

Rotary District 5170 Finance Guidelines and Procedures

Summary: Rotary District 5170 serves as the fiscal agent for funds entrusted by Rotarians, Rotary Clubs, and Rotary International. The highest level of financial management and sound business practices are expected of all individuals entrusted with the funds of Rotary District 5170 and related activities. The policies and procedures outlined in this document ensure that Rotary District 5170 and the District Governor has guidelines that are transparent and consistent. The Finance Policy and Procedures is intended to augment the policies outlined in the District 5170 Policy Manual: approved revision/addendum October 3, 2022.

I. Roles:

- A. **District Governor** – the District Governor is an Officer of Rotary International for Rotary District 5170. The District Governor is held accountable for overall finances of the District including, but not limited to, Rotary International grants; Rotary District Foundation; Youth Exchange, Interact, and District general and restricted accounts.
- B. **District Treasurer** – the District Treasurer is responsible for the monthly financial reporting for the District and works in conjunction with the District Governor, District Administrator, and the Finance Chair to ensure that revenues and expenditures are in keeping with the District budget and financial operations meet the criteria set by the policies and procedures of Rotary District 5170.
- C. **District Assistant Treasurer** – the District Assistant Treasurer works in conjunction with the District Treasurer to provide a smooth transition to the position of District Treasurer and to provide support to the current District Treasurer.
- D. **District Foundation Treasurer** – the District Foundation Treasurer is responsible for the monthly financial reporting for the District Foundation and works in conjunction with the District Governor, District Treasurer, and the District Administrator to ensure that revenues and expenditures are in keeping with the criteria established by the policies and procedures of the Rotary District Foundation.
- E. **District Finance Chair** – the District Finance Chair, in conjunction with the Finance Committee, reviews the monthly financials. If there are no incongruities, the Finance Committee approves the financials and distributes a copy of the actual to budget to each selected District Committee Chair following approval by

the Finance Committee through the District Administrator. The District Finance Chair will schedule meetings of the Finance Committee monthly.

- F. District Administrator** –The District Administrator is responsible for timely processing of check requests and ensures that documentation is included to qualify all requests for reimbursement. The District Administrator is the point of collection for checks, cash, and other receipts and promptly records the amounts and descriptions in the deposit ledger or accounting software and deposits the funds. The District Administrator educates and communicates District financial guidelines and District policy.
- G. District Committee Chairs** –District Committee Chairs receive a monthly actual to budget for their selected committees and provide approval on reimbursement requests if within the allocated budget and intent of the committee goals and objectives. The District Committee Chair will ensure that all receipts by the committee are submitted to the District with a Check Request Form no later than 30 days after the respective activity/event.
- H. District Bookkeeper** –The District Bookkeeper works in conjunction with the District Administrator and the District Treasurer to ensure that all transactions are reviewed in advance by the District Administrator and the District Treasurer. The District Bookkeeper is charged with generating of checks, reconciling bank statements, and reviewing all details in accounting software. The District Bookkeeper ensures that all bank statements are gathered each month for reconciliation and all transactions are posted according to the supporting documentation. Further, it is the responsibility of the District Bookkeeper to review all checks with the District Treasurer, ensure that a two-signer process is being followed, and to provide copies of the bank reconciliations each month to the District Treasurer.

II. Finance Guidelines and Procedures:

Income – Cash, check, credit card processing:

- A.** Rotary District 5170 will bill all clubs in the District for dues to cover expenses for the operation of the District. The District Administrator will work with the Bookkeeper to issue bills during January and July of every year. Checks are made payable to Rotary District 5170 and are submitted to the District office within 30 days of notice.
- B.** Rotary District 5170 receives and reconciles all cash, checks, and credit card transactions. Checks are received at the Rotary District Office, entered the deposit register or accounting software as received, endorsed, and prepared for deposit.
- C.** The District Administrator, in the role of District Registrar, reviews and

recommends processes in advance of any District-related event to ensure that proper credit is applied when payments are received at the District office.

- D. All checks related to any Rotary District 5170 activity or event are made payable to Rotary District 5170.
- E. Cash, checks, and credit cards and Paypal receipts will be logged, entered into accounting software, and prepared for deposit as necessary.
- F. The District Administrator will work with the District Bookkeeper to secure an event/activity reconciliation report to demonstrate sales to revenue by the selected District Chair within 30 days of the program or event. The reconciliation shall include the number in attendance, any items sold, sponsors, etc. which will be provided by the District Administrator and reconciled by the District Bookkeeper against activity recorded in the financial ledger. All funds from each event shall be turned in promptly, but no later than 30 days from the event. Expenses shall be supported by a receipt. Event vendors should be paid directly by the district. Expense reimbursements may be delayed or denied if an event chair fails to provide and event/activity reconciliation report or reimbursement requests within the required timeframe.
- G. The District Bookkeeper, District Treasurer and District Administrator work in tandem to create a checks and balances system that ensures that revenue is being recorded timely and accurately.

Expenses – Reimbursement requests and District expense processing.

- A. All check requests are reviewed by the District Administrator to validate that receipts match the request, that the District Committee Chair and District Governor has signed the request, and that the request is within the budgeted amount. If the District Governor has made the request, the request shall be approved by the District Treasurer. If the check request is for a new vendor (and is not a reimbursement), the District Administrator will collect the forms required to add a vendor and submit them along with check request.
- B. All reimbursement receipts are expected to be directly related to the Committee activity in furthering the goals of Rotary District 5170.
- C. All checks require two signatures. Any items paid electronically require two approvals before payment can be released.
- D. Every District Committee Chair will ensure that requests for reimbursement will be submitted no later than 30 days after the activity/event. All receipts will be processed no later than 30 days from the date of any District-related event. It is the responsibility of every District Committee Chair to monitor their budget and be diligent in ensuring that all invoices are submitted to the

District Administrator within the required timeframe.

- E. Any purchase in excess of \$1,500 must be approved by District Governor. The District Administrator shall inform the District Treasurer of these events and amounts as they occur.
- F. Any District contract in excess of \$2,500 must be approved by the District Governor with a copy retained by the District Administrator and reported at the Finance Committee meeting; however, the District Treasurer shall be informed of these events by the District Administrator as they occur.
- G. No purchases outside of the District budget are permitted without approval by the District Governor. In the case of purchases by Youth Services that are within the approved budget, the purchases must be approved in advance by the Youth Services Chair. Any amounts exceeding the approved budget must be approved by the District Governor.
- H. Any adjustments to the financials outside of normal operating procedures or greater than \$1,500 are to be reviewed and approved by the District Treasurer PRIOR to booking.
- I. The District Administrator will conduct a brief overview with the organizers of any activity/event to ensure understanding and adherence to District policy and financial guidelines.

Transfer of funds -- Fund transfers between accounts are initiated by the District Treasurer. Documentation of transfers are entered into accounting software. Excess operating funds are maintained in the District's savings account.

Interact funds are deposited to the Interact savings account and are transferred as needed to the general account to pay for Interact expenses. Youth Exchange funds are deposited to the Youth Exchange checking account at the selected bank. A check is generated from the selected bank account payable to District 5170 to be deposited to the general checking account to reimburse any Youth Exchange expenses.

Rotary International funds for pass-through grants to District clubs are deposited by wire transfer to the Rotary International selected bank checking account. Club grant disbursements are made from the RI selected bank checking account upon receiving the request from the RI Grant Chair.

Payroll:

1. District Bookkeeper prepares payroll twice monthly.
2. District Treasurer reviews and approves payroll to be processed.
3. Payroll schedule runs 1st – 15th and the 16th through the last day of the month.
4. Employees are paid on the 15th and the last day of the month.

5. Employee pay rate changes are to be approved by the District Governor.

Financials – Timely reporting to the District Leadership

- A. The Finance Committee will meet monthly with the District Treasurer, District Bookkeeper, and District Administrator and review the financials and supporting documents including, but not limited to, recent Balance Sheets, P&Ls, and contracts approved by the District Governor. Other documentation, such as bank statements and reconciliations supporting balance sheet accounts, shall be provided upon request,
- B. The Finance Committee will review cash and reserve funds at least annually and recommend an investment plan to ensure liquidity and sound investment of funds.
- C. The Finance Committee will recommend to the District Governor elect short- and long-range finance strategies to accomplish the Rotary District 5170 Strategic Plan.
- D. To ensure collaboration on all District-related financial transactions, the District Treasurer or Assistant Treasurer for the District will attend the District Foundation Board meetings.

Bank and CD Accounts:

- A. Rotary District 5170 funds are deposited into Federally-insured accounts with amounts not to exceed limits of federally-insured funds.
- B. All statements are emailed or mailed to the Rotary District Office and a copy is kept with the account reconciliation. The bookkeeper is responsible for filing the statement with the account reconciliation.
- C. Signature cards are updated annually and may include the District Governor, District Governor Elect, Lieutenant Governor, District Governor Nominee, District Treasurer, and District Finance Chair.

Rewards Programs:

In the case where Rotarians who use personal credit cards as payments for the guarantee of large events (District Conference, Avenues of Service, Rotary U, etc.) where Frequent Flyer Miles or other Rewards is an option, Rotary District 5170 reserves the right to claim such Miles or Rewards.

Debit and Credit Cards:

Use of personal credit cards is discouraged, and every attempt should be made to qualify the District as a trade vendor of the venue or service provider. Further, every attempt should be made to process payments via checks and payment of last resort is considered on the District debit card for payment and guarantees of large District events. Other acceptable Debit Card uses are recurring charges to ensure continuity in service. The District Debit Card is held by the District Treasurer and District

Governor.

Club Stimulus Plan:

In an effort to support the formation of new clubs, Rotary District 5170 provides a Club Stimulus Plan with stated requirements of attendance by the President-Elect to Presidents Elect Training and a subscription to ClubRunner. In the event that the Club Stimulus Plan is no longer economically feasible or relevant to the District, the program may be discontinued under the direction of the District Governor.

III. Guide for reimbursements to District Governor, Governor-elect, Governor Nominee, and Past District Governor

Certain expenses to cover required attendance at trainings will be reimbursed by Rotary District 5170. The following items are a District-approved policy and remains in effect and is budgeted each year to support the following:

District Governor:

- A. Zone Institute (including partner) - Registration, Transportation, Meals & Lodging.
- B. PETS - Registration, Transportation, Meals & Lodging, and Dinner with the Zone Director
- C. District Conference (including partner) - Lodging and Meals and PDG meeting/meal
- D. RI Convention (including partner) - Registration, Transportation, Meals & Lodging
 - o District Event at the International Convention (including partner) where District Governor is official host
 - o FarWest-event (including partner)
 - o Other events that District 5170 supports (i.e. All African Breakfast)
- E. Rotary International Institute, preceding the Convention (including partner) for Registration, Transportation, Meals & Lodging
- F. Uniendo America (Central America) Project Faire (including partner) Registration, Transportation, Meals & Lodging
- G. Past Officer Reunion (including partner) Registration, Transportation, Meals & Lodging Annual Past District Governor's Mid-Year Report Meeting (including partner)
- H. Official Club Visits (including partner) for Hotels and Meals
- I. Additional Official duties (including partner) for Hotels and Meals
- J. Mileage at current IRS rates to conduct official duties as District Governor
- K. Authorized Rotary International and District expenses
- L. Cell phone expenses

District Governor-elect:

- A. Purchase of Official Rotary International Jacket
- B. GETS (including partner) - Registration, Transportation, Meals and Lodging
- C. Zone Institute - immediately following GETS (including partner) -Registration, Transportation, Meals, Lodging
- D. PETS - Registration, Transportation, Meals and Lodging, Dinner for the District Governor Nominee and the District Governor Elect

- E. District Conference (including partner) - Lodging and Meals and Past District Governor's meal/ event
- F. Annual Past District Governor's Mid-Year Report Meeting – amount in excess of \$25 per person including Rotary Partner will be covered
- G. Rotary International Convention (including partner for Registration, Transportation, Meals & Lodging;
 - o FarWest event (including partner)
 - o District Event at the International Convention (including partner)
- H. Rotary International Institute, preceding the Convention (including partner) for Registration, Transportation, Meals & Lodging
- I. International Assembly (including partner) - Lodging, Meals, and Transportation paid by Rotary International and is not reimbursed by the District An allowance for gifts to be exchanged (not to include donations to the Rotary Foundation)
- J. District Leadership Team events
- K. Rotary International, Zone, and District Pins
- L. Business Cards and Stationery
- M. By approval of the District Governor, reimbursement for mileage for Club visits not to exceed budget allocated for District Governor-elect expenses.

District Governor-Nominee:

- A. GNATS and Zone Institute (including partner) Transportation, Meals, Lodging, and Registration.
- B. PETS Registration, Transportation, Meals and Lodging
- C. Past District Governor's meal/meeting held at the District Conference (including partner)
- D. Annual Past District Governor's Mid-Year Report Meeting – amount in excess of \$25 per person including Rotary partner will be covered.

District Governor Nominee Designate:

- A. Past District Governor's meal/meeting held at the District Conference (including partner)
- B. Annual Past District Governor's Mid-Year Report Meeting – amount in excess of \$25 per person including Rotary partner to be covered.
- C. Recommendation to delay all other expenses until becoming District Governor Nominee

Past District Governor:

- A. District Conference (including partner) for Registration and scheduled meals if requested.
- B. Annual Past District Governor's Mid-Year Report Meeting – amount in excess of \$25 per person including Rotary partner to be covered.
- C. Zone Institute: Registration, lodging, transportation, and meals for Immediate Past District Governor only.

Historical recap of dues increased to Clubs (2010 – Present):

2010-2011:	\$32/member + \$10/member District Conference	\$42 per year
2011-2012	\$35/member + \$10/member District Conference	\$45 per year
2012-2013	\$38/member + \$10/member District Conference	\$48 per year
2013-2014	\$41/member + \$10/member District Conference	\$51 per year
2014-2015	\$43/member + \$10/member District Conference	\$53 per year
2015-2016	\$44/member + \$10/member District Conference	\$54 per year
2016-2017	\$45/member + \$10/member District Conference	\$55 per year
2017-2018	\$45/member + \$10/member District Conference	\$55 per year
2019-2020	\$45/member + \$10/member District Conference	\$55 per year
2020-2021	\$44/member + \$10/member District Conference	\$54 per year
2021-2022	\$45/member + \$10/member District Conference	\$55 per year
2022-2023	\$45/member + \$10/member District Conference	\$55 per year
2023-2024	\$45/member + \$10/member District Conference	\$55 per year

ADDENDUM

Recommendations for District Physical Address, Debit Card, Bank Onboarding

(Approved on October 3, 2022, Finance Committee Meeting)

District Physical Address

- The current District Treasurer’s (DT) address will be used during the Rotary Year.
- On June 1st, the current DT will process the address change for organizations that require the physical address information (e.g.: Bill.com, bank accounts)

Debit Card

- Only the District Treasurer will be issued a debit card.
- On June 1st, the current District Treasurer will request Wells Fargo Bank to issue the debit card and to cancel the existing ones.
- All recurring subscriptions, if any, will be updated with the new debit card information once available.

Bank Onboarding – Wells Fargo Bank Accounts

- In the first week of May, the District Governor-Elect (DGE) and incoming District Treasurer (IDT) will be given notice (by the current District Treasurer/District Administrator) that they may need to go to a Wells Fargo Bank branch in the month of June to accomplish the KYC (Know Your Customer) requirement so they can be added as signatories to the bank accounts. The current Treasurer will contact our Wells Fargo Relationship Manager and introduce the incoming DGE and IDT via e-mail. The DGE and IDT will confirm with our Relationship Manager if they will need to visit a branch or if there is adequate information in Wells Fargo files (which could be the case if the DGE or IDT have an existing relationship with Wells Fargo).

- Starting June 1st, the DGE and IDT will be added as signatories to the District Bank accounts with full access to the Wells Fargo Bank CEO Business Portal once KYC requirements have been fulfilled.
- On June 1st, the Immediate Past District Governor and Immediate Past Treasurer will be removed by the current Treasurer as signatories to the bank accounts.
- On June 1st, the process of adding the DGE and District Assistant Treasurer (DAT), if available, to the Wells Fargo Bank CEO Business Portal will be initiated by the District Treasurer. The DGE and DAT will be given viewing access only.
- On June 1st, the incoming District Interact Chair will be added as a signatory to the Interact Checking account once KYC requirements have been met.
- No later than August 1st, the immediate past District Interact Chair will be removed by the DT as a signatory to the Interact Checking account.

Bank Onboarding – First Republic Bank CD Account

- In the first week of May, the DGE and IDT will be given notice (by the current District Treasurer/District Administrator) that they will have to accomplish the KYC (Know Your Customer) requirement of First Republic Bank (can be done online) so they can be added as signatories to the bank accounts.
- Starting June 1st, the DGE and IDT will be added as signatories to bank account, pending the KYC requirement.
- On June 1st, the Immediate Past District Governor and Immediate Past Treasurer will be removed by the current Treasurer as signatories to the bank account.

Bill.com Onboarding

- Starting May 1st, the District Governor-Elect and incoming District Treasurer will be added as users to Bill.com by the District Bookkeeper. They will be given view access and it is strongly recommended that they login and familiarize themselves with the platform. The District Bookkeeper will assign them full access starting July 1.
- On June 30th, the Immediate Past District Governor and Immediate Past Treasurer will be removed as users on Bill.com by the District Bookkeeper.