

District Financial Framework for Best Practice

Policy statement/Principle

District 9815 (D9815) has a commitment to operating within identified best practice principles in all areas of financial governance.

Purpose

The purpose of this Policy is to establish the framework under which D9815 ensures sound financial governance and practice.

Definitions

BAS – Business Activity Statements which are required at specified times by the Australian Taxation office

District 9815 - the members and associate members of the Rotary International District 9815 Incorporated

District Finance Committee (the Committee) – the group of people who have been nominated to this Committee

District Treasurer - the associate member who is nominated to act in this position for the current fiscal year

Ex-officio – attending a committee without voting rights

Financial/fiscal year – The period between 1st July and 30th June the following year

Xero – the accounting package utilised by D9815 to enter, collate and provide reports on financial transactions

Responsibilities/Application of the Guidelines

D9815 has established the following areas which can be impacted by any financial transaction and for which it deems that guidelines are required to ensure best practice:

1. District Finance committee

- 1.1. The Committee will review and assess the District finances and controls and shall make its recommendations known to the District Governor and Board.
- 1.2. The Committee is appointed with the approval of the District Governor and is made up of the District Finance Chair and a minimum of three suitably qualified appointees with expertise in finance, accounting or administration. The District Treasurer is an ex-officio member of the Committee.
 - 1.2.1. To provide each appointee shall serve for a minimum of 2 years where at all possible.
 - 1.2.2. Vacancies are filled at the discretion of the District Governor.
- 1.3. The District Governor shall select one member of the Committee to be the Committee chair and who shall be known as the District Finance Officer/District Finance Chair.
- 1.4. The Committee shall review the Budget (Section 9 below) of anticipated income and expenditure for each financial year which shall then be submitted to the District Board for its approval. The Budget will be presented to the meeting of incoming presidents at District Assembly or Presidents Elect Training Seminar.

2. District Accounts

- 2.1. The District operates the following District accounts:
 - 2.1.1. Administration Account
 - 2.1.2. District Debit Card Account/s
 - 2.1.3. Foundation Account
 - 2.1.4. Conference Account
 - 2.1.5. Disaster Relief Account
 - 2.1.6. Youth Exchange Account.
 - 2.1.7. District Governor Expenses Account
 - 2.1.8. Other accounts as required and approved by the Board
- 2.2. All accounts are linked to a Budget, recommended by the Committee and endorsed by the Board.

- 2.3. Signatories to all bank accounts are the District Governor, District Executive Secretary and/or District Secretary, District Treasurer and one other Board member as required.
 - 2.3.1. All banking expenditure will be by electronic transfer with any two to sign electronically
 - 2.3.2. On special purpose accounts an additional signatory may be required who shall be approved by the District Board
- 2.4. Deposits in cheque form or cash are to be banked as soon as possible.
- 2.5. Financial records are to be kept electronically using the Xero accounting package.
 - 2.5.1. Any decision to change the package or accounting system must be endorsed by the Finance Committee and District Board.
 - 2.5.2. District Treasurers are qualified accountants or suitably qualified persons who are able to use the accounting system.
- 2.6. The District Treasurer maintains oversight and access to any account set up for District 9815.
- 2.7. The District Treasurer is responsible for the lodgement and payment of all GST (BAS) returns
- 2.8. The District accounts are audited each financial year by a qualified auditor appointed on the recommendation of the Committee and approved by the Board.
 - 2.8.1. The District Treasurer provides the Auditor with a copy of the District account
 - 2.8.2. The District Treasurer receives the return of the signed audited accounts (Annual Statement)
 - 2.8.3. The Annual Statement is provided to the District Governor four weeks before the AGM for presentation to Members of D9815 for ratification
 - 2.8.4. The ratified Annual Statements are supplied to Consumer Affairs Victoria by the 31st December
- 2.9. **The District Auditor cannot be a member of the same club as the District Treasurer .**
- 2.10. Special purpose Accounts may need to be set up for grants or fundraising or events as these must be separated from general administration expenditure. All such accounts are approved by the District Board.
- 2.11. Should a decision be made to no longer hold a conference any balance in the account will be transferred to the Administration Account and the Conference Account closed
- 2.12. Each Debit card has only one person to action.
 - 2.12.1. Each card is attached to its own Debit Card account with covering funds transferred from the Administration Account. Transfers are approved by any two signatures other than the person holding the Debit Card.
 - 2.12.2. An upper limit is set on the account to minimise any potential loss from fraud or excess use.
 - 2.12.3. Credit cards are not permitted.

3. Club levies

- 3.1. Club levies are raised per capita based on club member numbers on 1 July. Levies shall be approved at District Assembly or Presidents Elect training seminar upon acceptance of the District Budget by 75% of the Presidents Elect attending.
- 3.2. Invoices to clubs for 100% of the per capita amount are issued in July or soon thereafter.

4. District Governor and District Executive expenses

- 4.1. The District Governor Expenses are covered by both a District budget allowance and a Rotary International allowance and are allocated as appropriate.
- 4.2. District Governor expenses are approved by the Committee.
- 4.3. The District Governor cannot authorise or be a bank signatory for their expenses.
- 4.4. A District Governor funding report, regarding the Rotary International component, is sent by 31 July.
- 4.5. Allowances for other members of the District Executive will also be specified within the District budget.

5. Emergency Relief Account

- 5.1. A fund shall be established for the purpose of relief in the case of a state, national or international disaster.
- 5.2. The Fund shall be maintained at a level set by the District Board.

- 5.3. Without further reference the District Governor may make assistance contributions from the fund up to an aggregate \$5000. Any expenditure made under this clause is to be ratified at the next District Board Meeting.
- 5.4. The Emergency Relief Committee will make recommendations to the District Governor for distributions to specific relief causes, these distributions shall be approved by the District board.
- 5.5. The District Governor may make an appeal to member clubs at any time for replenishment of the fund to a suitable level.
- 6. District Event account management, registrations and payment**
 - 6.1. Board approval must be obtained to make advance deposits related to any events.
 - 6.2. External to the District, Event Registration/Payment Online Systems may be utilised to manage the sale of tickets and attendance at events.
 - 6.3. Any booking system set up will have the appropriate controls.
 - 6.4. With multifactor controls on booking systems, care must be taken in setting up transaction accounts that ensure both the District Treasurer and the Rotary system operator control have access over the funds flowing through those systems. This may include a shared email address or other form of access when the system only allows one controlling operator.
- 7. Reserve funds**
 - 7.1. The establishment of any reserve funds requires Board approval.
 - 7.2. Continuation of a reserve fund requires new Board approval at the start of each Rotary year.
- 8. District wide projects**
 - 8.1. All Clubs (including committees appointed by those Clubs) which are requested by the District Governor or the District Governor Elect to implement a project or event **on behalf of the District** shall present a Budget for that project for approval at a meeting of the Board.
 - 8.2. For the purpose of determining the financial controls of projects and events, the District Treasurer will be ex-officio as a member of the relevant meetings of the project.
 - 8.3. Any surplus from the project or event will be returned to District Funds
- 9. District Budget**
 - 9.1. Provision is made in the Budget for:
 - 9.1.1. All those expenses associated with the office of District Governor
 - 9.1.2. All those expenses associated with the office of District Governor Elect and District Governor Nominee
 - 9.1.3. Such other operating expenses as are required to be made by the District.
 - 9.1.4. District Committee Expenses
 - 9.1.5. Per capita levies for Administration and Insurance levies
 - 9.1.6. Conference Levy
- 10. District Insurance**
 - 10.1. The Committee, in consultation with the District Insurance Officer, shall adopt the insurance cover most appropriate to the members of the District.

Failure to follow or implement these guidelines:

D9815 believes that failure to follow or implement these guidelines could result in an opportunity for fraud and/or inadequate allocation and/or disbursement of funds in a financially responsible manner.

References/Resources

RI Learning Centre Managing District Finances.

https://learn.rotary.org/members/learn/learning_plan/view/349/district-finance-committee-intermediate

Associated documents/Flowcharts

No other associated Policies, forms, attachments or flowcharts are applicable to this Policy.

Laws which relate to this Policy

Commonwealth of Australia

- The Taxation Administration Act 1953
- Other Australian Tax Office Regulations

Victoria

- Associations Incorporations Reform Act 2012
- <https://www.legislation.vic.gov.au/in-force/acts/associations-incorporation-reform-act-2012/017>

Document/Version control

Version Date	Author	Version No.	Nature of Change	Next revision date
22/7/24	Paul Mee, Barry Rogers	1	First version	22/7/25