

ARRANGEMENTS TO SUPPORT THE CONTINUITY OF PROGRAMS IN DISTRICT 9510 AND MANAGEMENT OF PROGRAM OPERATING CAPITAL AND DISTRICT RESERVE FUNDS DURING THE ZONE 8 REGIONALISATION PILOT

District responsibilities are changing

During the Zone 8 Regionalisation Pilot, district functions will be transferred to the Zone 8 Regional Council. As this occurs, district structures that have historically managed and supported activities, programs and projects will cease to exist.

As well as this, in addition to funds committed in the annual budget, District 9510 manages two resources accumulated from clubs, donors and program participants within the District:

1. A District Reserve that enables support for worthy programs and enterprises in the District as well as a safety net against unforeseen obligations or significant shortfalls in anticipated income. Approved surpluses in the District Reserve are returned annually to clubs.
2. Operating Capital that has been collected as unspent income from various sources by specific activities such as youth programs and Calperum & the Environment. Operating Capital is earmarked for the specific use of the programs where it has been collected. It is routinely used to satisfy cash flow requirements and other purposes to support those programs.

All these funds have originated from within the District and are, accordingly, resources of the clubs in District 9510. So as Zone 8 shifts away from District to Regional governance it is important that these resources are not overlooked or displaced or do not become circumstantially unavailable to all District 9510 clubs.

New arrangements to meet the challenges of change

The arrangements detailed below will be put into place throughout June 2024 for the duration of the Zone 8 Regionalisation Pilot to ensure that:

- Funds accumulated from within District 9510 are retained exclusively for the use and benefit of the clubs in District 9510 as at 1 July 2024.

and

- Programs and activities unique to and supported by clubs in District 9510 are maintained, as the responsibility to support clubs shifts from the District to Rotary Community Groups.

Two clubs from within the district will assume responsibility for each of the designated functions, programs and projects. They will be known as the Primary Lead Club and Secondary Lead Club for the respective activities.

Until an activity is transferred to the Regional Council it will continue to be managed by the respective District Committee. If there is no Committee, it will be managed co-operatively by the Primary Lead Club and Secondary Lead Club, supported by members of other clubs from the district. This will ensure that important activities that are not transferred are still managed and operated on behalf of all the clubs that participate in and support them.

Operating Capital held for a function, program or project will be transferred to the care of the Primary Lead Club. That club will open and maintain a separate bank account for that purpose. An allocation may also be made from the District Reserve. This will ensure that the resources held on behalf of the clubs in District 9510 are retained locally for the exclusive use of the clubs in the district, regardless of their membership or the disposition of Rotary Community Groups.

When a function, program or project is transferred to the Regional Council, the funds held for it will continue to be managed by the Primary and Secondary Lead Clubs on behalf of all District 9510 clubs.

How will this be governed?

The Primary Lead and Secondary Lead clubs for each function, program or project will sign a Memorandum of Understanding with each other and with District 9510. In the MOU they will undertake in good faith, to:

- publicise and maintain the operation of the respective activity,
- manage the funds for the benefit of all clubs in District 9510 as at 1 July 2024,
- report regularly to the District Leadership Board on the status of the funds, and
- submit an annual report for audit.

Which activities are affected by these arrangements?

The following functions, programs and projects will be covered by the new arrangements:

1. Calperum and the Environment
2. Domestic Violence Campaign
3. District Disaster Fund
4. Rotary Overseas Recycled Playgrounds
5. Heart of the Nation
6. Shelterbags
7. RYLA & RYPEN
8. Rotary Youth Sailing Challenge

Rotary Youth Exchange also falls within the scope of this initiative. External factors that may impact its inclusion are currently under review and an outcome will be advised shortly.

Anything else?

Some District Reserve funds will be retained in the District 9510 account. This will be to ensure that, during transition to, during and beyond Regionalisation the District will have funds to:

- satisfy cash flow requirements to pay District insurance premiums;
- provide cash advances for preparations for the 2025 Impact Summit;
- satisfy obligations to underwrite the Aboriginal Chronic Disease Prevention Project; and
- underwrite unforeseen and unfunded District requirements and service opportunities.

District will also retain the Operating Capital for the RYWELL program, which is currently inactive.

Surplus funds will be returned to clubs. Immediately, this will be at a rate of about \$20.00 per member. As requirements diminish for retained District Reserve funds, these will also be returned to clubs.

At the conclusion of the pilot, and depending upon the outcomes, any funds still held by the Primary and Secondary Lead Clubs will be returned to the District. These, plus any remaining from the District Reserve, will be managed at the discretion of the District or its successor.