



Finance Policy (May 2, 2020)

Primary Contact: District Governor and District Finance Committee Chair

Related Policies: Rotary Manual of Procedure
Rotary Code of Policies
District Incorporation Documents
Rotary International Constitution
Rotary International Bylaws

PURPOSE

Rotary District 5050 Financial Policies are established to guide and support Rotarians on financial management and reporting.

This policy describes the organization of the District's financial management and authority of District officers to conduct financial and banking activities on behalf of Rotarians in the District.

DISTRICT FINANCE COMMITTEE

The District Finance Committee (the "Committee") shall be a standing committee of Rotary District 5050 (the "District").

The Committee shall advise the District Governor-elect and District Governor in the preparation of the annual budget, review quarterly financial statements and oversee the review of the annual Financial Statements.

Composition

The Committee shall be composed of 7 voting members (the "Committee Members").

The Committee Members shall be the District Governor, the District Governor Elect, the Immediate Past District Governor, three prior Past District Governors appointed by the committee, and the District Treasurer.

The Committee Members must be in good standing as members of a club in the District.

The District Governor Nominee and the District Foundation Chair shall be invited to attend and participate but shall not have a vote.

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Chair

The Chair shall be a Past District Governor and a member of the Committee, appointed by the district governor.

Vacancies

If a Committee Member is unable or unwilling to serve or continue to serve on the Committee, a replacement may be appointed by a majority of the Committee Members to serve in that person's place until the end of the current Rotary year.

Quorum and Voting

A quorum shall consist of four (4) voting Committee Members.

APPOINTMENT OF THE DISTRICT TREASURER

The District Treasurer for the next Rotary year shall be appointed by a majority vote of the current Committee Members. Preference shall be given to a candidate who has current or past certification by a professional accounting body. The appointment of the District Treasurer shall be for a one-year term with reappointment to a maximum of three consecutive years.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall:

- a) Meet no less than four times each year, or more frequently if requested by the District Governor or the Chair
 - a. to receive a current District financial report from the District Treasurer
 - b. to conduct such other business and to receive and prepare such other reports as the Committee deems useful in discharging its responsibilities.
- b) Follow rules and guidelines set up in the District 5050 Finance Policy and to update those policies as the Committee deems appropriate.
- c) Review, provide guidance and make recommendations with respect to the budget of the District Governor Elect for the next Rotary year, including the amount of District dues, and other income and expenses.

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- d) Direct that the recommended budget be submitted to the clubs at least four weeks prior to the Club Training Event for approval at a meeting of incoming Club Presidents at either the Club Training Event or the District Conference.
- e) Ensure that proper records of income and expenditures are kept. Review all reports and Financial Statements prepared by the District Treasurer.
- f) Ensure an annual review of the District's financial records and statements are undertaken by an independent accountant or review committee.
- g) Prepare an annual financial report to be presented at the Club Training Event or the District Conference.
- h) Establish, provide oversight and monitor control of District bank accounts for general or specific purposes, including a District Reserve Account. All accounts must be established according to the guidelines of the Manual of Procedure and Code of Policies of Rotary International. Any withdrawals or transfer from the District Reserve Accounts will require the approval of the majority of the Finance Committee and District Governor.
- i) Approve at least three signing officers for any District bank accounts. Two signatures shall be required for any withdrawal. The Finance Committee Chair and the District Treasurer shall be a signing authority on District bank accounts. It is recommended that signers on the District bank accounts be the same on both US & CA accounts and that there are two US and two CA signers on those accounts Reference to District bank accounts shall not include bank accounts maintained by the District Foundation Committee or other District Committees (such as those for youth programs).
- j) Ensure that signing authorities for all District Committee bank accounts (such as those for youth programs) are updated and verified annually, and that the District Treasurer is a signer on all District Committee bank accounts. This shall not apply to bank accounts maintained by the District Foundation Committee, which has specific requirements for signing authorities and reporting.

DUTIES AND RESPONSIBILITIES OF THE FINANCE COMMITTEE CHAIR

The Finance Committee Chair shall:

- Call meetings and ensure that the Committee works closely with the District Board of Directors.
- The Chair shall set the meeting date(s), time and agenda, in consultation with the Committee Members, and shall preside at the meetings.
- The Chair reviews and approves reimbursement claims of the District Governor for eligible expense in line with the approved budget.

DUTIES AND RESPONSIBILITIES OF THE DISTRICT TREASURER

The District Treasurer shall undertake the following duties:

- a) Prepare monthly financial statements including accounts receivable and payable and other information requested by the District Governor and/or the Committee.
- b) Present quarterly financial reports to the Committee showing actuals to budget. May be requested more often by the Chair or the Committee.
- c) Oversee all District accounting.
- d) Assist the District Governor Elect in development of the next year's budget, and the presentation of the budget to the Committee and for presentation to the Presidents-Elect for approval of the budget.
- e) Archive all records pertaining to the dealings of the Finance committee, along with all accounting in Quick Books.
- f) Work with assigned tax accountant and provide all necessary documentation to file taxes annually.
- g) Document, update and archive all bank and District financial information on the District computer, and from time to time create a backup copy of such information.

DUTIES AND RESPONSIBILITIES OF THE DISTRICT FOUNDATION CHAIR

The District Foundation Chair shall provide the following reports and information to the Board of Directors:

- a) Identification of bank accounts maintained by the District Foundation Committee, including the financial institution and account numbers.
- b) Confirmation that the signing authorities for the District Foundation accounts are the Foundation Chair and the District Governor.

BANK ACCOUNTS FOR SPECIFIC PURPOSES.

Any District Committee wishing to have its own bank account must first obtain the approval of the Finance Committee.

If approved, the District Committee must provide a budget of income and expenditures for approval, as well as (at least once each year or more frequently as may be required by the Finance Committee) copies of monthly bank account statements and a year-end financial statement showing income and detailed expenses, supported by documentation. The year-end report shall then be included in the District's year-end financial report.

The District Treasurer shall be a signer on all District committee accounts and all bank statements from those accounts are to be archived on the District Computer.

Funds raised or collected for a specific purpose may be used only for those approved purposes.

ADDENDUM

EXPENSE REIMBURSEMENT GUIDELINES

District 5050 provides reimbursement of expenses for required activities in line with Rotary International policies and the District budget. Eligible expenses are those incurred in undertaking official and approved District business. Requests for reimbursement not included in the District budget or covered by this policy will only be paid with the approval of the District Governor in consultation with the District Finance Chair.

All committee and/or individual claims for reimbursements must be approved by the respective Committee Chair. All claims must be submitted on the District claim form with appropriate receipts attached. Expense claims are to be submitted promptly and within 60 days of the expense being incurred. Due to fiscal year end, all claims are to be submitted no later than June 30.

TRAVEL

- Mileage reimbursement will be based on current Rotary International rate.
- Flights reimbursed for economy class and only if travel by vehicle is not reasonable.
- Lodging reimbursed for standard room at hotel where event is held, and distance traveled requires an overnight stay.
- Meals at actual cost or per diem whichever is less. Breakfast \$15, Lunch \$20, Dinner \$25.
- Parking, Ferry, Bus reimbursed at cost.

OTHER EXPENSES

- Telephone, printing, photocopying, postage reimbursed at cost within budget.

REIMBURSEMENTS FOR GOVERNOR LINE

District Governor (DG), District Governor Elect (DGE), District Governor Nominee (DGN), District Governor Designate (DGD)

District Governor

DG receives an allocation from Rotary International to cover expenses for Governor visits, training meetings, District Conference, and office expenses. The district budget includes funds to cover costs not covered by the RI allocation.

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District reimburses expenses for DG spouse/partner to attend Rotary International Convention, the District Conference, Blue Denim and Zone 28 Institute.

Expenses of invited RI guests and visitors may be covered by the district.

Expected costs are identified in the district budget. DG submits expense claims to the Finance Chair.

District Governor Elect

District budget identifies funds to cover the expenses of DGE activities in preparation for the office of District Governor:

- a. Planning, attending, and delivering district and multidistrict training
- b. Attending Blue Denim, PNWPETS, OPCOM meetings
- c. Attending DGE training and Institutes
- d. Attending Rotary International Convention.

Reimbursement of expenses for spouse/partner DGE to attend the District Conference, Blue Denim, Zone Institute, and RI Convention is covered by the district.

DGE expected expenses are identified in the district budget and expense claims are submitted to the DG for approval.

District Governor Nominee

District budget identifies funds to cover the expenses of DGN participation in activities to prepare for the office of District Governor Elect:

- a. Planning, attending, and delivering district and multidistrict training
- b. Attending Blue Denim, PNWPETS, OPCOM meetings
- c. Attending DGN training and Institutes

Reimbursement of expenses for spouse/partner DGN to attend Blue Denim, and Zone 28 Institute is covered by the district.

DGN expected expenses are identified in the district budget and expense claims are submitted to the DG for approval.

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District Governor Designate

District budget identifies funds to cover the expenses of DGD participation in activities to prepare for the office of District Governor Nominee. DGD will be reimbursed for costs to attend all District training events except RLI.

Reimbursement of expenses for spouse/partner of DGD to attend Blue Denim, will be covered by the district.

DGD expected expenses are identified in the district budget and expense claims are submitted to the DG for approval.

Assistant Governors

AGs are provided with an annual stipend to offset the cost of visiting the clubs in their Area. Meal expenses for AGs on official visits to a club are to be covered by the club.

AGs and incoming AGs attending PETS are reimbursed for a shared room. If the AG wishes a private room, they must pay the difference. Mileage to attend PETS are reimbursed at current RI rate.

AGs are reimbursed for registration cost of attending all district training except for RLI.

Expense claims are submitted to the DG for approval.

INELIGIBLE EXPENSES

- a. Club and district fundraising events and activities
- b. Bar bills and alcohol
- c. Entertainment
- d. Laundry, dry cleaning, or personal grooming
- e. Medical expenses
- f. Automobile repairs
- g. Hardware or software, telephones, computers or associated costs
- h. Internet, cable, phone service or lines

Exceptions to the above requires the prior approval of District Governor and Finance Chair.