

MANHATTAN ROTARY CLUB FINANCIAL STANDARD OPERATING PROCEDURES

1. Purpose

This Standard Operating Procedure (SOP) establishes consistent financial practices for the Manhattan Rotary Club (MRC). It is designed to protect club assets, support service projects, promote transparency, and ensure that dues, donations, grants, and expenses are handled accurately and responsibly.

2. Scope

This SOP applies to all MRC financial activity, including member dues, Rotary International and district dues, charitable donations, operating expenses, grant funds, reimbursements, and financial reporting.

3. Guiding Principles

- Club finances shall be managed with integrity, transparency, and accountability.
- Operating funds and charitable or restricted funds shall be tracked separately.
- All expenditures shall be approved according to the club's bylaws, budget, and board direction.
- Financial records shall be complete, accurate, timely, and available for board review.
- No individual should have sole control over authorization, custody of funds, and recordkeeping.

4. Roles and responsibilities

Treasurer	Maintains financial records, deposits income, pays approved expenses, reconciles accounts, prepares financial reports, prepares budget, and coordinates required filings.
Assistant Treasurer	Assists the Treasurer and executes tasks and duties when the Treasurer is not available. Reviews the bank statements and financial records prepared by the Treasurer. The Assistant Treasurer is not authorized to issue checks and shall not be a signer on the bank account.
President	Provides oversight, approves financial agenda items, ensures board review, and supports budget discipline.
Secretary	Maintains accurate membership records and coordinates with the treasurer to ensure that dues and Rotary International invoices reflect current membership.

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Board of Directors	Approves budgets, major expenditures, banking changes, financial policies, and periodic financial reports.
Finance Committee	Provides review, oversight, succession support, and periodic assessment of financial controls.
Project or Event Chair	Prepares event budgets, submits income and expenses promptly, and ensures spending remains within approved limits.

5. Bank Accounts and Fund Structure

The club shall maintain separate tracking for operating funds and grant funds as stipulated by the District and Rotary International. These funds should be held in separate bank accounts to avoid commingling and to simplify reporting.

- **Operating account:** Used for club administration, meals, meeting costs, supplies, dues remittance, and general club expenses.
- **Service account/Grant accounts:** Used for donations, fundraising proceeds designated for service, grants, scholarships, and restricted project funds as required by the District or Rotary International.
- **Restricted funds:** Funds received for a specific purpose must be used only for that purpose and tracked separately in the accounting records.

6. Annual Budget Process

1. The incoming president, treasurer, and finance committee shall prepare a proposed annual budget before the start of the Rotary year.
2. The budget shall include expected income, administrative expenses, service commitments, fundraising plans, district and Rotary International dues, insurance, technology, and reserves.
3. The board shall review and approve the budget before or near the beginning of the fiscal year.
4. Budget-to-actual results shall be reviewed regularly, with significant variances explained to the board.
5. Unbudgeted expenditures above \$500 require board approval before funds are committed. Approval can be by email vote.

7. Income Collection and Deposits

1. All income shall be recorded by source, date, amount, payer, and purpose.

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2. Cash and checks received at meetings or events should be counted by two people whenever practical.
3. Deposits should be made promptly, preferably within five business days. Checks should be endorsed for deposit only upon receipt.
4. Electronic payments shall be reviewed against processor reports and recorded net of fees when appropriate.
5. Donations or payments received for a restricted purpose shall be clearly identified before deposit and recorded accordingly.

8. Member Dues and Accounts Receivable

1. The treasurer shall invoice members according to the club's approved dues schedule.
2. Past-due balances shall be reported to the president or board according to club policy.
3. Written or email reminders should be sent to members with unpaid dues after the due date.
4. Any dues waiver or payment plan must follow club bylaws and board direction.
5. The secretary and treasurer shall coordinate membership changes so records are accurate before Rotary International invoice dates.

9. Expense Approval and Payments

1. Expenses must be for an approved club purpose and supported by an invoice, receipt, contract, or reimbursement form.
2. The treasurer shall verify that expenses are within the approved budget or have required authorization.
3. Payments shall be made by check or by debit card with authorized PIN.
4. Personal expenses, cash advances, and undocumented reimbursements are not permitted unless specifically approved by the board and documented.
5. Reimbursement requests should be submitted within 30 days of the expense unless the board approves an exception.

10. Internal Controls

1. At least three authorized signers shall be maintained on bank accounts.
2. Checks or electronic payments above \$1,000 shall require two signatures.
3. Bank statements shall be reviewed and reconciled monthly by the Treasurer.

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4. The treasurer, when reconciling accounts, shall submit the reconciliation to the assistant treasurer, a member of the finance committee, or a board officer for review.
5. Blank checks shall not be signed in advance.
6. Online banking credentials shall not be shared. Access should be changed promptly when officers transition.

11. Financial Reporting

The treasurer shall provide financial reports to the board on a regular schedule, preferably monthly. Reports should be clear enough for board members to understand the club's financial position and make informed decisions.

- Cash balances by account
- Income and expenses for the period
- Budget-to-actual comparison
- Accounts receivable and unpaid dues
- Restricted fund balances
- Major upcoming obligations
- Exceptions, unusual transactions, or control concerns

12. Reserve Fund

A reserve fund of \$10,000 shall be maintained in a certificate of deposit (CD) or cash equivalents to provide for unexpected loss of income or unexpected expenses. The ongoing CD term shall be determined by the Board.