesser of the IRS mileage rate or economy airfare on an advanced purchase basis. If the DG is requested to provide raffle gifts or hospitality room items, the District will reimburse any reasonable expenses. Additional nights lodging, non-Institute meals and incidental individual expenses will be paid by the individual personally.

When the Zone Institute allows the invitation of other Special Invited Guests (SIG) and District Resource Leaders (DRL), the DG may budget the registration fees for those SIGs and DRLs and their partners. Meal packages, lodging and travel expenses of the SIGs and DRLs will be paid by those individuals personally.

7.5.3.1.7 District Training Assembly. The District will pay travel expense for attending the District Training Assembly including registration, mileage, transportation, lodging/parking and official meals for the DG and partner.

7.5.3.1.8 District Conference. The District will pay travel expense for attending the District Conference including registration, mileage, transportation, lodging/parking and official meals for the DG and partner.

7.5.3.1.9 International Institute. The District will support attendance at the International Institute (registration, required meal plan and additional required hotel accommodations) by the DG and partner, providing they also participate in the International Convention and subject to the approved budget. These expenditures must be listed as separate budget items.

7.5.3.1.10 International Convention. The District will support attendance at the International Convention for the DG and partner. The District will pay for the round trip advance purchase economy airfare, hotel registration expenses and for all official RI events and meal functions. Mileage to the airport and car storage for the duration of the Convention is also reimbursable. All other costs and incidental expenses are the responsibility of the individual.

7.5.3.1.11 RI President's Dinner and other Rotary events. The District will pay the travel expense, event cost and one night's lodging for the DG and partner for the RI President's Dinner. The District may pay travel expenses for two trips in each Rotary year for planning meetings for this event. If a symposium is held in conjunction with this event, the District may pay expenses for the DG. The DG may opt to have the District pay for other travel expenses to appropriate RI Presidential events such as a Presidential Membership Seminar reasonably nearby in North America. All of the above is subject to budget constraints.

#### 7.5.3.2 Meetings Held

7.5.3.2.1 Leadership Meetings. The District will pay for the cost of conducting District Leadership meetings. Typical expenses include meal costs, speaker costs, room rental, equipment rental, printing, postage, supplies and Rotary manuals.

7.5.3.2.2 Board Meetings. The District may pay for the cost of conducting District Advisory Board meetings. Typical expenses include meal costs, room rental, equipment rental, printing, postage and supplies.

#### 7.5.3.3 Materials and Supplies

7.5.3.3.1 Office Supplies. Usual items are intended to cover the reasonable and necessary costs to support the office of the Governor during the term of office. It is not intended that the material and supplies item be used to purchase fax machines, telephones, copiers, personal or laptop computers, projection equipment, etc., without specific approval of the Finance Committee. Usual items include:

7.5.3.3.2 Governor's Awards. Any recognition items presented at the Conference or throughout the year shall be included in the DG's budget.

7.5.3.3.3 Past Governor's Pin. The purchase of the Past DG's Pin should be a budgeted item. The DG should be given the opportunity to select his or her own pin from normal Rotary sources. It will be the DG's responsibility to purchase the pin, with reimbursement. The DGE will present the pin at the District Conference.

7.5.3.3.4 International Theme Pins and Banners. International theme pins are typically given to District officers, Committee members and Club presidents. These pins are usually purchased as part of a multi-District order placed during the International Assembly. The DGE is encouraged to purchase a theme banner that can be used throughout the District during his or her DG year of service.



7.5.3.3.5 District Pins (optional). The purchase of District or DG Class pins has been a tradition in the District. The DG should pursue this option carefully to limit cost.

7.5.3.3.6 Name Badges. Name badges for District Officers and District Committee Chairs are reimbursable.

7.5.3.3.7 Officer and Committee Chair Gifts. The District will cover costs of gifts to District officers, committee Chairs and others who have been particularly helpful to the DG. This item should not be covered by the District Conference budget.

7.5.3.4 Printing. Intended to provide for all incidental printing and postage for regular communication with the Club Presidents, all members of the District organization and Past DGs. The DG and District officers are encouraged to utilize the most effective and efficient means of communicating and transmitting information including electronic mail.

7.5.3.5 Postage. The District will cover the costs of miscellaneous postage costs.

7.5.3.6 Telephone, Fax and Internet. The District may cover the costs of maintaining a telephone line, cell phone account, a fax line and an internet connection for the DG in conjunction with the exercise of District responsibilities.

7.5.3.7 Sponsorships / Donations. At the DG's discretion, special sponsorships or donations may be made to Rotary related projects or functions.

7.5.4 Expenses of the District Governor Elect (DGE)

7.5.4.1 Travel

7.5.4.1.1 Club, Area, District Events. This item is intended to provide for reimbursement for travel by the DGE and partner that is not explicitly provided for in the budgeted amounts for Special Rotary events. This may cover attendance at Area Foundation Dinners, Club functions, District Seminars, etc. If lodging and meals are necessary for such meetings, those costs may also be reimbursed by the District.

7.5.4.1.2 Leadership. This item is intended to provide for reimbursement for travel that is associated with a DG or DGE Leadership Meeting. If lodging and meals are necessary for such meetings, those costs may also be reimbursed by the District.

7.5.4.1.3 Governors Elect Training Seminar (GETS) / Zone Institute. The District will send the DGE and partner to GETS and to the Zone Institute. The District will pay the registration/meal fees, hotel room for the required nights and round trip economy airfare on an advance purchase basis. If the DGE chooses to drive rather than fly, the reimbursable amount will be the lesser of the IRS mileage rate or economy airfare on an advanced purchase basis. Additional nights lodging, non-Institute meals and incidental individual expenses will be paid by the individual personally.

7.5.4.1.4 International Assembly. District funds may not be used to cover costs incurred by the DGE or partner for attending the International Assembly. The basic cost of International Assembly attendance for the DGE and partner is provided by RI. Assembly participants are required to participate in the "meal plan" provided by RI.

Any expenses incurred here MUST be offset by an equal amount of income from RI. This income is a result of the filing of a form with RI itemizing the expenses to be reimbursed.

The DGE may be expected to have a token gift that is exchanged with other DGE's during formal and informal introductions. District Funds may be used for exchange gifts with other participants and transportation of personal items. The cost of such gifts will be considered as a normal District Budget expense but should be nominal and is budgeted under the heading Materials & Supplies (7.5.4.3.4).

7.5.4.1.5 Pre-PETS. This item is intended to provide for reimbursement for travel to the Pre-PETS meeting. If lodging and meals are necessary for such meetings, those costs may also be reimbursed by the District.

7.5.4.1.6 Presidents-Elect Training Seminar (PETS) and PETS Planning. The District will pay travel expense including hotel, meal and registration costs and any registration fees to PETS for the DGE. The District will also provide travel expenses for the DGE for a reasonable number of PETS planning meetings. There is no provision for partner's expenses for participation at PETS.

7.5.4.1.7 District Training Assembly. The District will pay travel expense for attending the District Training Assembly including registration, mileage, transportation, lodging/parking and official meals for the DGE and partner.

7.5.4.1.8 District Conference. The District will pay travel expense for attending the District Conference including registration, mileage, transportation, lodging/parking and official meals for the DGE and partner.

7.5.4.1.9 International Convention. The District will support attendance at the International Convention for the DGE and partner. The District will pay for the round trip advance purchase economy airfare, hotel registration expenses and for all official RI events and meal functions. Mileage to the airport and car storage for the duration of the Convention are also reimbursable. All other costs and incidental expenses are the responsibility of the individual.

7.5.4.1.10 International Institute. If the DGE is attending the International Convention, the District will support attendance at the International Institute (registration, required meal plan and additional required hotel accommodations) by the DGE and partner.

#### 7.5.4.2 Meetings Held

7.5.4.2.1 Leadership Meetings. The District will pay for the cost of conducting District Leadership meetings. Typical expenses include meal costs, speaker costs, room rental, equipment rental, printing, postage, supplies and Rotary manuals.

7.5.4.2.2 Assistant Governor Training Meetings. The District will pay for the cost of conducting Assistant Governor Training meetings. Typical expenses include meal costs, speaker costs, room rental, equipment rental, printing, postage, supplies and Rotary manuals.

7.5.4.2.3 Pre-PETS. Pre-PETS is recommended and reasonable expenses for lunch and miscellaneous materials will be paid by the District.

7.5.4.2.4 Presidents-Elect Training Seminar (PETS). There will be a reasonable allowance for the DGE to hold a reception for Presidents-Elect at PETS to the extent that it is not covered in the PETS registration fees.

The District will pay for the International Theme briefcases for the Presidents-Elect and other recipients selected by the DGE.

#### 7.5.4.3 Materials and Supplies

7.5.4.3.1 District Pins (optional). The purchase of District or DG Class pins has been a tradition in the District. The DGE should pursue this option carefully to limit cost.

7.5.4.3.2 International Theme Pin. International theme pins are typically given to District officers, Committee members and Club presidents. These pins are usually purchased as part of a multi-District order placed during the International Assembly.

7.5.4.3.3 International Theme Banner. The DGE is encouraged to purchase a theme banner that can be used throughout the District during his or her DG year of service.

7.5.4.3.4 International Assembly Exchange Gifts. The DGE may be expected to have a token gift that is exchanged with other DGE's during formal and informal introductions. District Funds may be used for exchange gifts with other participants and transportation of personal items. The cost of such gifts will be considered as a normal District Budget expense but should be nominal.

7.5.4.3.5 DG Gift. The DGE is responsible for selection of a gift for the DG (and partner if applicable).

7.5.4.3.6 Office Supplies. Usual items are intended to cover the reasonable and necessary costs to support the office of the DGE during the last half of their term as DGE. It is not intended that the material and supplies item be used to purchase fax machines, telephones, copiers, personal or laptop computers, projection equipment, etc., without specific approval of the Finance Committee.

7.5.4.3.7 Rotary Manuals. The District will pay for Rotary manuals to be distributed to Rotarians for specific educational purposes.

7.5.4.4 Printing. The District will cover the costs of miscellaneous printing costs during the last half of the DGE term.

7.5.4.5 Postage. The District will cover the costs of miscellaneous postage costs during the last half of the DGE term.

7.5.4.6 Telephone, Fax and Internet. The District may cover the costs of maintaining a telephone line, a FAX line, a cell phone account and an internet connection during the last half of the DGE term. If the billing for these lines shows detail, only those calls associated with Rotary business qualify for reimbursement.

7.5.5 Expenses of the District Governor Nominee (DGN)

7.5.5.1 Travel

7.5.5.1.1 Governor Nominee Advanced Training Seminar (GNATS) / Zone Institute. The District will send the DGN and partner to GNATS and to the Zone Institute. The District will pay the registration/meal fees, hotel room for the required nights and round trip economy airfare on an advance purchase basis. If the DGN chooses to drive rather than fly, the reimbursable amount will be the lesser of the IRS mileage rate or economy airfare on an advanced purchase basis. Additional nights lodging, non-Institute meals and incidental individual expenses will be paid by the individual personally.

7.5.5.1.2 Presidents-Elect Training Seminar (PETS). The District will pay travel expense including hotel, meal and registration costs and any registration fees to PETS for the DGN. There is no provision for partner's expenses for participation at PETS.

7.5.5.1.3 International Institute. If the DGN is attending the International Convention using his or her personal funds, the District will support attendance at the International Institute by paying for registration, required meal plan and additional required hotel accommodations at the International Institute by the DGN and partner.

7.5.5.2 Materials and Supplies. The District will pay for a nominal amount of materials and supplies.

7.5.5.3 Printing. It is the responsibility of the DGN to order business cards and stationery at a reasonable cost and within the first year of their appointment as DGN. The year of service as DG should be included.

7.5.6 Expenses of the Assistant District Governors (AGs)

7.5.6.1 Travel

7.5.6.1.1 Club Visits. The District will pay for travel by an AG in the event the AG makes the official visit on behalf of the DG.

7.5.6.1.2 Presidents-Elect Training Seminar (PETS). The District will pay travel expense including hotel, meal and registration costs and any registration fees to PETS for the AGs. There is no provision for partner's expenses for participation at PETS.

7.5.7 Special Duty Travel by Others. From time to time, Rotary International may ask someone from our district to perform some special service on behalf of Rotary International. It is only reasonable that the District reimburse such person any required expense not covered by RI. The Finance Committee shall approve all expenses in advance.

#### 7.5.8 District Administration Expenses

7.5.8.1 District Secretary. The District will pay for nominal materials and supplies and postage.

7.5.8.2 District Treasurer.

7.5.8.2.1 Materials and Supplies. The District will pay for typical office supplies, as well as banking and credit card fees. The District will also pay for occasional upgrades to the bookkeeping software used by the District.

7.5.8.2.2 Postage. The District will pay for postage for District mail.

7.5.8.2.3 IRS Form 990. The District will have the District Form 990 prepared by a CPA firm by November 15<sup>th</sup> of each year.

7.5.8.3 District Executive Assistant (DEA). The District will employ a DEA to maintain an office of the District. The DEA will work with the management of the district to facilitate their communication with the District Committees and clubs, maintain a repository of district records, register attendees for seminars and other meetings not requiring attendee payment, coordinate the logistics for seminars and leadership meetings, create the annual District Directory, complete the RI Governor expense reports and participate in the development of the annual budget.

The District will pay for all expenses associated with the DEA office such as compensation, lease expense, office equipment, materials and supplies, IT services, printing, postage, and telephone.

7.5.8.4 Insurance

7.5.8.4.1 The District shall maintain in force a Business Owners policy covering commercial property, commercial liability and automobile liability.

7.5.8.4.2 The District shall maintain in force a Workman's Compensation policy to cover the employees of the District.

7.5.8.4.3 Directors and Officers Insurance. Rotary International provides D&O insurance as part of individual member's dues. Notice of a claim must be reported to RI within 30 days.

The District may provide a secondary policy to cover perceived deficiencies in the RI policy coverage.

7.5.8.4.4 Employment Practice Liability Insurance. The District will maintain a primary Employment Practice Liability Insurance policy covering the members of the District and Clubs. In the event that Rotary International provides Employment Practice Liability insurance, the District may provide a secondary policy to cover perceived deficiencies in the RI policy coverage.

7.5.8.5 District Registrar. The District may pay for certain costs incurred by the District Registrar such as mileage to District Conference planning meetings and other meetings. Room, meal, materials and supplies, printing and educational expenses may also be allowed. The DGE and the Registrar together will budget this item.

7.5.8.6 Committee Meetings. As the District conducts more District management meetings, some costs may be required to be paid for.

7.5.8.7 Information Dissemination

7.5.8.7.1 Website. The District will pay for the ClubRunner subscription and other cyber expenses associated with a website.

7.5.8.7.2 Distance Training. The District will pay for the costs of various online software subscriptions and equipment rentals or amortizations in order to provide the District with the ability to train District and Club leadership online.

7.5.8.7.3 Newsletter. RI requires that the Governor send an official letter to the President and Secretary of each Club each month. It has been the practice to provide this monthly newsletter, either by mail or email, to all Club Presidents, Presidents-Elect, Club secretaries, Club bulletin editors and each person listed in the District Directory. The Governor is encouraged to include all PDGs and widows or widowers of PDGs in the newsletter distribution. This item shall include all of the cost of producing and distributing this newsletter. In some years there have also been one or more copies of the letter mailed or emailed to all Rotarians in the District. If this is contemplated, the cost must be projected and included in this budget item.

7.5.8.7.4 District Directory. Cost item shall include all costs of preparing, printing and distributing the District Directory to all Clubs (minimum of 4 copies) and each person listed in the Directory. It is anticipated that all necessary appointments be made and the Directory

delivered to a printer before the DGE leaves for the International Convention. Distribution should be completed before the beginning of the Rotary year on July 1st. The costs of the directory will be accrued as a prepayment on the balance sheet and expensed during the DG's year.

7.5.8.8 Property Management. The District should consider spending some money each year on adding to or upgrading District property such as projectors, etc. If it is decided that a significantly expensive item should be amortized over a period of years, the amortization expense shall be expenses here.

7.5.8.9 Training. The District may wish to allocate funds to the District Trainers for training expenses, such as meals, supplies, equipment rental and annual licensing.

7.5.9 The Rotary Foundation Expenses

7.5.9.1 Foundation Committee. The District may pay for committee meeting expenses such as mileage, meals, equipment rental, printing, supplies and postage.

7.5.9.2 Grants Committee. The District will pay for the cost of the grants financial review and any other incidental expenses.

7.5.9.3 Scholarships. The District will pay for the expenses involved in the interview process and the production of application packets for various scholarship opportunities.

7.5.9.4 Paul Harris Society (PHS). This covers the cost of PHS recognition supplies, promotional supplies, printing and postage. The PHS Dinner income and expenses are accounted for under the section for District Programs.

7.5.10 Membership Expenses. The District may wish to fund Membership Committee expenses including District Extension expenses.

7.5.11 Public Image Expenses. The expenses represented here are typically enhanced by an RI grant. The District may fund Committee expenses.

7.5.12 Avenues of Service Expenses

7.5.12.1 Club Service Expenses

7.5.12.1.1 Club Committee. The District may fund expenses of the Committee.

7.5.12.1.2 Call for Recognition. The District will pay for the Club recognition plaques and engraving costs.

7.5.12.1.3 Visioning. The District may fund the costs of conducting Visioning meetings. Typical costs include meals, room rental, equipment rental, speaker costs, printing, postage, supplies and Rotary manuals.

#### 7.5.12.2 Community Service Expenses

7.5.12.2.1 Community Committee. The District may fund expenses of the Committee.

7.5.12.2.2 Rotarians at Work Day. The District may fund expenses for the promotion of Rotarians at Work Day.

#### 7.5.12.3 Vocational Service Expenses

7.5.12.3.1 Vocational Committee. The District may fund expenses of the Committee.

7.5.12.3.2 Ethics Resource Initiative. The District may fund the expenses of the District Ethics Project.

#### 7.5.12.4 International Service Expenses

7.5.12.4.1 International Committee. The District may fund expenses of the Committee.

7.5.12.4.2 International Projects. The District may wish to directly fund an international project.

#### 7.5.12.5 Youth Services Expenses

7.5.12.5.1 Youth Services Committee. The District may fund expenses of the Committee.

7.5.12.5.2 Interact. The District may fund expenses of the Interact Committee. This support will include the cost of District Interact awards.

7.5.12.5.3 Rotaract. The District may fund expenses of the Rotaract Committee. This support will include the cost of District Rotaract awards.

7.5.12.5.4 Rotary Youth Exchange (RYE). The District RYE program will be self-sustaining including a stipend from the District budget. Since the District RYE is its own 501(c)(3) organization, it is responsible for filing its own Form 990. The RYE Committee shall submit completed year-end financial records to the District Finance Committee no later than 90 days after the close of the fiscal year.

The RYE program shall have its own budget and bank accounts (as provided in Policy 8.1.1 and as required by RI Policy). Revenue will be derived from assessments to the out-bound students to cover transportation, jackets, insurance and other related costs of the out-bound students. Expenditures will cover these items plus meeting and other administrative costs related to the administration of the RYE program. Annually, the RYE Committee will provide a budget to the District Finance Committee. Once the District budget is approved, the District Finance Committee will authorize the District Treasurer to disburse budgeted RYE funds. The RYE budgets and financial operation will be governed by the District 5190 Policy Manual Article 8 (Financial Management and the District 5190 District Financial Guidelines). In accordance with



RI Policy, RYE shall provide semi-annual financial reports to the District Finance Committee for distribution to the DG and all Clubs in the District. RYE is also required to provide itemized invoices outlining how funds charged for outbound students are used. Copies of these invoices should also be provided to the sponsoring Rotary Club.

District Conference costs for RYE students are to be paid by the host Clubs. Housing for students attending the District Conference should be provided by host families in the community hosting the Conference whenever possible.

7.5.12.5.5 The Rotary Youth Leadership Awards (RYLA) program is a two-District event sponsored by District 5190 and 5180 and governed by a RYLA Board as a separate 501 c (3) Organization. The RYLA Board is comprised of the immediate Past DG, DG, DG-Elect and DG Nominee from each District. The Past DGs serve as the Board's Chair and Secretary alternating yearly between Districts. The Finance Committee will receive from the RYLA Board a summary of revenues and expenses for RYLA camp.

7.5.13 District Grants. In some years, the District may dispose of excess operating funds by processing grants similar to DSGs except for their funding source.

7.5.14 Contingency Fund. A contingency line item should be included in the budget in an amount not to exceed five (5) percent of the total expenditures excluding the expenses associated with the District Assembly and District Conference.

7.6 DISTRICT RESERVE FUNDS. The District will maintain two District Reserve Funds: a Restricted Reserve Fund and an Operating Reserve Fund. The Reserve Funds will be separately accounted for by the District Treasurer. From time to time, it may become necessary to use some of these Reserve Funds, either on an interim basis or for a District capital outlay.

7.6.1 Restricted Reserve Fund. District shall maintain a Restricted Reserve Fund.

7.6.1.1 Funds may not be withdrawn from the Restricted Reserve Fund without written approval of at least four (4) of the five (5) voting members of the Finance Committee. This written approval must designate the amount of the funds to be withdrawn, the purpose for the funds, the method of repayment, if any, to the Reserve Fund and the signatures of all members approving the action. This written approval shall be made a permanent part of the District financial records.

7.6.1.2 The Restricted Reserve Fund shall be maintained with a balance of \$25,000.

7.6.1.3 With the approval of the Finance Committee, the Restricted Reserve shall be invested by the District Treasurer in any appropriate interest bearing account insured by the FDIC or equivalent so long as the principal can be withdrawn within ninety days. Interest earned will be first applied to maintaining the Reserve Fund principal amount and second as general income in the District budget.

7.6.2 Operating Reserve Fund. The Operating Reserve Fund forms the Beginning Fund Balance of each Rotary program year for the District. Any withdrawals or transfer from the Operating Reserve Fund will require the approval of the Finance Committee.

7.6.3 Restricted Reserve Fund Review and Year-End Allocations to Reserve Funds. Review at least annually, or more often if desirable, the amount of money in the District Restricted Reserve Fund. At the end of the Rotary year, the Committee will allocate to the Restricted Reserve Fund those funds received as income in excess of expenditures for that Rotary year that are needed to bring the Restricted Reserve Fund up to a required threshold of \$25,000. Any additional excess Funds above the required threshold will be allocated to the Operating Reserve Fund and will become part of the Beginning Fund Balance. The above allocation will be noted and the financial statement issued by the Committee will reflect the balance of the Restricted Reserve Fund.

7.7 DISTRICT DESIGNATED FUNDS. The District Advisory Board may from time to time designate or undesignate funds for certain multi-year projects or function support. The Designated Funds will be separately accounted for by the District Treasurer at year end or more frequently, if requested. The fund balances will be reported in the Equity section of the balance sheet.

Two types of Designated Funds can exist. Type 1 where the fund balance is created at inception and is used up over time and Type 2 where the fund balance begins at zero and builds up and fluctuates between zero and an established maximum according to our policies and procedures.

The beginning balance or replenishment of each Type 1 fund will be approved by the Finance Committee on the recommendation of the current District Governor Elect for his/her year as District Governor.

7.7.1 District Conference Designated Fund. The District shall maintain a Type 2 designated fund for the benefit of the annual District Conference. This fund shall have a maximum balance of \$10,000. Each year, the profits or losses from the District Conference will be allocated to the District Conference Fund. Conference profits are the only allowed source of increases to the fund balance.

Each year, the District Governor may use up to the entire current balance of the fund in the conference budgeting process if deemed necessary to carry out the mission of the Conference.

## **ARTICLE 8 — NOMINATING COMMITTEE**

8.1 DUTIES. The Nominating Committee will:

8.1.1 Review Applications and Conduct Interviews. Receive and review all applications by qualified Rotarians for DG and conduct personal interviews with all qualified candidates.

8.1.2 Best Rotarian for the Position. The Nominating Committee for DG shall not be limited in its selection to those names submitted by Clubs in the District. The Committee shall nominate the best-qualified Rotarian who is available to serve as DG.

During the first half of the Rotary year, the Nominating Committee, including the DG, shall be responsible for:

8.1.3 Search. Seeking out qualified Rotarians in District 5190 for the office of DG through all means available including verbal announcements, the DG's newsletter, direct requests to the Clubs in the District and personal contact.

8.1.4 Encouragement. Encouraging qualified Rotarians to submit their applications to the Nominating Committee for the following year.

8.1.5 Application Forms. Supplying the required forms to all interested Rotarians.

8.1.6 Verification of Applications. Verifying the support of the candidate's Club and advising the sponsoring Clubs and their presidents of their responsibilities.

8.2 COMPOSITION. The composition of the Nominating Committee shall be the five (5) most immediate PDG's of RI District 5190 who are members in good standing of Rotary Clubs in RI District 5190 with these restrictions:

8.2.1 Eligibility. To be eligible to serve on the Nominating Committee, a member must be a member in good standing of a Rotary Club in District 5190 and have satisfied the RI attendance requirements at the member's own Club.

8.2.2 Inability to Serve. If a member of the Committee should be unavailable due to death, illness, lack of membership in good standing of a Rotary Club in RI District 5190, declines to serve or is ineligible due to conflict of interest such as due to a close relationship between an applicant and the member, the member shall be replaced for the duration of the nominating year by the next most senior of the PDGs of RI District 5190. "Next most senior" is defined herein as being the PDG having served immediately prior to the other PDGs on the Committee.

8.3 CHAIR. The Chair of the Nominating Committee will be the most senior of the PDGs on the Committee. "Most Senior" is defined herein as being the PDG with the most time elapsed since serving as DG.

8.4 NON-VOTING MEMBERS. The DG, DGE and DGN shall be members of the Committee with voice but without vote.

8.5 VOTING AND QUORUM. The Nominating Committee cannot act with less than four (4) members present of the five (5) voting members.

8.6 COMMITTEE OPERATION. The operation of the Committee and the election of a DGN shall be in accordance with prescribed procedures set forth by Rotary International and as set forth in Article 9, below.

## **ARTICLE 9 - NOMINATION AND SELECTION OF DG**

9.1 NOTIFICATION AND APPLICATION.

9.1.1 DG's Responsibilities. The DG's office shall be responsible for:

9.1.1.1 Establishing the deadline for receipt of all completed applications by the Chair of the Nominating Committee. This deadline may be anytime after July 1 and before December 31 three years preceding the Rotary year that the term of the successful applicant will begin as DG.

9.1.1.2 Notifying Committee members of any meetings authorized or requested by the Committee Chair and providing any other secretarial help requested by the Chair.

9.1.1.3 Providing copies of all applications and the supporting material provided by the candidates to the Committee members.

9.1.1.4 Establishing mutually acceptable time(s) and location(s) for the Committee to interview all candidates, providing such time is at least 15 days after the deadline for receipt of applications and is no later than December 31.

9.1.2 Sponsoring Club's Responsibilities. The officers of the Club sponsoring a candidate for DG shall take the primary responsibility for verifying the accuracy of the statements contained in a candidate's resume and will attest to the active involvement of the candidate in the activities listed.

9.1.3 Candidate's Responsibilities. The candidate is responsible for providing to the Nominating Committee all the requested forms, properly signed, required photographs and a complete resume of candidate's Rotary activities and professional career.

9.1.4 Candidate's Place of Residence. The candidate must be a member in good standing of a Rotary Club within the geographical boundaries of RI District 5190.

9.2 SELECTION OF DG

9.2.1 Interview and Selection of Governor. The Nominating Committee will schedule and conduct interviews with submitted candidates to identify and determine the candidate most qualified to lead the District. The Nominating Committee will establish interview guidelines to carefully assess the qualifications of the candidates, their professional career as a basis for leading the District, leadership skills and other elements necessary and important to the success of the candidate if selected as DG.

9.2.2 Notification of Selection. The Chair of the Nominating Committee will notify the DG of the selection of the DGN immediately after conclusion of the interviews and selection by the Committee. The DG will notify the Clubs as provided in Article 13 of the Rotary International Bylaws of the name and Club of the selected candidate. The Chair will also notify the newly selected DGN and all other candidates following the conclusion of the interview and selection process.

9.2.3 Challenge and Alternative Method of Selection. Any challenge mounted in response to the notification or if an alternative method of selection is required will be conducted as provided in Article 13 of the RI Bylaws.

9.2.4 In the event the DG is unable to serve or complete his/her term as Governor, the Nominating Committee will select one available Past Governor to be named Vice Governor. The role of the Vice Governor will be to replace the Governor in case of temporary or permanent inability to continue in the performance of the Governor's duties (RI Bylaws 6.120.1)

In addition to selecting a DGND, the Nominating Committee shall select a Vice-Governor to serve in place of the current DGE if the DGE should become unable to serve during his or her DG year. In special circumstances, as noted below, the Vice Governor shall also serve the remainder of the DGE year if needed.

If the DGE or DGN should become unable to serve, the duly selected successor shall automatically fill the vacancy if he or she is willing, subject to the required election either by the RI Convention or Board.

If the successor (DGN, DGND) is not willing to step up and the vacancy occurs three or more months prior to International Assembly, the DG will reinitiate the nominating procedure subject to the required election either by the RI Convention or Board.

If the successor is not willing to step up and the vacancy occurs less than 3 months prior to IA or after IA, the duly selected Vice Governor will assume the role of DGE, then DG, subject to election by the RI Board.

To select the Vice Governor, the Nominating Committee shall solicit statements of interest from the Past District Governors in D5190. The Nominating Committee may also contact and consider potential Vice Governor candidates who have not submitted a statement of interest. Vice Governor candidates should be willing to work with the DGE-DG, staying current on RI, Clubs in our District, District Leadership Team and District Plans. The Nominating Committee may select the Vice Governor with or without an in-person interview.

## **ARTICLE 10 – SELECTION OF REPRESENTATIVE TO COUNCIL ON LEGISLATION**

10.1 Representative. A representative and alternate to the Council on Legislation will be selected from eligible Past District Governors every three years unless otherwise required by the RI Constitution and Bylaws. The selection of the representative and alternate will be made

in conformance with the procedure defined in these bylaws and the representative will serve until replaced by another selected representative.

10.2 Eligibility. Any Past District Governor, having served a full term as a District Governor in this or any other district and currently residing in District 5190, such PDG being in good standing in his or her club and the district, will be eligible to serve as the representative or alternate to the Council on Legislation except that any Past District Governor having served three terms as representative may not be considered.

10.3 Selection. The representative and alternate to the Council on Legislation will be selected by the Council on Legislation nominating committee as may be appointed every three years by the then District Governor when the call for appointment is received from Rotary International.

10.3.1 Committee Composition. The committee will be appointed by the District Governor and will be composed of the most recent five past representatives to the Council on Legislation. In the event five past representatives are not available the District Governor may appoint any other Past District Governor that is available to serve, has remained active in the district and has attended at least one Rotary zone institute and District 5190 conference in the last two years prior to the appointment being made by the District Governor. The District Governor will appoint one of the members to serve as Chair of the committee. A candidate for representative may not serve on the nominating committee.

10.3.2 Nominations for Representative. The committee Chair will notify all eligible Past District Governors that a representative and alternate will be selected and will request expressions of interest in serving as representative. Past District Governors expressing interest in serving will be required to provide a brief statement of interest and a resume of experience emphasizing Rotary related experience.

10.3.3 Selection. The chair will distribute information on those expressing interest to the five person committee and the committee will either meet in person, via teleconference or select the representative via electronic polling. Once the representative is selected an alternate will be designated from amongst those expressing interest as representative in a manner determined by the committee.

10.3.4 DG Notification. The District Governor will be notified of the selection of the representative and alternate. The District Governor will notify the selected representative and alternate and will forward the information to Rotary International.

10.4 Financial Considerations. Rotary International collects a per member fee to support the Council on Legislation and will subsidize the travel, hotel, meals and certain incidental expenses of the representative while serving on the Council on Legislation. The District Governor serving during the year the Council meets should budget sufficient funds to allow the representative's spouse or partner to travel, participate in congregate meals and to otherwise participate in the Council as an observer.

10.5 Representative Responsibilities. The selected representative will be responsible for contacting clubs in the district to determine whether the clubs have proposed legislation to be considered by the Council, assuring the proposed legislation is considered by the district at large as required by the RI Constitution and Bylaws and handling all matters related to the preparation, submittal and processing of such proposed legislation to RI timely. The representative is required to attend all meetings of the Council, training that may be provided at the zone institutes, and to provide a complete and accurate report of Council proceedings either in writing or during a subsequent district conference.

10.6 Additional Matters. This policy, upon adoption, is considered to be consistent and in harmony with the RI Constitution and Bylaws as may be approved, modified or amended from time to time. Any matters not covered in this policy or deemed inconsistent may be corrected or modified by the District Governor on an interim or temporary basis in order to accomplish the broader objectives of providing a representative to the Council on Legislation.

#### **ARTICLE 11 —ROTARY INTERNATIONAL CONSTITUTION AND BYLAWS**

Any portion of these articles in conflict with any provision of the Constitution and Bylaws of Rotary International shall be null and void and the Constitution and Bylaws of RI shall prevail. The provisions of Article 15.050 Conference Voting of the Bylaws of Rotary International shall govern voting procedures at the District Conference or Assembly.

#### **ARTICLE 12 –CONFLICT OF INTEREST**

District Officers, members of the District Leadership and Club Officers serve for the benefit of Rotarians and the purposes of RI. As such, each person in leadership has a duty to place the interests of RI, the District and Club foremost in any dealings with those entities and not use their position or knowledge gained therein in such a manner that they would benefit personally at the expense of the interests of the Club, District or RI. If a person has an interest in a proposed transaction with the Club, District or RI, that interest shall be disclosed and that person shall not participate in the discussion or vote on that transaction.

#### **ARTICLE 13–ROTARY ENVIRONMENT AND YOUTH PROTECTION**

District 5190 is committed to providing a respectful environment for all members and participants in Rotary meetings and activities, an environment that enhances the achievement of The Object of Rotary and reflects the core values of our organization and the Four-Way Test.

All District 5190 Rotary Youth Programs are committed to following the Rotary International Code of Policies by providing a safe, nurturing and respectful environment for all participants. The policies and procedures of District 5190 shall be in compliance with the policies, rules and regulations of Rotary International, the United States Department of State, the United States Department of Homeland Security and the Council on Standards for International Educational Travel.

Rotary International is committed to creating and maintaining the safest possible environment for all participants in Rotary Activities. It is the duty of all Rotarians, Rotarians' spouses, partners and other volunteers to safeguard to the best of their ability the welfare of and to prevent the physical, sexual or emotional abuse of children and young people with whom they come into contact. –Rotary Code of Policies, 2.110 Youth Protection, November 2005

#### **ARTICLE 14—AMENDMENTS**

Amendments may be proposed by submission in writing, via mail or email, in the form of a resolution, to the DG. The DG shall request the District Secretary to send the proposed amendments to the President and President-Elect of each Rotary Club in District 5190 not less than 30 days before the Presidents-Elect Training Seminar (PETS) or District Conference at which it will be considered. Club Presidents shall submit the matter to the Club board and/or to the Club membership to determine the Club's vote. A majority vote of the representatives of the Rotary Clubs of District 5190 assembled will be required for the passage of any such change.