

District 7890

Policies and Procedures for Fiscal Matters

The District Fund: The District shall maintain a permanent account and an annual operating account.

- The **permanent account**, also known as the investment account, is the district contingency fund, and amounts from this fund may be used to augment the annual operating account if necessary.
 - Funds in the permanent account shall be invested under the direction of the Finance Committee into a diversified portfolio that meets the investment objective of the District. A portion of the permanent account will be invested conservatively.
 - The signature of the District Treasurer and District Governor shall be required for any withdrawals from this permanent account.
 - Any withdrawals must be agreed upon by a majority of the current voting members of the District Finance Committee.
- The **annual operating account** shall include all the income generated from the dues, club assessments and Rotary International contributions to the district other than foundation-related contributions.
 - There shall be a district checking account which is completely under the control of the current District Finance Committee, provided that the district governor shall appoint Rotarians who are members of a club in District 7890 to serve as District Treasurer, member at large and Finance Committee Chair.
 - The District Treasurer is directly responsible to the district governor and the District Finance Committee
 - The District Treasurer and District Governor shall be authorized signatories for this account.
 - The District Treasurer is the holder of all financial records for the district.
 - The District Treasurer shall ensure there is a sufficient balance in this account to cover cash flow/needs of the district.
- The District Fund shall be financed by all clubs in the district by way of a per capita levy on the members of those clubs. The amount of the levy shall be decided according to section 15.060.2 of the June 2022 Bylaws of Rotary International (Rotary International). The District Finance Committee in any given year will manage district funds with the preeminent goal in mind of delaying as long as possible the necessity of increasing district dues.
- The District Treasurer shall maintain all records consistent with year-end accounting requirements.

District Finance Committee

- Voting members of the District Finance Committee shall include the current:
 - District Governor
 - District Governor Elect
 - Finance Committee Chair
 - District Treasurer
 - One member at large appointed by the District Governor
- Working with the District Treasurer, the governor-elect shall prepare an operating budget for the following fiscal year for presentation to the incoming finance committee in February. The incoming finance committee shall discuss, adjust, and finalize the budget at least six weeks prior to the properly called meeting for adoption.
- The incoming finance committee must review the per capita levy and ensure that it meets district needs.
- The budget shall be in detail, separated by major line items. Income shall be based on anticipated income from membership and RI-related annual sources.
- Expenses shall be district-related expenses to carry out well established district functions for the fiscal year. Budgeted expenses shall be balanced by anticipated income.
- District budgets should include funds to support the District Governor, the District Governor-Elect, District Governor-Nominee, and the District Governor-Nominee Designee (in addition to the governor's allocation from Rotary International), as well as any other District Officers or Committees as they prepare for and perform the responsibilities of office.
- Besides the official RI activities within the district, special club or district events may require the participation of the governor. In accordance with RI policy, the expenses associated with these additional activities should be covered by the club or district.
- The district fund should also be used to defray the expenses of any visit to the district by the RI director or the zone or any other RI or Rotary Foundation officer invited into the district.
- Any commitment for expenditures, which overlaps the terms of two governors, will be submitted as a budgeted line-item to the District Finance Committee. Agreement by the District Finance Committee will be required before the district budget is submitted at the budget approval meeting. The continuing obligation for the next year will automatically become a line item for the incoming district governor's operating budget.
- The District Treasurer shall present the final budget, including the per capita levy, to the presidents-elect at the properly called upon budget approval meeting. The adopted budget shall become the operating budget for the year beginning July 1st following this meeting.
 - Any capital equipment requests for district use by a District Officer or a district committee must be approved by the Finance Committee if it falls outside of their allotted budget. If such capital equipment is

required by a District Officer or Committee, they may lease it for no more than three years. (This includes all requests for either purchase or lease of such items as phones, answering machines, copying & fax equipment, computers, and projection equipment, but does not include the filing equipment to maintain files required by Rotary International.)

- o All equipment issued for committee use becomes the sole responsibility of the committee chair and the committee assumes responsibility for maintenance and repair and associated costs from their line-item budget. The district governor reserves the right to transfer the use of the equipment between various district committees based on current use/needs.
- o Beginning no later than August, the Finance Committee shall meet at least quarterly, or more frequently, as needed or requested by any voting member of the District Finance Committee or District Financial Oversight Committee.

District Fiduciary reporting and operating procedures

- Unexpended funds in the District's approved budget
 - o District operating budget unrestricted reserves will be limited to an amount not to exceed the budget approved for the fiscal year applicable. Any income in excess of expenses, on June 30th, will be returned to the member clubs. This reimbursement will be calculated by dividing any excess funds by the number of members as of July 1st of the following Rotary year. This will appear as a per member credit on the District dues invoice for the following Rotary year.
 - o Earnings from reserves remain in the reserve account until needed.
- Requests for additional funds for any purpose beyond the approved line-items in the budget require the approval of the majority of the Finance Committee present and voting at a properly called meeting.
- Prior to June 30th, or an alternate date agreed upon by the governor-elect, the outgoing governor shall transmit to the governor-elect a complete inventory of all equipment, machines, slide kits, etc., owned by the district, together with their location and an estimate of their condition, and shall make arrangements to turn all items over to the governor-elect on a timely basis.
- Requests and reports by committees, officers, and other individuals
 - o All committees must submit requests to the District Treasurer prior to committing any district funds for committee programs and projects unless such programs and projects appear as line-items in the approved budget.
 - o Committees, officers, and other individuals must receive prior approval from the District Treasurer and the District Governor before signing any contracts which in any way involve the district or obligate expenditure of district funds. Any contract or obligation of district funds requires the signature of the District Treasurer.

- o All committees within the district with an expense budget and/or operating account will submit on a quarterly basis an accounting of the funds used for the prior quarter to the District Treasurer for review, reconciliation, and consolidation with the overall district financial reporting. Bank statements must be sent directly to the District Treasurer.
- o If the district raises funds for a specific purpose, either within the district or multidistrict, a budget should be prepared and submitted to the finance committee for approval. Any separate bank accounts should have at least two signers, one of which will be the Committee Chair and another duly appointed committee member, or the District Treasurer.

Annual Statement and Report of District Finances:

- The District Governor is responsible for and submission of financial statements.
- The District Treasurer shall have prepared and promptly submitted to the incoming District Financial Oversight Committee and District Governor a financial statement covering the District Fund, including both the permanent and operating accounts, and any other accounts held by committees of the district.
- The District Treasurer must provide an annual statement and report of the district finances, which has been independently reviewed, to each club in the district at the following District Business Meeting. This statement must be reviewed and approved by the district financial oversight committee.
- The District Treasurer must provide an annual statement and report of the district finances, which has been independently reviewed, to Rotary International in accordance with their policies and procedures.
- None of the following are allowed to serve on the financial oversight committee for the year in which they serve in these positions:
 - o Signatories of district bank accounts
 - o Members of the District Finance Committee.
- The financial activity of any district function, which may have its own treasurer, bank account, and/or budget, must be reported to the District Treasurer and must be subject to financial oversight and reporting in the same manner as district budget line items.
- Every committee, which may have its own treasurer, bank account, and/or budget, must report to the District Treasurer at least quarterly and is subject to financial oversight and reporting in the same manner as district budget line items.

Form of payments:

- All payments to the District shall be made by check, money order, credit card, other electronic method, or in some other form acceptable to the District Finance Committee.
- Contributions made by clubs to The Rotary Foundation shall be via Rotary Direct, by checks payable to The Rotary Foundation, or in some other form acceptable to the foundation, and should be sent directly to The Rotary Foundation, accompanied by requisite forms if necessary.

District Dues:

- The per capita levy on each club, District Conference Assessment, and NEPETS assessment paid to the district operating account as district dues, shall be billed by the District Treasurer during the current Rotary year
- Clubs shall remit dues to the district in accordance with membership figures reported to Rotary International as of July 1st of the current Rotary year.
- District dues invoices should be sent to each club during the current Rotary Year. District dues and all other invoiced items should be remitted to the District Treasurer no later than 30 days following the date invoiced. If these dues payments are not received by within 30 days, then a one (\$ 1) dollar per member per month assessment may be levied on the club. If payment is not received within 60 days, the district governor may petition the RI Board to suspend the Charter of that specific club.

Expenses of District Governor, Governor-elect and Governor-nominee:

- The District will reimburse any Rotary International-authorized expense for the district governor, governor-elect and governor-nominee, all of whom shall comply with Rotary International's expense reimbursement policies.
- The district governor-elect shall be reimbursed for expenses associated with attending the Rotary International Convention in the year just prior to assuming the office of district governor.
- The district governor, the district governor-elect, and the district governor-nominee shall be reimbursed for expenses associated with attending the Zone Leadership Forum and Institute.
- Reimbursement is allowable up to the maximum dollar amount of the line item being utilized for the reimbursement.

Management of Rotary International Funds designated to the District Governor, District Governor-Elect and District Governor Nominee

- Each District Governor is allotted a budget from Rotary International to cover their expenses during their terms as District Governor, District Governor-Elect and District Governor Nominee. During their term as District Governor-Nominee a bank account will be opened for this purpose, and the signatories shall be the District Treasurer and Finance Committee Chair. The District Governor, District Governor-Elect, or District Governor Nominee may not serve as signatory on these accounts.
- This account shall be funded initially by a reimbursable amount from the District operating account. Once funds are received from Rotary International, this amount shall be reimbursed to the District operating account.
- Reimbursements will be made in accordance with current Rotary International guidelines at the time of the expense. All expenses, with the exception of mileage, must include a receipt
- The District Treasurer shall maintain this account and process reimbursements.
- The District Governor is responsible for completing and submitting all statements and/or reports to Rotary International in accordance with their guidelines and procedures.