



District 6420 Foundation Financial Review Committee Revised Report of the Financial year 2024-25

The following is a revised final report which relating to the committee findings and recommendations for the Foundation financial review the year of 2024-2025. A review was done electronically and all the committee members approved this report without exception. The purpose for the committee is to review the District 6420 administration of grant activities and programs, in compliance with RI document 300-EN, Section 5 Summary: Annual Financial Assessment for Rotary Year 2024-25.

Committee Members Reviewing:

Beth Thacker
Member
Steve Bouslog
Member
Jenny Redington
Member
Laura Kann
PDG and District Foundation Chair
Robert Canfield
FFRC Chair 2024-2025

Copy to Members of Foundation Committee

Melissa McCormick, District Governor
Dave Emerick, Paul Harris Society Chair
Jim Stoddard, Major Donors Chair
Kelly Giovanine, District Grants Chair
Beth Thacker, Global Grants Chair
Laura Davis, Global Scholar Committee Chair
Nord Swanstrom, Endowment Chair
Rhonda Sunden, Treasure
Linda Giesen, Annual Fund Chair
Sue Rector, Stewardship Chair

1. Process for Qualifying Clubs:

The following have been reported:

- a. Both the Club PE's and District Grant or Foundation Chair attended a training on how to apply for and conduct District Grants;
- b. An MOU from the Rotary Foundation was signed by every club;
- c. An MOU from District 6420 was signed by every club;
- d. Club goals were submitted on Rotary Club Central;
- e. Each club or a Rotarian from each club donated to the Rotary Foundation Annual fund;
- f. Each club that had a District Grant the prior Rotary year submitted a District Grant Final Report (See Attachment 3);
- g. Each club has a Foundation Chair; and
- h. That the final reports from each club as indicated above were reviewed and approved by Kelly Giovanine and Sue Rector.

2. Financial Management Plan Proposal:

A copy of the Dist. 6420 Grants Financial Management Plan [dated June 2018] is attached (Attachment #1). The District Foundation Grants Chair maintains copies of club grant application forms received as well as all district grant contingency fund documents. All checks written for the fiscal year have cleared the bank and been reconciled to the account.

3. Expenditure for District and Global Grants:

The District Grant Review Committee met on June 12, 2024 and unanimously approved all the new 2024-2025 District Grants

A summary of Rotary District 6420 checking account and copies of the monthly checking account statement detailing the foundation transactions for the Rotary fiscal year of 2024-2025 is attached (attachment #2). The account balance as of the Beginning of the 2024-2025 fiscal year (being carried over from the prior fiscal year) was \$4,402.28. This balance included 2 payments, each being of \$2,000.00 each to the Northern Illinois food bank and to the River Bend Food Bank, each of which were issued in June of 2024 and cleared the account in July of 2024 and which caused the actual balance of the foundation account, as of July 1, 2024, to be \$402.28.

The account balance at the end of the 2024-2025 fiscal year was \$8,445.35. This balance included 2 outstanding payments, being of \$3,972.67 each to the Northern Illinois food bank and to the River Bend Food Bank, each of which were issued in June of 2025 and cleared the account in July of 2025 and which caused the actual balance of the foundation account, as of June 30 2025, to be \$500.01. (See attachment #2).

The District received \$ 43,012.00 from RI on July 12, 2024. \$ 34,968.93 was immediately disbursed to all those Clubs with approved grant projects for the 2024-2025 fiscal year (See attachment #2 for a listing of the disbursements and attachment #3 which includes a listing of each club, the purpose of the grant, the monies received, whether they were joined with another club, and if they submitted a final report as required).

On May 21, 2025, in accordance with a recommendation of the District Foundation Committee and later approval from Rotary International, there was a disbursement and distribution to the Northern Illinois Food Bank in the amount of \$3,972.67 and a disbursement and distribution to the River Bend Food Bank in the amount of \$3,972.67, leaving a final balance of \$501.00. All financial reports are maintained for a minimum of 7 years. See attachment #2 and #3 for more information.

4. District Bank Account:

It was previously noted in the Report for 2019-20 that current checks in use were then issued by the prior owner of the bank – Alpine Bank of Rockford. The current named owner of the bank is now Midland Bank. It was agreed that new checks be purchased when (and not before) required by the bank. Those new checks were purchased November 28, 2023.

Current procedures for the Bank Account:

- a. Who are the signatories on the bank account (from or at any time during the period from 1 Jul 2024 to 30 Jun 2025)? (Primary and secondary)
§ Rhonda Sunden, Patricia Fong, and Kathy Kwiat-Hess.
- b. What is the district policy on selecting account signatories?
§ No formal policy exists. Informally, all signatories must be Rotarians-in-good-standing with the District and all disbursements require 2 signatures. See the answer to d. below.
- c. What are the terms of office for the signatories?
§ There is no formal term of office.
- d. What is the procedure for changing account signatories
§ Change of signatory documents must be signed by the incoming signatories. Written action by the District 6420 Board of Directors must be provided at the time of signatory transfer.
- e. What is the policy for setting the term(s) of office?
§ There is no policy for term of office. Terms of office are controlled by the District 6420 Board of Directors.
- f. What is the district's and bank's policy for changing signatories?
§ Written action by the District 6420 Board of Directors must be provided at the time of signatory transfer. District Foundation funds are currently held by Midland Bank, Rockford, IL (formally Alpine Bank).
- g. Does bank allow district to open multiple accounts?
§ There is no bank prohibition for the district holding multiple accounts. However district maintains a single account for all foundation activities.
- h. Do local laws allow opening of separate accounts for each grant?
§ To the best of current knowledge, there are no legal prohibitions for maintaining separate accounts for each grant. However, the current district practice is to maintain a single account for all foundation activities.
- i. What controls are in place to prevent funds commingling?
§ The district Foundation Financial Review Committee meets annually to review funds transactions and policies and to make recommendations for improvement where or if needed.
- j. Who maintains financial records, including bank statements and canceled checks?
§ The district Foundation Fund Officer.

k. What procedure exists for transferring custody of the grant bank account?

§ The District 6420 Board of Directors would be required to take action on behalf of the District Foundation Committee to effect a change of account from one bank to another. The District Foundation Chair appoints the Foundation Fund Officer and is responsible for administering the change of account custody when a change in fund officers occurs.

5. Grant-Related Financial Transactions:

All funds unused by clubs are returned to the district and then forward to the Rotary Foundation for deposit in the District 6420 World Fund account. It is current Rotary Foundation policy that up to \$1,000 in residual administrative grant funds may be maintained at the district level and may be used for contingency purposes, with prior approval by RI. District administrative grant funds may be used for district Grants Management Training.

6. Monitoring of Grant Activities and Reporting:

- a. All checks for the 2024-25 fiscal year have been written, bank cleared, and reconciled.
- b. Bank statements are current and electronically maintained.
- c. Clubs are required to use the District Grant Acceptance Form which is maintained by the District Grants Chair.

7. Document Retention Practices:

Current practice is to retain all foundation-related documents in scanned format for at least 7 years, except where otherwise required that printed copies be maintained or for a longer time period if required.

8. Qualification Practices:

All requirements are as indicate paragraph and listed in the district's ClubRunner site. Clubs are notified of the process and notified when results are available (see Attachment #4).

9. Process for Reporting and Resolving Misuse of Grant Funds:

The Rotary District 6420 District Procedures for Addressing Misuse and/or Mismanagement of Grant Funds was implemented on 22 Sep 2018; a copy is attached (see Attachment #3). The District Grants Chair reconciles all club project close-out reports with their original proposals, and resolves any discrepancies. Should discrepancies be found, the Grants Chair notifies the District Foundation Chair who determines should there be a need for additional action and, if so, implements it in accordance with the district procedure.

10. Overall Compliance with District MOU:

The district Foundation Financial Review Committee reviews annually all Foundation financial activities to assure compliance with the RI 300-EN Memo of Understanding requirements.

11. Identified Gaps in Oversight:

No apparent gaps in oversight were noted. All final reports were reviewed and compared to distribution.

12. Procedures Approved from Prior Recommendations:

- a. All prior printed bank statements received prior to the current electronic statements have been scanned and maintained in the same manner as the current electronic statements by the Grant Records Custodian and all printed bank statements were disposed and destroyed after they were properly scanned.
- b. All bank statements and all district foundation records (in scanned format) are now disposed and destroyed after seven years from the date of the statement or publication of the record, unless a longer period is required. The prior length of retention was five years.
- c. All clubs, without exception, must meet any and all deadlines for submissions of grant proposals to ensure consideration for funding. It is the club's responsibility to see that proposals are received on time. Failure to meet deadlines will eliminate the club from grant consideration for that fiscal Rotary year.
- d. All club Memos of Understanding (MOUs) submitted, in addition to the required signatures, shall also contain the printed name of the signatories. The District Grants Chair shall verify the name of each MOU signatory. Further, effective with the 2019-2020 fiscal year, all Club MOUs are being maintained electronically.
- e. The District Foundation Committee shall publish, in the District Newsletter, a report detailing the prior year's grants to all clubs, which report shall include, as a minimum, the following:
 - 1. Club Name;
 - 2. Grant Amount;
 - 3. Grant type (i.e. scholarship, global grant, district designated fund grant, etc.);
 - 4. Complete description of the foundation-funded activity or project.
- f. That the District Governor Line (DGN, DGE, DG, IPDG, and VG) shall be included in the Foundation Financial Review Committee review.
- g. That the District Foundation shall not carry over more than \$1,000.00 from the end of one year to the next year. In the Spring of each year, the District Treasure and District Foundation Chair communicate with each other to insure that the ending balance of the District Foundation not exceed \$1, 000.00.

13. Recommendations for Future Improvements:

That, in choosing a District Foundation signatory for the Foundation bank account(s), the signatory should, if possible, be employed by or retired from a banking, accounting or similar institution or firm, be a member of the foundation committee (as a result of being

a signatory), and be physically located to be able to sign and deposit checks with Foundation's banking institution.

And, that the District Financial Management Plan be reviewed and updated as needed.

14. Review of Committee Members:

By the signature below of the Foundation Chair, it is stated and confirmed that all the Committee Members listed above have reviewed and agreed to the terms and findings of this Report.

List of Attachments to this Report (Four):

1. *District Financial Management Plan (2018 Stewardship Subcommittee);*
2. *Grants Financial Account - Checking Account Summary and Details (monthly bank accounts) for the period of July 1, 2024 to June 30, 2025;*
3. *Approved 2024-2025 District Grants, including purpose and funds granted, and listing of clubs who filed for a District Grant Final Report; and*
4. *District Procedure for Addressing Misuse and/or Mismanagement of Grant Funds.*

Prepared by: _____ Date: This 6th day of November, 2025

Robert Canfield – FFRC Chair 2022-23

Approved by: Laura Kann Date: This 19 day of December, 2025

Laura Kann – District 6420 Foundation Chair