

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.
 - The district governor and the two most recent past district governors, retaining active membership in a Rotary Club in District 7890, serve as the trustees of this account.
 - Funds in the reserve account shall be invested under the direction of the Finance Committee by the Investment Subcommittee into a diversified portfolio that meets the investment objective of the District. A portion of the reserve account will be invested conservatively.
 - The signature of the current governor and one of either of the other two trustees shall be required for any withdrawals from this reserve account.
- 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 governor, provided that the district governor shall appoint a Rotarian who is a member of a club in District 7890 to serve as district treasurer.
 - The district treasurer is directly responsible to the district governor and shall expend funds only upon authorization of the governor.
 - The district treasurer is the holder of all financial records for the district.
 - The 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 at the District Training Assembly upon the approval of three-fourths of incoming club presidents present or represented by proxy.
- The district governor in office in any given year will manage district funds, in cooperation with the treasurer, with the preeminent goal in mind of delaying as long as possible the necessity of increasing district dues.
- The district governor and the district treasurer shall maintain all records consistent with year-end accounting requirements.

District Finance Committee

- 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 District Assembly.
- 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 governor, the governor-elect and the governor-nominee (in addition to the governor's allocation from Rotary International) 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 Finance Committee. Agreement by the sitting governor and the governor-elect will be required before the district budget is submitted to the District Assembly. The continuing obligation for the next year will automatically become a line item for the incoming district governor's operating budget.
- The governor-elect shall present the final budget, including the per capita levy, to the presidents-elect at the District Training Assembly, and, upon adoption by three-fourths ($\frac{3}{4}$) of the incoming presidents present at the District Assembly, the adopted budget shall become the operating budget for the year beginning July 1st following the District Training Assembly.
 - Any capital equipment request for district use by the governor or a district committee must be approved by the Finance Committee. If such capital equipment is needed by the governor, he or she 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.)
 - 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 the 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.
 - Beginning no later than August, the Finance Committee shall meet at least quarterly, or more frequently, as needed or requested by the district governor or the district governor-elect.

District Fiduciary reporting and operating procedures

- Unexpended funds in the governor's approved budget
 - District operating budget unrestricted reserves will be limited to an amount not to exceed the budget approved at the District Assembly for the fiscal year applicable. Any income in excess of expenses will be transferred to designated or restricted reserves.

- 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 meeting called by the district governor.
- 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, tapes, 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
 - 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.
 - Committees, officers and other individuals must receive prior approval from the district treasurer before signing any contracts which in any way involve the district or obligate expenditure of district funds. A purchase order furnished and signed by the district treasurer must accompany any contract.
 - All committees within the district with an expense budget and/or operating account will submit on a monthly basis **both** cancelled checks **and** an accounting of the funds used for the prior month to the treasurer for review, reconciliation and consolidation with the overall district financial reporting. Bank statements must be sent directly to the district treasurer.
 - 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. This budget should be included in the statement that the finance committee submits to the district assembly or conference. It is essential to maintain separate bank accounts for specific funds and to designate the chair of the appropriate committee as one of the signatories.

Annual Statement and Report of District Finances:

- The governor shall have prepared and promptly submit to the incoming 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 governor must provide an annual statement and report of the district finances that has been independently reviewed to each club in the district within three months of the completion of the governor's year in office and to the next district conference. This statement must be reviewed and approved by the district financial oversight committee.
- None of the following are allowed to serve on the financial oversight committee for the year in which they serve in these positions: signatories of district bank accounts and members of the 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 monthly and is subject to financial oversight and reporting in the same manner as district budget line items.

Form of payments:

- All payments by Rotarians and/or clubs to the District shall be made by check, money order, or in some other form acceptable to the district governor and the district treasurer.
- 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 that foundation, and should be sent directly to The Rotary Foundation, accompanied by requisite forms.

District Dues:

- The per capita levy on each club, paid to the district operating account as district dues, shall be billed by the district treasurer no later than September 15th.
- Clubs shall remit dues to the district in accordance with membership figures reported to Rotary International and the district as of July 1st.
- District dues invoices should be mailed to each club no later than September 15th. District dues and all other invoiced items should be mailed to the district treasurer no later than October 15th. If these dues payments are not received by October 31st, then a one (\$1) dollar per member per month assessment will be levied on the club. If payment is not received by January 15th, the district governor will 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 and spouse/partner 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 and spouse/partner, the district governor-elect and spouse/partner, and the district governor-nominee shall be reimbursed for expenses associated with attending the Zone Leadership Forum and Institute.
- Reimbursement for this document means reimbursement is allowable up to the maximum dollar amount of the line item being utilized for the reimbursement.