

# Club Treasurer's Manual

A part of the *Club Officers' Kit*

ROTARY INTERNATIONAL®



This is the 2009 edition of the *Club Treasurer's Manual* (220). It is intended for use by club treasurers holding office in 2010-11, 2011-12, and 2012-13. The information contained in this publication is based on the Constitution and Bylaws of Rotary International, the Standard Rotary Club Constitution, the Rotary Code of Policies, and The Rotary Foundation Code of Policies. Please refer to those resources for exact guidelines. Changes to the documents listed above by the 2010 Council on Legislation, the RI Board of Directors, or The Rotary Foundation Trustees override policy as stated in this publication.

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# Introduction



## ***Around the World***

The 33,000 Rotary clubs around the world share Rotary values but function within specific national and social contexts.

The *Club Treasurer's Manual* was developed to support Rotary club treasurers worldwide. Because treasurers' individual responsibilities vary according to area laws, cultural practices, and established club procedures, you should adapt the suggestions in this publication to fit your club's needs. Culturally specific examples are highlighted throughout the manual in the Around the World boxes to illustrate how different the treasurer's role can be from club to club. General tips are offered in the Rotary Reminder boxes.

This publication includes three sections. The first describes the major responsibilities of a club treasurer. The second presents a collection of financial best practices. The appendixes in the back of the manual include a sample financial report to a club board, a budget worksheet, a checklist of best practices, and a list of discussion questions. Following the appendixes are the worksheets used at district assembly.

You should use this manual to prepare for your term in office. Bring it with you to the district assembly, and review its contents beforehand. Pay particular attention to the questions in appendix 4, which will help you get the most out of the facilitated discussions at the meeting. After you have completed your training, this publication will serve as a resource as you work with your fellow club officers and members.

Your Rotary club is a member of Rotary International. Through this membership, it is linked to the 33,000 Rotary clubs worldwide and granted access to the organization's services and resources, including publications in nine languages, information at [www.rotary.org](http://www.rotary.org), grants from The Rotary Foundation, and staff support at world headquarters and the seven international offices.

## **Comments?**

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For questions about your role as club treasurer, please contact your assistant governor, district finance committee, or RI finance or Club and District Support representative.

If you have comments or questions about this manual, please direct them to:

Leadership Education and Training Division  
Rotary International  
One Rotary Center  
1560 Sherman Avenue  
Evanston, IL 60201-3698 USA  
E-mail: [leadership.training@rotary.org](mailto:leadership.training@rotary.org)  
Phone: 847-866-3000  
Fax: 847-866-9446

# Role and Responsibilities

On 1 July, you officially take office as club treasurer. Your experience and workload will depend on your club's size and activity and your familiarity with Rotary and your new responsibilities. Your responsibilities as club treasurer include

- Managing funds
- Collecting and submitting dues and fees
- Reporting on the state of your club's finances
- Working with The Rotary Foundation
- Developing a budget
- Preparing your successor

To prepare for your term, learn what will be expected of you by the club's board of directors and members, your district, and Rotary International. It is recommended that you assist the outgoing club treasurer before taking office to better understand your role. Ask questions such as:

- How are the bank accounts set up?
- How do club members pay dues?
- Does the club have any outstanding debt?
- What is the budget for the coming year? How was it established?
- How are funds allotted for club committees?
- What kind of accounting system is in place for bookkeeping? How are financial records kept?
- What paperwork needs to be filed with the club board, district, RI, or local government (e.g., for changes to bylaws, taxes)?



### **Rotary Reminder**

Your district offers training at the district assembly and support during the year from your assistant governor and the district finance committee.

To further prepare, attend the treasurer training sessions at your district assembly. This meeting is a good place to network with Rotarians who could assist you during your term, including your assistant governor and district finance committee members. Consult with incoming and outgoing treasurers in other clubs to compare your responsibilities, reporting requirements, and accounting procedures.

## Managing Funds

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When you begin your term, you will be responsible for adhering to the budget created in the previous Rotary year. This duty will involve managing and tracking incoming and outgoing funds.

Incoming funds include but are not limited to

- Club dues payments
- Donations
- Money raised from club activities
- Rotary Foundation grants
- Sponsorship funds

Outgoing funds include but are not limited to

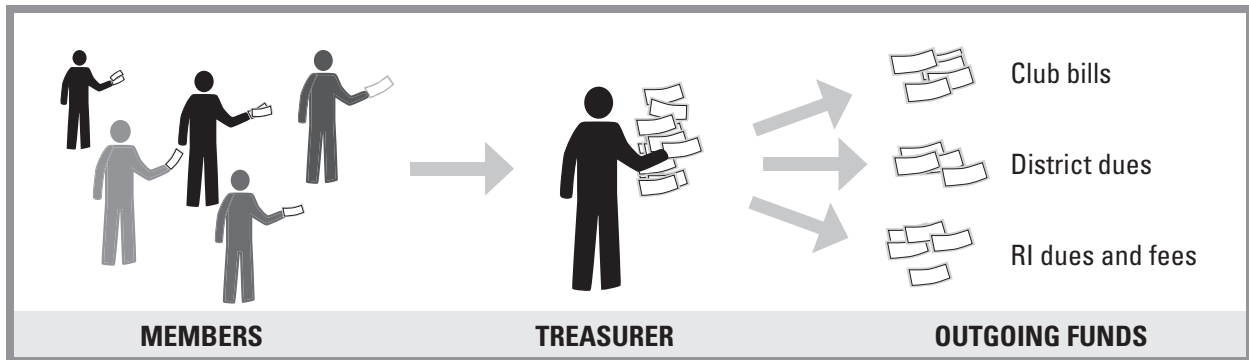
- District and RI dues payments
- Charitable expenses
- Office supply and equipment costs
- Meeting expenses (e.g., facilities, meals)
- Promotional expenses
- Committee activity costs
- Miscellaneous fees

Ensure that all collected funds and expenses are accurately documented. Provide members with receipts for their dues and donations, and record any transactions, including club purchases, in a ledger. If going over budget is unavoidable, be sure to request the board's approval.

An electronic accounting program will automate many of the tasks associated with your position. Consult your club's outgoing treasurer to find out which software is used, if any. If you're selecting a new program, choose one that you're comfortable with and that meets your club's needs.

Standard accounting practice calls for separating a club's charitable and operational funds to ensure that proceeds from fundraisers are used to support charitable activities. If fundraisers are intended to benefit specific service efforts, you may also want to consider creating separate project accounts.





## Collecting and Submitting Dues and Fees

Rotarians are required to pay dues to their club, district (where applicable), and RI. As treasurer, it is important to understand the funds you need to collect from members and the expenses you need to pay on behalf of your club.



### Rotary Reminder

If your club collects weekly donations or fines, make sure to document them.



### Rotary Reminder

RI dues are prorated for new members depending on when they joined. Rotarian John Smith, for example, was admitted to his local Rotary club on 4 January. On 1 July, his club must pay five months of prorated dues to RI to cover the period from February through June.

WHAT TO COLLECT	WHAT TO PAY
<ul style="list-style-type: none"> <li>• Club dues</li> <li>• Admission fees</li> <li>• District dues</li> <li>• RI per capita dues</li> <li>• RI fees</li> </ul>	<ul style="list-style-type: none"> <li>• District dues</li> <li>• Semiannual dues invoice               <ul style="list-style-type: none"> <li>– RI per capita dues</li> <li>– New member pro rata dues</li> <li>– RI fees                   <ul style="list-style-type: none"> <li>Magazine costs</li> <li>Council on Legislation fees</li> </ul> </li> <li>– Outstanding balance (if any)</li> </ul> </li> </ul>

**Club dues.** Club dues can be collected on a weekly, monthly, or quarterly basis, as determined by your club, and their amount is set each year. These dues, which vary by club, generally fund operating expenses such as meetings, meals, speaker gifts, and supplies.

**Admission fees.** Many clubs charge an admission fee for new members, as determined by the club. This fee does not apply to transferring or former members of other clubs or to Rotaractors.<sup>1</sup>

<sup>1</sup> See the *Standard Rotary Club Constitution*, article 11, for more details.



### ***Around the World***

Clubs in Great Britain and Ireland have a different dues structure. These clubs should consult Rotary International in Great Britain and Ireland with questions about their dues.



### ***Around the World***

Clubs in Australia are subject to a goods and services tax for RI, district, and club dues, as well as for their regional magazine.

**District dues.** Many districts have funds for financing district-sponsored projects and supporting the local administration and development of Rotary. In these districts, each club contributes through per capita dues. The amount is approved each year at the district assembly, district conference, or presidents-elect training seminar.

**RI per capita dues.** Twice a year, clubs are charged per capita dues, or dues for each club member. The rate for the 2010-11 Rotary year is US\$25 per member per half year.<sup>2</sup> All dues, including prorated dues based on a predetermined formula, are payable on 1 July and 1 January. (A sample invoice is included on page 8.) For each new member admitted within a semiannual period, the club must pay prorated per capita dues to Rotary International; the amount payable for each full month of membership is one-twelfth of the annual per capita dues.

Per capita dues pay for the organization's general operating expenses, including producing publications in multiple languages; providing club, district, and project support; offering training guidance and resources for incoming club leaders; and maintaining the RI Web site.

**RI fees.** Besides dues, Rotarians are charged for required magazine subscriptions, Council on Legislation fees, and other expenses. Payments for *The Rotarian* or the *Revista Rotaria* regional magazine should be submitted with semiannual dues. All other regional magazine subscription payments should be sent directly to the appropriate magazine editor.

**Tracking system.** To track club, district, and RI dues, consider using an invoicing system. Send each member an invoice that details recent payments and any dues owed, along with additional charges for items such as meals. Include an updated balance and deadline on the invoices, and distribute them in a timely manner. Send reminders to members who have not paid on time, or notify the club secretary. Make sure all members understand the payment process and know the deadline before invoices are distributed. Consider creating a calendar to help you collect and submit dues payments on time.

<sup>2</sup> Dues are determined by the triennial Council on Legislation.

**Sample Dues Collection and Payment Calendar**  
(based on quarterly collection cycle)

	<b>Dues collection</b>	<b>Dues payment</b>
<b>July</b> <b>August</b> <b>September</b>	Collect club dues Send reminders Send invoices	Pay SAR invoice
<b>October</b> <b>November</b> <b>December</b>	Collect club dues Send reminders Send invoices	Pay district dues
<b>January</b> <b>February</b> <b>March</b>	Collect club dues Send reminders Send invoices	Pay SAR invoice
<b>April</b> <b>May</b> <b>June</b>	Collect club dues Send reminders Send invoices	Pay district dues



**Rotary Reminder**

In some countries, changes to club bylaws (e.g., dues increases) need to be registered with the government.

**Semiannual dues invoice.** RI sends a semiannual dues invoice as part of a SAR package, to each Rotary club secretary in late June for the July billing and in late December for the January billing. The package also includes a current membership list, which serves as the basis for the estimated billing; a worksheet to calculate any necessary revisions; and instructions for completing the forms and sending the information and payment to RI or its fiscal agents.



**Rotary Reminder**

Through Member Access at [www.rotary.org](http://www.rotary.org), club treasurers can now view Rotary Foundation and semiannual reports (SAR), and pay semi-annual dues online. The club president or secretary must activate your access.

The invoice (see the sample on page 8) charges clubs RI per capita dues and fees based on their most current membership list. (Clubs with fewer than 10 members are required to pay for 10 members.) Encourage the club secretary keep this list up to date through Member Access on [www.rotary.org](http://www.rotary.org) so your club's per capita billing is accurate. Make sure your club number is included on all payments. Your club's balance may also be paid by credit card through Member Access at [www.rotary.org](http://www.rotary.org) by you, your club secretary, or club president.

If the secretary does not receive the SAR package by the end of July or January, a copy can be requested by e-mail, fax, or mail by contacting [data@rotary.org](mailto:data@rotary.org) or your international office, or printed from Member Access by you, your club secretary, or club president.

Submitting dues to the district and RI guarantees your club's membership and good financial standing in Rotary International as well as access to the organization's resources.

## SEMI-ANNUAL DUES INVOICE-SAMPLE

**METHOD OF PAYMENT (please tick)**

Check/Draft –Remit to Local RI Office/ Fiscal Agent.  
Payable to ROTARY INTERNATIONAL

Invoice Number: SAR-XXXXXXXXXX  
Club Number: CXXXXXXXXXX  
Club Name: Rotary Club X  
Issue Date: (DD-MM-YYYY) 06-06-2008  
Due Date: (DD-MM-YYYY) 01-07-2008

By credit card – <https://riweb.rotaryintl.org/>  
 Bank/Electronic Transfer Made to Below Bank

Payment Ref: XXXXXX  
Acct. No: XXXX  
Acct. Name: ROTARY INTERNATIONAL  
Swift Code: XXXX  
Sort/IBAN: (Your bank’s mailing information here)

**TOTAL AMOUNT DUE: XXXX.XX**

Address line 1  
Address line 2  
Country

*This reflects your club bank information as it appears in RI records 1 week before.*

PLEASE DETACH ABOVE PORTION AND RETURN ORIGINAL WITH YOUR PAYMENT AND SAR MEMBERSHIP LIST

Rotary International Europe and Africa Office  
Witikonstrasse 15  
CH-8032 Zurich  
Switzerland

*Your regional Rotary office address will appear here.*

ROTARY CLUB OF X



Club Number: C0000XX  
Club Name: Rotary Club X  
District: XXXX  
Issue Date: (06-06-2008)  
Due Date: (01-07-2008)

*MON stands for monthly and MBR stands for member.*

NUMBER	UNIT OF MEASURE	DESCRIPTION	UNIT PRICE (YOUR CURRENCY)	TOTAL
1	MON	Pro-Rata Dues	3.92	3.92
4	MON	Pro-Rata Dues	3.92	15.68
35	MBR	Semi-Annual Dues	25.00	875.00
35	MBR	Council On Legislation Levy	1.00	35.00
35	MBR	The Rotarian Magazine – Intl.	12.00	420.00

*Amounts will be shown in USD and in your local currency. Use exchange rate current at the time of payment.*

*Amounts shown here are sample amounts.*

**SEMI-ANNUAL DUES**

**1349.60**

**CLUB BALANCE DUE INCLUDING THIS INVOICE (IN USD).....1349.60**

**TOTAL AMOUNT DUE (IN YOUR CURRENCY) ..... 863.74**

**DETAIL OF TOTAL AMOUNT DUE AS OF 01/07/08**

Member Name	Admission Date	Amount Billed	No. of Months
John Smith	28-05-2008	3.92	1
Jane Jones	13-02-2008	15.68	4

**Member termination.** Any member failing to pay dues within 30 days of the deadline should be notified in writing by the club secretary. If the dues are not paid within 10 days of the notification date, membership may be terminated, subject to the discretion of the club's board. The board may reinstate membership upon a member's petition and payment of all debts to the club.

**Club termination.** Six months after the 1 January or 1 July deadline, clubs with obligations of US\$250 or more will be terminated from Rotary International. When a club seeks reinstatement within 90 days of termination, it must pay all financial obligations due at the time of termination, all semiannual dues payments that have accrued during the period between termination and reinstatement,<sup>3</sup> and a \$10 per member reinstatement fee within 90 days of termination in order to be reinstated. If the club has fewer than 10 members, it is subject to a 10-member minimum payment requirement.

A club that seeks reinstatement more than 90 days but less than 365 days after termination must complete an application for reinstatement and pay a \$15 per member application fee in addition to fulfilling the requirements noted above. The application fee is also subject to the 10-member minimum payment requirement.

Terminated clubs that have not fulfilled their entire financial responsibility to RI within 365 days of termination will lose their original charter and will not be eligible for reinstatement. Similarly, any club that fails to pay district dues may have its membership in RI suspended or terminated by the RI Board.



#### **Rotary Reminder**

Clubs that don't pay their dues and fees to RI will be terminated and will not receive services from RI or their district.



#### **Around the World**

Requirements for record retention vary from country to country, with some mandating permanent retention and others specifying a set duration. Check local laws, and develop a document retention policy accordingly.

## **Reporting on the State of Your Club's Finances**

Your duties include issuing monthly reports to your club's board, regular financial updates to club members, and a detailed annual report. At board meetings, present the club's monthly expenses and income, and indicate the status of fundraising efforts and the overall budget. Though the exact nature of board reports will vary depending on club size and activity, a sample is provided in appendix 1.

As the treasurer, you are primarily responsible for the accuracy of your club's financial records. It is important that board and club meeting minutes list account balances and disbursements that match actual financial activity. All records should be preserved in case the club has to account for the use of funds during a specific period. Consult with local authorities on laws pertaining to document retention.

<sup>3</sup> *Rotary Code of Policies 9.020.7*



### ***Around the World***

Rotary clubs in the United States and Puerto Rico are required to obtain an employer identification number (similar to an individual's social security number) to use when filing Form 990 with the Internal Revenue Service. Failure to do so can result in financial penalties.

A qualified person should review the club's financial transactions annually. Your club may want to establish an auditing committee or hire a professional for this purpose. Some club treasurers may be responsible for filing for taxes annually. Be sure to learn your country's tax laws. There may be special requirements if your club has separate funds for scholarships, foundations, or if it is incorporated. Consult an expert in your club or community about specific tax questions.

## **Working with The Rotary Foundation**

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The Rotary Foundation is the charitable arm of Rotary International and is supported solely by voluntary contributions from Rotarians and friends of the Foundation. Rotary Foundation grants enable Rotarians to advance world understanding, goodwill, and peace through the improvement of health, the support of education, and the alleviation of poverty. As club treasurer, your interactions with the Foundation will likely consist of submitting donations and helping to apply for and monitor grants. For specific questions regarding the Foundation, consult your club or district Rotary Foundation committee.

**Contributions.** Contributions to the Foundation are entirely separate from dues paid to Rotary International. Both individuals and clubs may donate at any time by wire transfer, credit card, money order, check, or traveler's check made payable to The Rotary Foundation (not to Rotary International). In some countries, donors may receive tax benefits. For questions, consult your international office.

All contributions sent to the Foundation should be accompanied by the donors' names and a clear gift designation (such as PolioPlus or the Annual Programs Fund). Direct donations can be made with the *TRF Global Contribution Form* (123) or at [www.rotary.org](http://www.rotary.org). Contributing directly through these methods will enable the Foundation to process the donation faster and issue a receipt for the donors' records and tax reporting needs. If multiple donations are sent together, donors should complete the *Multiple Donor Form* (094) and submit it with their contributions. This form should indicate gift designations and include the contributors' names so each receives a tax receipt and proper recognition. Download both forms at [www.rotary.org](http://www.rotary.org).



### Around the World

In some parts of the world, Rotary clubs use local versions of the *TRF Global Contribution Form (123)* and/or the *Multiple Donor Form (094)*. Check with your club's outgoing treasurer to determine which forms you should use when submitting contributions to The Rotary Foundation.

## TRF Global Contribution Form (123)

**TRF GLOBAL CONTRIBUTION FORM**

**I. INDIVIDUAL COMPLETING THIS FORM**  
 Name \_\_\_\_\_  
 Daytime Telephone (\_\_\_\_\_) \_\_\_\_\_ Date \_\_\_\_\_  
 E-mail \_\_\_\_\_

**II. CONTRIBUTION DETAILS**  
*Do not send cash. Please disregard options that do not apply in your country.*  
 Amount of New Contribution \_\_\_\_\_  
 Type: (please check one)  
 Check enclosed (payable to The Rotary Foundation)  
 Visa  MasterCard  American Express  
 Discover  Diners Club  
 Check # \_\_\_\_\_ Credit Card # \_\_\_\_\_  
 Currency \_\_\_\_\_ Expiration Date \_\_\_\_\_  
 Wire transfer Name as it appears on credit card \_\_\_\_\_  
 Date \_\_\_\_\_ Signature \_\_\_\_\_

Designation: (please check one)\*  
 Annual Programs Fund (eligible for SHARE)  PolioPlus  
 Permanent Fund World Fund (Benefactor recognition only)  World Fund NUMBER IS MANDATORY  
 Permanent Fund SHARE (Benefactor recognition only)

*Note: Changes to gift designation can only be requested within 90 days of gift receipt date within current Rotary year.*

**III. DONOR OF CONTRIBUTION (receives donor credit and gift receipt)**  
 Person  Club  District  Business/Foundation  Zone  
 Name (Mr., Mrs., Ms., Dr.) \_\_\_\_\_  
 ID # \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State/Prov. \_\_\_\_\_  
 Country \_\_\_\_\_ Postal Code \_\_\_\_\_  
 Check here if this is a new address.  
 Daytime Telephone (\_\_\_\_\_) \_\_\_\_\_  
 Rotary Club of Donor \_\_\_\_\_  
 Club Number \_\_\_\_\_ District \_\_\_\_\_

**III. RECIPIENT OF PAUL HARRIS FELLOW RECOGNITION CREDIT**  
 Memorial PHF  Certificate of Appreciation (Business only)  
 Name (Mr., Mrs., Ms., Dr.) \_\_\_\_\_  
 ID # \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State/Prov. \_\_\_\_\_  
 Country \_\_\_\_\_ Postal Code \_\_\_\_\_  
 Rotary Club of Recipient \_\_\_\_\_  
 Club Number \_\_\_\_\_ District \_\_\_\_\_

**IV. SHIPPING ADDRESS**  
 Processing time for recognition is four to six weeks from receipt of application.  
 Please do not send recognition.  
 Presentation date \_\_\_\_\_  
 Rush requests may incur shipping charges.  
 Please send recognition items to:  Club president  Other, fill in information below  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State/Prov. \_\_\_\_\_  
 Country \_\_\_\_\_ Postal Code \_\_\_\_\_  
 Telephone (\_\_\_\_\_) \_\_\_\_\_

**V. RECOGNITION POINTS TRANSFER**  
 If this contribution is being "matched" or supplemented with Foundation Recognition Points from a club, district, or individual, please complete the appropriate spaces below.  
 Foundation Recognition Points from:  
 Club Amount \_\_\_\_\_ District Amount \_\_\_\_\_  
 Individual Amount \_\_\_\_\_ ID # \_\_\_\_\_  
 Authorized Signature \_\_\_\_\_  
 If there are multiple transfers of recognition, please complete a *Recognition Transfer Request (102-EN)*.  
 Please retain a copy for your records.

123-EN--(08)

## Multiple Donor Form (094)

**THE ROTARY FOUNDATION  
 MULTIPLE DONOR FORM**

**EVERY ROTARIAN EVERY YEAR**

Complete this form when submitting a single contribution reflecting the combined gifts of multiple club members. Please do not send cash.

Contributions to credit Rotary Club of \_\_\_\_\_ Club Name \_\_\_\_\_ Club # \_\_\_\_\_ District # \_\_\_\_\_

Individual completing this form: Name \_\_\_\_\_ Telephone \_\_\_\_\_ E-mail \_\_\_\_\_ Date \_\_\_\_\_

**CONTRIBUTION METHOD**  
 Check (payable to The Rotary Foundation)  
 Credit Card (Complete credit card section.)  
 MasterCard  Visa  Discover  
 American Express  Diner's Club  
 Wire Transfer (Notify appropriate RI office for instructions.)

**Credit Card Contribution -- To Credit Multiple Donors**  
 (Disregard this section if contributing by check or wire transfer.)  
 Credit Card Number \_\_\_\_\_ Expiration Date \_\_\_\_\_ Security Code \_\_\_\_\_  
 Name as it appears on card \_\_\_\_\_  
 Signature of cardholder \_\_\_\_\_

Please provide each individual donor's membership ID, name, and personal contribution amount. Membership ID numbers may be obtained from the club secretary and are also listed on the Club Recognition Summary (CRS). A contribution of any amount, from every Rotarian, will truly make a difference.  
*NOTE: Changes to designation can only be requested within 90 days of gift receipt date within current Rotary year.*

Contribution Designation (choose one):  
 Annual Programs Fund (eligible for SHARE)  World Fund  PolioPlus  Humanitarian Grant # \_\_\_\_\_

Individual Donor Details (Identify and allocate individual contribution amounts.)					
Membership ID #	Donor Name (as appears on CRS)	Contribution Amount	Membership ID #	Donor Name (as appears on CRS)	Contribution Amount
1.			11.		
2.			12.		
3.			13.		
4.			14.		
5.			15.		
6.			16.		
7.			17.		
8.			18.		
9.			19.		
10.			20.		
<b>Total (Amount of contribution submitted)</b>					

Please do not enclose any additional correspondence. For contribution or recognition questions, please call The Rotary Foundation Contact Center at 866-9-ROTARY (866-976-8279), or contact the RI office that services your area. If using a credit card, please submit by faxing to The Rotary Foundation at 847-328-5260. Please send only once. Duplicate requests may result in duplicate charges.

Please send your contributions to the appropriate address:  
 United States: The Rotary Foundation, 14280 Collections Center Drive, Chicago, IL 60693 USA  
 Canada: The Rotary Foundation (Canada), Box B9322, P.O. Box 9100, Postal Station F, Toronto, ON M4Y 3A5, Canada

**THANK YOU!**

094-EN--(08)

Forward contributions received from club members to the appropriate address:<sup>4</sup>

**In the United States:**

The Rotary Foundation  
14280 Collections Center Drive  
Chicago, IL 60693

**In Canada:**

The Rotary Foundation (Canada)  
Box B9322, P.O. Box 9100  
Postal Station F  
Toronto, ON M4Y 3A5

**Outside the United States and Canada:**

The international office or fiscal agent serving the clubs in your country; see the *Official Directory* (007) for contact information

In addition to monetary gifts, contributions can include stock, appreciated securities, life insurance policies, property, and bequests. Contact The Rotary Foundation Gift Administration Department at RI World Headquarters or your international office for assistance in transmitting these types of contributions.

Contributions to The Rotary Foundation must be received by 30 June to be credited to the current Rotary year. Contributions received after 30 June will be counted in the next Rotary year. To be eligible for tax benefits, donors must ensure the Foundation receives their contributions by the end of their country's fiscal year.

**Reclassifying contributions.** As of 1 July 2008, The Rotary Foundation no longer accepts or processes gift designation corrections for contributions from prior Rotary years. Corrections are made only within 90 calendar days of the gift receipt date and within the same Rotary fiscal year.

**Grants.** Rotary Foundation grants can help clubs finance service projects that would not otherwise be possible. If your club receives a grant, it is responsible for ensuring good stewardship of the funds and following all reporting requirements specified in the Foundation's grant guidelines. Work with your club's Rotary Foundation committee to make sure all requirements are met.

**Club foundations.** If your club has or is going to set up a foundation, be sure it adheres to local laws. Some countries require foundations to register with the government or follow specific rules. For example, clubs that accept contributions to their own foundations are often expected to issue tax receipts from club foundations. Consult with your local tax authority about reporting requirements.



***Around the World***

In India, clubs that are registered under the Foreign Contribution Regulation Act will be less likely to experience delays in receiving Rotary Foundation grants.

<sup>4</sup> The addresses above are for monetary contributions only. Please do not send correspondence or nonmonetary gifts to these addresses.



Club foundation checks sent to The Rotary Foundation will be processed as donations from the club foundation. If names are sent with the contributions, the individuals will receive the appropriate recognition points only; no tax receipt will be issued by The Rotary Foundation, as this is the club foundation's responsibility.

## Developing a Budget

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As a member of your club's board, you will help develop a club budget for the coming year. Before creating the budget, review the club's financial history to determine the likely sources of income and areas of expense, and meet with incoming officers to discuss their plans for the year. The income and expenses included in the budget should be broken into two parts: club operations and charitable funds. Additionally, establishing a reserve fund can help your club handle unexpected expenses; some clubs base this fund on their annual operating costs.

Appendix 2 provides a worksheet to use when preparing your club's budget. The final budget must be approved by the board.

## Preparing Your Successor

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Once the new treasurer is chosen, meet and discuss the role so your successor is prepared to assume office on 1 July. Review recording and reporting procedures, and share tips on budgeting and managing club funds. If practical, allow the incoming treasurer to assist you in your regular responsibilities. After the last club meeting in June, turn over all funds, accounting records, and any other related materials to your successor.

## Resources

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The following resources can help you fulfill your role as club treasurer:

- Recommended Rotary Club Bylaws: Recommended policies for club finances and operations; should be adapted by clubs to meet their own needs
- Standard Rotary Club Constitution: The basic constitutional document for all Rotary clubs
- *TRF Global Contribution Form (123)* and *Multiple Donor Form (094)*: Official Rotary Foundation forms for submitting a single or multiple donations
- Training Best Practices Database: A collection of culturally specific training tips provided by Rotarians worldwide, including information on managing finances (available on [www.rotary.org](http://www.rotary.org))<sup>5</sup>

<sup>5</sup> Training tips in the database are the responsibility of the Rotarians who entered them and are not verified or endorsed by Rotary International.

- RI Club and District Support or finance representative: Staff at RI World Headquarters and international offices available to answer administrative questions and direct other inquiries to appropriate RI and Foundation personnel (contact information listed in the *Official Directory* and at [www.rotary.org](http://www.rotary.org))
- Foundation Contact Center: A team available to answer questions concerning The Rotary Foundation; call 866-976-8279 from North America, or e-mail [contact.center@rotary.org](mailto:contact.center@rotary.org) from anywhere in the world
- District finance committee: Rotarian financial experts who supervise district funds and work closely with the district governor and area clubs
- Assistant governor: Rotarian appointed to assist the district governor with the administration of designated clubs
- Current or past club treasurers and board members: Knowledgeable Rotarians who understand the treasurer's role and the club's procedures and history

# Best Financial Practices

Consider implementing the best practices included in this chapter while serving as club treasurer to help protect your club's assets and to shield you and your club from liability should an issue arise. Consult with the outgoing club treasurer to learn which controls your club already has in place and which may need to be established during your term.

## Risk Management

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Risk management is the process of planning, organizing, leading, and controlling an organization's activities to minimize the adverse effects of accidental losses. As club treasurer, you are in a position to minimize risk and safeguard your club's members and assets. Liability issues and potential penalties are geographically specific, and it is your responsibility to learn the laws regarding financial practices and to make sure your club abides by them. Limit your personal liability and that of your club by answering three basic questions when planning activities and events for your year as treasurer:

- What can go wrong?
- If something goes wrong, how will I or the club respond?
- How will any losses be paid for?

If there is a significant possibility that something will go wrong, you can reduce risk by

- Not conducting the activity or event
- Modifying the activity or event to lessen the risk
- Preparing a plan to address any potential problems
- Finding another organization that will agree to participate and share the risk

Though conducting business through handshakes or verbal agreements may be common, RI strongly recommends that your club use written and signed contracts. A contract attempts to clearly define the roles and responsibilities of each party and can include provisions to limit risk. When negotiating a contract, read it thoroughly to understand what you are agreeing to, and seek legal counsel if necessary. Retain legal documents after the event in case a claim is made.

Clubs are urged to obtain the advice of legal and insurance counsel regarding liability protection, which may come through the incorporation of the club or its activities, or the purchase of liability insurance. General liability insurance for clubs in the United States and its territories is mandatory and administered through RI. Clubs outside the United States should consider acquiring insurance if they do not already have it. See the *Manual of Procedure* (035) for additional information.

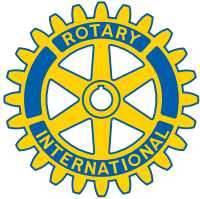
## **Financial Controls**

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Financial controls help clubs function smoothly, ensure that funds are managed properly, and help protect you and your club from allegations of fund misuse. Establishing standard procedures for ongoing duties will also simplify your job as club treasurer. Consider establishing the following financial controls if your club has not already done so:

- E-mail board reports to board members for review to ensure accuracy before presenting them.
- Include time for questions after presenting the monthly finance report to the board.
- Ask the club president to open and review all bank statements before giving them to you.
- Review monthly bank statements, and reconcile transactions with club records.
- Require more than one signature on all checks and withdrawals.
- Update signature requirements as officer positions and other roles change.
- Divide financial responsibilities. For example, appoint different club officers to reconcile bank accounts, maintain the general ledger and review financial statements, sign checks, and deposit and withdraw from accounts.
- Ask that the chair of an event sign for charitable expenses.
- Require board approval for operating expenditures over a certain amount.
- Establish term limits for your club's treasurer position.
- Create a process to ensure that incoming treasurers transition smoothly.
- Develop a method for staying current on local tax requirements and changing laws.
- Appoint a finance committee to provide oversight and help with succession planning.

# Appendix 1: Sample Board Report



**ROTARY CLUB X**  
**Sample Balance Sheet**  
**As of 30 June 20XX**

	<b><u>30 June 20XX</u></b>
<b>Assets</b>	
Cash in bank for operational purposes	\$3,800
Cash in bank for charitable purposes	2,795
Cash in savings	4,300
SUBTOTAL	\$10,895
<b>Fixed Assets</b>	
Laptop computer	\$2,325
LCD projector	875
Other	-
SUBTOTAL	\$3,200
<b>Total assets</b>	\$14,095
<b>Liabilities</b>	
Liabilities payable for meetings: meals	\$300
Liabilities payable to The Rotary Foundation	300
TOTAL LIABILITIES	\$600
<b>Club equity</b>	
Beginning equity	\$8,630
Net income for the year	4,865
ENDING EQUITY	\$13,495
<b>Total liabilities and club equity</b>	\$14,095



**ROTARY CLUB X**  
**Sample Statement of Income/Expenses**  
**For the Year Ended 30 June 20XX**

	For the Month Ended 30 June			For the Year Ended 30 June		
	Actual	Budgeted	Over/(under) budget	Actual	Budgeted	Over/(under) budget
<b>INCOME</b>						
<b>Operations</b>						
Membership dues	\$1,300	\$1,200	\$100	\$15,600	\$14,400	\$1,200
Income from visiting Rotarians	\$175	\$167	\$8	2,100	2,000	100
Admission fees	250	-	250	500	-	500
<b>SUBTOTAL</b>	<b>\$1,725</b>	<b>\$1,367</b>	<b>\$358</b>	<b>\$18,200</b>	<b>\$16,400</b>	<b>\$1,800</b>
<b>Charitable</b>						
Fundraisers	\$4,000	\$800	\$3,200	\$10,000	\$9,600	\$400
Contributions received	300	300	-	\$3,600	\$3,600	-
Investment income	16	10	6	\$180	\$120	60
<b>SUBTOTAL</b>	<b>\$4,316</b>	<b>\$1,110</b>	<b>\$3,206</b>	<b>\$13,780</b>	<b>\$13,320</b>	<b>\$460</b>
<b>TOTAL INCOME</b>	<b>\$6,041</b>	<b>\$2,477</b>	<b>\$3,564</b>	<b>\$31,980</b>	<b>\$29,720</b>	<b>\$2,260</b>
<b>EXPENSES</b>						
<b>Operations</b>						
<b>Meetings</b>						
Meals	\$ 300	\$ 292	\$8	\$ 3,600	\$ 3,500	\$ 100
Other	15	16	(1)	180	200	(20)
<b>SUBTOTAL</b>	<b>\$ 315</b>	<b>\$ 308</b>	<b>\$ 7</b>	<b>\$ 3,780</b>	<b>\$ 3,700</b>	<b>\$ 80</b>
<b>Administrative costs</b>						
Badges	\$ 10	\$ 3	\$7	\$ 50	\$ 35	\$ 15
Banners	35	15	20	200	180	20
Office supplies	30	33	(3)	360	400	(40)
Web hosting	25	27	(2)	300	325	(25)
<b>SUBTOTAL</b>	<b>\$ 100</b>	<b>\$ 78</b>	<b>\$ 22</b>	<b>\$ 910</b>	<b>\$ 940</b>	<b>\$ (30)</b>
<b>Club committees</b>						
Administration	\$ 80	\$ 30	\$ 50	\$ 325	\$ 360	\$ (35)
Membership	30	30	0	360	360	0
Public Relations	128	130	(2)	1,500	1,560	(60)
Service Projects	110	120	(10)	1,320	1,440	(120)
The Rotary Foundation	30	40	(10)	360	480	(120)
Other	3	5	(2)	25	60	(35)
<b>SUBTOTAL</b>	<b>\$ 381</b>	<b>\$ 355</b>	<b>\$ 26</b>	<b>\$ 3,890</b>	<b>\$ 4,260</b>	<b>\$ (370)</b>
<b>Rotary International</b>						
Per capita dues	\$ 125	\$ 104	\$ 21	\$ 1,500	\$ 1,250	\$ 250
Magazine subscriptions	20	21	(1)	240	250	(10)
Insurance	48	50	(2)	600	600	0
<b>SUBTOTAL</b>	<b>\$ 193</b>	<b>\$ 175</b>	<b>\$ 18</b>	<b>\$ 2,340</b>	<b>\$ 2,100</b>	<b>\$ 240</b>
<b>RI and District Meeting</b>						
RI Convention	\$ 1,200	\$ 1,500	\$ (300)	\$ 1,200	\$ 1,500	\$ (300)
District conference	175	17	158	175	200	(25)
Presidents-elect training seminar	645	600	45	645	600	45
District assembly	75	4	71	75	50	25
Other	0	0	0	0	0	0
<b>SUBTOTAL</b>	<b>\$ 2,095</b>	<b>\$ 2,121</b>	<b>\$ (26)</b>	<b>\$ 2,095</b>	<b>\$ 2,350</b>	<b>\$ (255)</b>
<b>Miscellaneous</b>						
Bank charges	\$ 5	\$ 10	\$ (5)	\$ 60	\$ 120	\$ (60)
Flowers	20	20	0	240	240	0
Gifts for retiring officers	125	10	115	125	120	5
Gifts for speakers	15	10	5	175	120	55
<b>SUBTOTAL</b>	<b>\$ 165</b>	<b>\$ 50</b>	<b>\$ 115</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ -</b>
<b>Charitable</b>						
Contributions to charitable or civic activities	\$ 300	\$ 600	\$ (300)	\$ 7,400	\$ 7,200	\$ 200
Contributions to The Rotary Foundation	0	300	(300)	3,700	3,600	100
Service projects	0	200	(200)	2,400	2,400	0
<b>SUBTOTAL</b>	<b>\$ 300</b>	<b>\$ 1,100</b>	<b>\$ (800)</b>	<b>\$ 13,500</b>	<b>\$ 13,200</b>	<b>\$ 300</b>
<b>TOTAL EXPENSES</b>	<b>\$ 3,549</b>	<b>\$ 4,187</b>	<b>\$ (638)</b>	<b>\$ 27,115</b>	<b>\$ 27,150</b>	<b>\$ (35)</b>
<b>NET INCOME</b>	<b>\$ 2,492</b>	<b>\$ (1,710)</b>	<b>\$ 4,202</b>	<b>\$ 4,865</b>	<b>\$ 2,570</b>	<b>\$ 2,295</b>

# Appendix 2: Budget Worksheet

Rotary Club of \_\_\_\_\_

Budget for fiscal year beginning 1 July \_\_\_\_\_

<b>INCOME</b>	<b>Budgeted income last year</b>	<b>Actual income last year</b>	<b>Amount over/ (under) last year</b>	<b>Estimated income this year</b>
<b>OPERATIONS</b>				
Membership dues				
Admission fees <sup>6</sup>				
Income from visitors				
Other income				
<b>Subtotal</b>				
<b>CHARITABLE</b>				
Donations to club for projects				
Club fundraisers				
Other income				
<b>Subtotal</b>				
<b>TOTAL INCOME</b>				

<sup>6</sup> To be based on the estimated number of new members for the year

<b>EXPENSES</b>	<b>Budgeted expenses last year</b>	<b>Actual expenses last year</b>	<b>Amount over/ (under) last year</b>	<b>Estimated expenses this year</b>
<b>OPERATIONS</b>				
<b>Secretary's office</b>				
Badges/engraving				
Postage and post box				
Printing				
Stationery				
Phone/fax				
Annual report				
Web site hosting				
Rent				
Miscellaneous supplies				
Other				
<b>Subtotal</b>				
<b>District dues</b>				
<b>Subtotal</b>				
<b>Rotary International</b>				
Dues				
Subscriptions				
Liability insurance <sup>7</sup>				
RI Convention				
Council on Legislation				
Other				
<b>Subtotal</b>				
<b>Meeting expenses</b>				
Club meetings: speaker gifts				
Club meetings: other				
Presidents-elect training seminar				
District conference				
District assembly				
Other				
<b>Subtotal</b>				

<sup>7</sup> Where appropriate



<b>EXPENSES</b>	<b>Budgeted expenses last year</b>	<b>Actual expenses last year</b>	<b>Amount over/ (under) last year</b>	<b>Estimated expenses this year</b>
<b>Committee expenses<sup>8</sup></b>				
Administration				
Club bulletin				
Membership				
Public relations				
Service projects				
The Rotary Foundation				
<b>Subtotal</b>				
<b>Miscellaneous</b>				
Bank or legal fees				
Government fees				
Flowers				
Road signs				
<b>Subtotal</b>				
<b>Other operational expenses</b>				
<b>Subtotal</b>				
<b>CHARITABLE</b>				
Donations to The Rotary Foundation				
Club projects (list each individually)				
<b>Committee expenses</b>				
Service projects				
The Rotary Foundation				
<b>Other charitable expenses</b>				
<b>Subtotal</b>				
<b>TOTAL EXPENSES</b>				

<sup>8</sup> Committee expenses for managerial or clerical purposes are categorized as operational, whereas those pertaining to service projects or activities are considered charitable.

# Appendix 3: Best Practices Checklist for Treasurers

Completing the items on this checklist can help you ensure transparent and professional financial practices.

## Monthly

- Collect and record dues from club members to pay RI dues (twice a year) and club and district dues (as set by the club and district).<sup>9</sup>
- Perform basic account maintenance, including reconciling bank statements, making deposits, and paying bills in a timely manner.
- Work with club committees to ensure their expenses are within budget.
- Report on the status of club finances in relation to the budget at monthly club board meetings.

## Annually

- Manage the budget developed by the previous treasurer and club board.
- Prepare a budget for the following year.
- Set up separate club bank accounts for operating and charitable expenses, and assign two signatories to each account.
- Make sure the club has a procedure for sending contributions to The Rotary Foundation and dues to Rotary International.
- Be aware of local laws regarding donated funds, and make sure those laws are followed.
- Register the club with the government, if required.
- Submit club tax documentation, if required by the local or national tax code.
- Have the yearly financial report reviewed by a qualified accountant who is not involved with the regular management of club funds.
- Make sure the club has an effective process for learning about financial best practices and that these practices are passed on to incoming officers.
- Ensure that if your club has a foundation, it is managed in accordance with local laws.
- Review the semiannual dues invoices with your club secretary, and help pay the balance by 1 July and 1 January.
- Go through all paper and electronic files at the end of your term. Retain all necessary records for your club's next treasurer, and dispose of other paperwork when appropriate.

<sup>9</sup> Dues can be collected on a weekly, monthly, quarterly, or semiannual basis, as decided by each club.

# Appendix 4: Discussion Questions for the District Assembly

Reviewing the *Club Treasurer's Manual* before you attend the district assembly will help you prepare for your training, which will include facilitated discussion sessions that address the questions below. When considering the questions, refer to earlier sections in this manual, and talk to outgoing and incoming club leaders to compare thoughts.

What are the major responsibilities of the treasurer in your club?

How can you prepare for your term as treasurer?

What potential fundraising activities can your club hold this year, and how will you be involved as treasurer?

Who might be a resource to you in your club and district?

How can you work with your fellow club leaders and committees to manage club funds responsibly?

What is one goal you will work toward in the coming year? How does this support your club's long-range goals?

What potential problems could arise, and how could you address them?



# Worksheet 2: Goals

**Instructions:** Use this worksheet to draft a long-range goal and annual goals for three years to reach the long-range goal. Ensure that your goals are:

**Shared.** Those who participate in setting a goal and developing strategies to achieve that goal are committed to implementing it.

**Measurable.** A goal should provide a tangible point to pursue.

**Challenging.** A goal should be ambitious enough to go beyond what your club has accomplished in the past.

**Achievable.** Rotarians should be able to accomplish the goal with the resources available.

**Time specific.** A goal should have a deadline or timeline.

You will continue working on these preliminary goals with your club teams, using the *Planning Guide for Effective Rotary Clubs* in session 4.

• **Long-range goal** (goal for your club three years from now):

• **Year 1 annual goal:**

• **Year 2 annual goal:**

• **Year 3 annual goal:**

# Worksheet 3: Action Plan

**Instructions:** In the space below, write down one annual goal from your Goals worksheet. Then determine the action steps that need to be taken to meet this goal, noting for each step the person responsible, the timeframe, the signs of progress, and the available resources.

**Annual Goal:**

---

Action Step	Who will be responsible?	How long will this step take?	How will progress be measured?	What resources are available?
1.				
2.				
3.				
4.				
5.				

<b>Resources needed:</b>
--------------------------

# Worksheet 4: Club Treasurer Case Study

**Instructions:** Read the case study below. Then, create a step-by-step financial management plan for the Rotary Club of Marina City Central, using the case study action plan on the next page. Consider the questions below as you develop your plan.

The Rotary Club of Marina City Central will have a new treasurer on 1 July after five years with the same treasurer. The club has a single bank account with US\$5,000 that was transferred to the new treasurer, who is the only name on the account. The last annual financial review in the files is over four years old.

The 46 members pay semiannual dues of \$46.50 per member, including \$25.00 for RI dues and \$8.50 for district dues, \$12.00 for magazine subscriptions, and \$1.00 for Council on Legislation fees. Historically, members are asked to pay their dues in response to an announcement at the weekly meeting and receive a handwritten receipt of payment from the treasurer.

At the beginning of the year, the club's board approved the budget, but a written copy of it cannot be found. When committees incur expenses, they receive reimbursement directly from the treasurer.

For the upcoming year, the service projects committee has already planned three events: a book drive for a local elementary school, with a goal of giving 15 classrooms \$200 worth of books each; painting the community center, which is estimated to cost \$800; and a World Community Service project to install a well in a partner club's community, which requires a \$3,000 donation. The administration committee is proposing that the awards banquet be held as a buffet dinner at a new restaurant, which requires a minimum of \$4,000 (about \$85 per member). The public relations committee is planning to promote Rotary in a local magazine, which will cost about \$5,000.

What kind of financial controls can be established to ensure the businesslike management of finances?

How can the club determine the amount of funds it will need to raise to meet its project objectives?

## Case Study Action Plan

Action Step	Who will be responsible?	How long will this step take?	How will progress be measured?	What resources are available?
1.				
2.				
3.				
4.				
5.				

What did you learn that you can apply to your club?











# Plan your club's future using these guides

**Club Leadership Plan  
Strategic Planning Guide  
Planning Guide for Effective Rotary Clubs**

**Guides are designed to work together. Download at [www.rotary.org](http://www.rotary.org).**



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