



## Finance Policy

Approved and Adopted by the Executive Committee on  
December 17, 2024

## **ARTICLE 1 GENERAL PROVISIONS**

This Finance Policy is intended to give procedural guidelines, in cooperation with the District's Bylaws, to Rotary International District 5450, Inc., and the Finance Committee ("FC") in particular. However, this Policy document is superseded by any provisions or interpretation of the Bylaws, particularly Articles 4.3 and 6.

**1.1 District Budget Approval.** The District budget must be approved annually in accordance with District Bylaws.

**1.2 District Budget Transfers.** Funds may be transferred from one budget account to another by the DG with approval in advance of the FC if in excess of \$5,000. Should the District budget change for any reason, the Treasurer shall present the revised budget to ExCom for approval.

**1.3 District Event Review.** District events subject to FC review are those events where expenses are budgeted to be in excess of \$1,000.

- a. Except for the District Conference, the event chair must submit a budget for the event to the Finance Committee at least thirty (30) days prior to the event for review.
- b. Except for the District Conference, the event chair must submit a written accounting of the event to the Treasurer within thirty (30) days following the event.

**1.4 District Conference Review.** The District Conference is subject to FC review.

- a. The chair of the District Conference committee must submit a budget for the Conference to the FC at least thirty (30) days prior to the October ExComm meeting for review.
- b. The chair of the Conference committee must submit a written accounting of the Conference to the Treasurer within sixty (60) days following the Conference.

**1.5 District Event Proceeds.** Per section 6.5 of the District bylaws, any proceeds of District Events where the District is responsible for the financial outcome of the event will accrue to the District Fund, and monies in the District Fund may be deposited in various accounts as recommended by the FC and authorized by the ExComm.

**1.6 District Fund Expenditures.** Expenditures that align with the approved budget do not require further authorization. The Treasurer will alert when budgets approach 90% expenditure to prevent overages.

**1.7 Budget Overages.** If a known committee expense is to be exceeded by more than ten percent (10%) of the committee's budget, then approval in advance from the FC is required.

**1.8 Check Writing Authority.** Only the DG, DGE and Treasurer have check signing authority.

**1.9 Two Signatures.** Two signatures or written approval are required for any expenditure in excess of \$5,000.

**1.10 Credit Card Usage.** Only the DG, Treasurer and Operations Manager are authorized to use the District credit card for approved budgeted items as relates District business.

**1.11 Committee Budgets.** Each Rotary year, pursuant to the District Bylaws, all committee chairs are required to submit their budgets for next fiscal year to the FC by December 31.

**1.12 Budget Spending.** Committee chairs are allowed to use their budget money for:

- a. A directly related committee expense.
- b. In accordance with this Finance Policy.

**1.13 Committee Expenditures.** Per the expense reimbursement form, all committee expenditures require committee chair signature.

**1.14 Reimbursement Requests.**

- a. An electronic approval system shall be utilized for expenditures and reimbursements to ensure a verifiable, time-stamped audit trail.
- b. All expense reimbursement requests must be submitted to the Treasurer and include:
  - 1) Requesting member and title
  - 2) Payee
  - 3) Purpose
  - 4) Amount
  - 5) Receipts/documentation
  - 6) Committee chair signature, if appropriate

**1.15 PETS Expenses.** AGs and the LG(s) will be reimbursed by District at 50% of the per night room cost with submission of a (zero balance) paid room portfolio.

## **ARTICLE 2 DISTRICT GOVERNOR EXPENSES**

**Purpose:** This section of the financial policy defines the procedures and guidelines for incurring and reimbursing expenses related to the duties of the DG within the District.

**Scope:** This policy addresses all expenses incurred by the DG during their term of office, as per the responsibilities outlined in the RI Bylaws and Rotary Code of Policies. It shall also address expenses incurred during the DG-elect (DGE) and DG-nominee (DGN) years, when availability of funds allows.

### **2.1 DG Allocation**

- a. To cover governor-related expenses, District receives money from Rotary International, the “DG Allocation”, and typically will also budget additional funds. Previously RI had strict guidelines for allowable expenses and more recently relaxed these in favor of a district-determined policy. The spirit of these funds is to make the governor role less financially cumbersome since the responsibilities include significant travel and in-person meetings.
- b. District’s first priority with the DG Allocation funds is to support the current DG, and then the DGE and DGN if funds are available. In advance of knowing if funds are available, requests for reimbursement by the DGE and DGN may be approved for reimbursement from the District Fund. Such reimbursement requests can be made at any time during the fiscal year. To facilitate prompt reimbursement, payments made to the DGE and DGN from the District Fund may be held in a temporary receivable account on the balance sheet and expensed before year-end from the current-year DG Allotment, if DG Allotment funds are available, and if such funds are not available then the receivable may wait until the next fiscal year when new DG Allotment funds are available to expense the receivable.

### **2.2 District-Budgeted (non DG Allocation) Expense Reimbursements**

Allowable reimbursements include any allowed via the DG Allocation funds in section 2.4. In addition, the District budget may specify additional allowable expenses.

### **2.3 Eligible/Allowable Expenses**

- a. Eligible expenses for reimbursement include but are not limited to:
  - 1) Hotel, meals, and transportation for official club visits. Reimbursement for miles driven is at the IRS approved rate, and this rate covers any fuel cost.
  - 2) Registration fees, meals and accommodation for attending District, Zone and Rotary meetings, trainings and conferences.
  - 3) Personal meal expenses while completing official duties

- 4) Reasonable meal expenses for a group when conducting District planning meetings with District leadership.
  - 5) Expenses to host a hospitality suite, if approved in advance by District.
  - 6) Monthly communication costs such as internet and phone required for District operations.
  - 7) Costs associated with virtual meetings, including subscription fees, video production equipment and technical services.
  - 8) Reasonable office supplies and equipment such as laptops, printers and related peripherals necessary for the performance of district duties.
  - 9) Governor's official attire and associated tailoring.
  - 10) Small gifts given to clubs and Rotarians in the course of official duties.
  - 11) For travel, airfare reimbursement is for standard economy class. Baggage costs, obtaining visas, gratuities and internet access are all eligible.
- b. Expenses that are not eligible for reimbursement include but are not limited to:
- 1) Expenses for individuals other than the DG/DGE/DGN, unless specified as eligible.
  - 2) Staff salaries or compensations.
  - 3) Monetary donations or purchases made for donation purposes.
  - 4) Automobile maintenance or repairs, unless mandated by local law.
  - 5) Expenses incurred after a DG's term ends on June 30th of their service year.
  - 6) Any exceptions to the above policies may be considered on a case-by-case basis by the Finance Committee, requiring a written request from the DG/DGE/DGN outlining the circumstances and justification.

## **2.4 Reimbursement Process**

- a. **Submission of Requests:** All reimbursement requests must be submitted to the Operations Manager using the official expense reimbursement form provided by the District. The Operations Manager will then prepare and submit the reimbursement request to the Treasurer.
- b. **Documentation:** Requests must include detailed documentation, including itemized receipts, proof of payment, and a clear explanation of how each expense relates to the District responsibilities.
- c. **Approval:** The Treasurer, as a member of the FC, will review requests and may approve and pay as long as the request is within Policy guidelines and supported with receipts. If uncertain, the Treasurer is encouraged to ask the chair of the FC for clarification of any expense eligibility.
- d. **Timeframe:** Reimbursement requests must be submitted within 60 days of incurring the expense.
- e. **Payment:** Upon approval, reimbursements will be issued within 30 days.
- f. **Reporting:** Quarterly, the Treasurer will provide to the FC a report of approved reimbursement requests.

**ARTICLE 3**  
**POLICY MANAGEMENT AND COMPLIANCE**

**3.1** Annual reviews/audits of the District accounts shall be conducted to ensure adherence to this Finance Policy.

**3.2** A financial management system will be implemented for tracking, reporting, and auditing.

**3.3** The FC shall develop a transition plan for outgoing and incoming Treasurer, including handover procedures and training for seamless continuity.

**3.4** The FC shall perform an occasional review of this Finance Policy to address any deficiencies and incorporate changes based on feedback.