

ROTARY DISTRICT #5390  
STEWARDSHIP SUB-COMMITTEE  
PROCEDURES MANUAL

2016/2017

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### The FOUR-WAY Test

- 1) Is it the TRUTH?
- 2) Is it FAIR to all concerned?
- 3) Will it build GOODWILL and BETTER FRIENDSHIPS?
- 4) Will it be BENEFICIAL to all concerned?

SERVICE ABOVE SELF!

# Introduction

This manual is intended to assist in the guidance of the Stewardship Sub-committee as it performs its functions and tasks. The Stewardship Sub-committee has been tasked with the following essential functions:

- 1) Assist with implementation of the district Memorandum of Understanding (MOU), including development of the financial management plan.
- 2) Help qualify clubs, including assisting with grant management seminars.
- 3) Ensure implementation of proper stewardship and grant management practices for all club- and district-sponsored grants, including reports to The Rotary Foundation on the grants.
- 4) Monitor and evaluate stewardship and grant management practices for all club- and district-sponsored grants, including reports to The Rotary Foundation on the grants.
- 5) Ensure that everyone involved in a grant avoids any actual or perceived conflict of interest.
- 6) Create a system to resolve any misuse or irregularities in grant-related activity, report any misuse or irregularities to The Rotary Foundation and conduct initial local investigations into reports of misuse.
- 7) Approve the annual financial assessment of the financial management plan and ensure that it is properly distributed to clubs in the district.

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## ARTICLE I. – Financial Management Plan

### Summary

All Clubs that wish to apply for grant funds must submit a written financial management plan annually prior to requesting grant funds. The financial management plan should include detailed club specific procedures that are reviewed regularly. This financial management plan must include, at a minimum, procedures to:

- 1) Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds;
- 2) Disburse grant funds, as appropriate;
- 3) Maintain segregation of duties for handling of funds;
- 4) Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced or distributed through grant activities;
- 5) Ensure that all grant activities, including the conversion of funds, comply with local laws.

### Sub-Committee Procedure

Upon receipt of a Club's financial management plan, the Stewardship Sub-Committee shall review the financial management plan for detailed, club-specific procedures which address, at a minimum, the five (5) policies listed above. Financial management plans submitted to the Stewardship Sub-Committee shall be reviewed and approved or rejected within two weeks of receipt.

### Compliant Financial Management Plan

Upon review, if a Club's financial management plan is found to address in detail and being club-specific all five (5) required policies and there are no inconsistencies within the financial management plan, the Stewardship Sub-Committee shall approve the financial management plan.

Upon approval, the Stewardship Sub-Committee shall forward the Club's financial management plan to the District electronically, by mail or by fax. The financial management plan shall be delivered to the District Foundation Chair, with a copy to the current District Governor Elect, within 72 hours of approval.

The Stewardship Sub-Committee shall notify the Club by email or phone within 72 hours of the approval of the Club's financial management plan. This shall include the date of approval.

### Non-Compliant Financial Management Plan

If a financial management plan is submitted to the Stewardship Sub-Committee and is found to be lacking one or more of the five (5) required policies and/or does not include detailed and club-specific language, the Club shall be notified by a member of the Stewardship Sub-Committee alerting the Club of the financial management plan's incompleteness and/or lack of detail or club-specificity. The Stewardship Sub-Committee member notifying the Club will explain what steps need to be taken to render the financial management plan compliant. Notification to the Club shall be made by email or phone/Skype call.

Notification to the Club shall be made within 72 hours of a non-compliance rejection of the financial management plan.

### Authorized Signature and Date

All financial management plans must include the signatures of the current Club President and President Elect OR the date on which the financial management plan was approved by the Board of Directors.

### Record Retention

The Stewardship Sub-Committee shall retain electronic copies of all financial management plans submitted and shall retain such copies pursuant to the District's record retention policy.

## ARTICLE II. – Assist with Club Qualification Requirements

### Summary

The Stewardship Sub-committee has been tasked with assisting District #5390 clubs with the annual qualification process. Assistance shall be provided in the form of:

- 1) Advisory guidance to all District #5390 clubs;
- 2) Review of qualifying paperwork as requested by district clubs; and,
- 3) Active participation in the annual grant management seminar, District Conference and/or District Assembly.

## ARTICLE III. – Implementation of Proper Club Stewardship

### Summary

It is critical that all District #5390 clubs implement proper stewardship and grant management practices for all grants approved by the Grants Sub-committee. All requirements for proper stewardship and grant management practices are included in the District #5390 Future Vision, The Plan & The Attack District Training Seminar binder, dated October 20, 2012. However, there may be instances where clubs misinterpret or are unclear as to the letter of the law as it pertains to proper club stewardship.

Also, some district clubs may not be familiar with common financial stewardship practices.

It is the Stewardship Sub-committee's task to ensure that all participating district clubs implement appropriate and proper stewardship and grant management practices over the grant funds in each district club's control.

### Sub-Committee Procedure

- 1) Upon receipt of a complete list of all approved District #5390 grants from the Grants Sub-committee, the Stewardship Sub-committee shall create and maintain a spreadsheet which shall contain information for all grants approved for each participating district club. This spreadsheet shall include:

- a) Name of Club;
- b) Date of Financial Plan Approval;
- c) Grant amounts approved;
- d) Purpose of grant;
- e) Type of grant
- f) Name and contact information for each participating district club's Grants chair;
- g) Date of Distribution of Funds from District #5390;
- h) Date of contact with Grants chair regarding:
  - i) Any actual or potential conflicts of interest for each grant approved;
  - ii) Confirmation that the district club has matching funds on hand, if required, and these funds are deposited in an appropriate district club bank account;
  - iii) Reporting dates, if available and/or easily ascertainable;
  - iv) Any additional data determined by the Stewardship Sub-committee to be pertinent and useful in the performance of its duties.

This spreadsheet is meant to be a means of "shadowing" each approved grant through to conclusion.

- 2) The Stewardship Sub-committee shall contact all participating district clubs when distribution of funds is made by District #5390 to confirm the district club's receipt of funds and that funds have been deposited pursuant to proper grant management practices. This contact shall be made by phone, email or fax.
- 3) The Stewardship Sub-committee shall submit its report to the District #5390 Foundation Chair no later than one (1) year following the approval date of each district club's grant or two months following the date of conclusion of the grant event or purpose, whichever is sooner.

## ARTICLE IV. - Monitoring and Evaluating Club Stewardship and Grant Management Practices

### Summary

The Stewardship Sub-Committee has been tasked with monitoring and evaluating participating district clubs' stewardship and grant(s) management practices for all grants approved by the Grants Sub-committee. All requirements for proper stewardship and grant management practices are included in the

District #5390 Future Vision, The Plan & The Attack District Training Seminar binder, dated October 20, 2012.

### Sub-Committee Procedure

- 1) The Stewardship Sub-committee shall, by email or phone, encourage all participating district clubs to make use of the Stewardship Sub-committee for any instances which need clarification, guidance, or recommendation.
- 2) The Stewardship Sub-committee shall, by email or phone, contact all participating district club Grant Chairs within six (6) weeks of distribution of funds by District #5390 to confirm receipt of funds. The District #5390 District Foundation Chair shall contact the Stewardship Sub-committee when district grant funds have been distributed so the Stewardship Sub-committee may prepare and plan for this contact with participating district clubs.
- 3) The Stewardship Sub-committee shall contact all participating district club's approximately one (1) month prior to a reporting deadline, provided the Stewardship Sub-Committee has been made aware of such deadline. This contact shall be made by phone, email or fax.

## ARTICLE V. - Conflicts of Interest

### Summary

The Stewardship Sub-committee has the responsibility of reporting and investigating any and all alleged conflicts of interest which are reported to it or which it discovers in the course of its duties. Some alleged conflicts of interest may be determined to be true conflicts of interest while others may be perceived conflicts of interest which, upon investigation, are found not to be conflicts of interest at all.

### Sub-Committee Procedure

- 1) Any alleged conflict of interest shall be reported to the chair of the Stewardship Sub-committee by phone or e-mail. The caller's name, if given, shall be kept confidential.
- 2) The Stewardship Sub-committee chair shall notify the Stewardship Sub-committee within forty-eight (48) hours of knowledge of any and all alleged conflicts of interest. The District #5390 Foundation chair shall be notified within forty-eight (48) hours of knowledge of any and all alleged conflicts of interest by the Stewardship Sub-committee chair,
- 3) The Stewardship Sub-committee chair shall then investigate the alleged conflict of interest with the club's president. If the club's president is not available or is viewed as involved in the conflict



of interest, the Stewardship Sub-committee chair shall investigate the alleged conflict of interest with the vice president. If both the club's president and vice president are unavailable or are viewed as involved in the conflict of interest, the Stewardship Sub-committee chair shall investigate the alleged conflict of interest with the next club officer in line.

The Stewardship Sub-committee chair shall brief the Stewardship Sub-committee and the District #5390 Foundation chair regarding all investigative findings.

- 4) If the Stewardship Sub-committee chair is unable to resolve the conflict of interest to his or her satisfaction, the matter shall be referred to the Audit Sub-committee for collaboration on the best course of action.
- 5) If the Stewardship sub-committee chair is unavailable, the remaining members of the Sub-committee shall select one of the following courses of action:
  - a) Wait until the Sub-committee chair is available.
  - b) Select one person from the Sub-committee to pursue the matter.
  - c) Turn the matter over to the District Foundation Chair.
- 6) If the conflict of interest comes from the Stewardship Subcommittee chair's club, the matter shall be referred immediately to the District Foundation Chair.

## ARTICLE VI. – Reporting and Resolving Misuse of Grant Funds

### Summary

The reporting and subsequent resolution of misuse of grant funds is the most important function with which the Stewardship Sub-committee has been tasked. It is tantamount that the Stewardship Sub-committee report and investigate any and all allegations of misuse of grant funds.

### Sub-Committee Procedure

If the Stewardship Sub-committee suspects misuse of grant funds it shall report, by email or fax, such suspected misuse to the Audit Sub-committee and District #5390 Foundation chair within twenty-four (24) hours of its knowledge of such suspected misuse. Resolution to any issues involving misuse of funds shall be a collaborative effort between the Stewardship Sub-committee and the District #5390 Foundation Chair.

## ARTICLE VII. – Annual Financial Assessment and Distribution to Appropriate Clubs

## Summary

The Stewardship Sub-committee shall approve the financial assessment of the financial management plan and ensure that it is properly distributed to clubs in the district.

## Sub-Committee Procedure

As per Article III, Section 1), the Stewardship Sub-committee shall provide to the District #5390 Foundation chair a spreadsheet that summarizes the status of all district and global grants within District #5390. This summary shall be provided prior to District Conference and, again, prior to June 30<sup>th</sup> each year. The District Foundation Chair shall determine how this information is to be used.

## Definition of Terms

Memorandum of Understanding (MOU)

Rotary District #5390 (hereinafter referred to as the "District")

Rotary District #5390 Clubs (hereinafter referred to as "Clubs" or "Club")

Rotary District #5390 Stewardship Sub-Committee (hereinafter referred to as the "Stewardship Sub-Committee")

# Appendix I

## FINANCIAL PLANNING FOR GLOBAL AND DISTRICT GRANTS

The Stewardship Sub Committee has been charged with the responsibility of APPROVING each club's financial plan and submitting it to District 5390. Remember, having a financial plan in place is a PREREQUISITE for getting your grants approved. That being said, we are here to help you through the entire grants financial process, so don't hesitate to contact us if you have questions. If we don't have the answers, we'll try to find them for you.

1. Designate who within the club has the responsibility for financial management
2. Make certain the appropriate people are aware of the requirements set down by The Rotary Foundation and District 5390\*
3. Identify what accounting method will be used to track purchases and expenditures i.e. Quick Books, Club Runner, etc.
4. Identify who has responsibility for receiving grant funds and who has responsibility for depositing these funds. These must be two separate individuals.
5. Identify where grant funds will be deposited. These must be low or non- interest bearing accounts. Remember the host club has custodial responsibility of Global grant funds, but both the host club as well as the international partner has oversight responsibility.
  - a. Global grant funds require a totally separate bank account
  - b. District grant funds may be co-mingled with other funds but must have separate ledger accounts
  - c. Identify who will be the two signatories on the account, and the process for selecting another signatory in the event one leaves the club
6. Identify the date by which grant requests must be submitted to the club board. Remember, District 5390 must request DDF funds prior to 31 March.
7. Identify who is responsible for insuring grant activities comply with local laws.
8. Identify who is responsible for submitting the appropriate reports and the timeline for submitting these reports
9. If the club board requires periodic reports from the club grants sub-committees, this should be noted in the club's financial plan. Global grants have specific reporting procedures and timelines. This responsibility is shared by both the host club and the international partner. District grants will also have specific reporting time lines and procedures.
10. The Rotary Foundation requires all grant records be kept a minimum of 5 years. The club's financial management plan should delineate how these records are to be kept and who is responsible for their safe keeping.

11. An accurate inventory must be kept for a minimum of five years on all equipment and non-consumables with an individual purchase price of over \$250 that are purchased with grant funds. Identify who is responsible for maintaining this inventory and how it will be done.
12. All disbursement of grant funds are to be by check or credit card only. Cash disbursements require prior approval by the district stewardship sub committee.
13. The grants financial management plan must be signed by the club president and president elect, or must be dated as to when it was approved by the club's Board of Directors.

These are the basic things that need to be addressed when developing your grants financial management plan. Clubs, especially larger clubs with multiple projects, may find it necessary to add additional criteria.

Please submit your grants financial plan to the district stewardship sub-committee

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