



# **ROTARY INTERNATIONAL - DISTRICT 9400**

## **PROPOSED DISTRICT FINANCE POLICIES**

**10 September 2010**

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## **1. Introduction**

These District Finance Policies are established in terms the directive set out in Paragraph 10 (b) of the District 9400 Fund Constitution. It is recorded that the duties of a District Governor include ensuring that all District finances are administered responsibly. No District finances should be under the control of a single individual. The establishment of a District Fund and District Finance Policies are to assist District Governors in the administration of their duties.

## **2. Claims**

- (a) It is recognised that membership of a Rotary Club is voluntary and as such involves members in the contribution of a generous amount of time to Rotary as well as the personal assumption of expenses related to the functioning of Rotary.
- (b) It is therefore acknowledged that Rotarians and clubs incurring significant expenses, on behalf of District, which have been budgeted for and approved, should be reimbursed.

## **3. Budget**

The District Fund Committee will annually prepare a budget for the following Rotary year. This budget should be submitted to all the Rotary clubs within District 9400 at least four weeks prior to the District Conference. The budget will be proposed for approval at the District Conference by a vote of nominated club representatives.

The following procedure will be applicable to the preparation of the budget:

- (a) The District Governor Elect will call on incoming District office bearers and committee chairpersons to submit a motivated budget for the anticipated expenditure applicable to their committee or office.
- (b) The District Fund Committee will consider each budget. If the District Fund Committee does not agree with a proposed budget it will as far as possible liaise with the District Governor Elect or the person in question and adapt or adopt the budget.
- (c) The District Fund Committee will utilise the collective budgets to determine the annual District levy.

## **4. Specific cost allocations by Office / Committee**

### **4.1 The District Governor**

It is recognised that a large proportion of the costs incurred by District Governors in the execution of their duties is reimbursed by Rotary International.

The typical costs which the District Governor may claim from the District Fund, to the extent that such costs are not reimbursed by Rotary International, include:

- (a) Travel expenses and subsistence to attend the following events and meetings:-
  - (i) District committee meetings
  - (ii) District conferences
  - (iii) District youth exchange functions
  - (iv) Group study exchange functions
  - (v) Rotaract conferences
  - (vi) Interact conferences
  - (vii) Ryla camps
  - (viii) District Rotary Foundation seminars
  - (ix) District Advisory Council of past District Governors
  - (x) District Governor nominating committee
  - (xi) Governors' Council of Southern and East Africa
  - (xii) Zone Institute

In respect of the above events the District Governor may claim for the total distance travelled and is not subject to the first 100 km exclusion.

- (b) Postage costs, personal stationery, photocopying, printing, telephone costs, and fax transmission costs related to the administration of the District.
- (c) The Governor may also claim for the purchase of a limited supply of theme material.
- (d) The Governor may also be responsible for the engraving of District trophies the cost of which would be claimable.

Governors are expected, as an example to all Rotarians, to exercise the utmost fiscal discipline and make every effort to limit their cost to the District.

## **4.2 The District Governor Elect**

The costs which the District Governor Elect may claim from the District Fund include:-

- (a) Travel expenses and subsistence to attend the following events and meetings:
  - (i) District committee meetings
  - (ii) District conferences
  - (iii) District youth exchange functions
  - (iv) Group study exchange functions
  - (v) District Rotary Foundation seminars
  - (vi) District Advisory Council of past District Governors
  - (vii) District Governor nominating committee
  - (viii) Governors' Council of Southern and East Africa
  - (ix) District Rotary Foundation Seminars.
  - (x) Zone Institute
- (b) Postage costs, personal stationery, photocopying, printing, telephone costs, and fax transmission costs related to the establishment of District committees which will serve in the year that the District Governor Elect takes office.

## **4.3 The District Governor Ann**

It is recognised that the costs incurred by the District Governor Ann in the execution of her duties are not reimbursed by Rotary International. It is further recognised that where the District Governor Ann is the spouse of the District Governor a certain sharing of benefit will take place as in motor car travel for example. Where the District Governor Ann is not the spouse or partner of the District Governor then certain costs are inevitable where a benefit cannot be shared.

The costs which the District Governor Ann may claim from the District Fund, include:

- (a) Travel expenses and subsistence on a per person sharing basis to attend the following events and meetings:-
  - (i) District committee meetings
  - (ii) District conferences
  - (iii) District **Rotary Foundation** seminars
  - (iv) District Advisory Council of Past District Governors
  - (v) Governors' Council of Southern and East Africa

In respect of the above events the District Governor Ann may claim for the total distance travelled and is not subject to the first 100 km exclusion.

- (b) The District Governor Ann may also claim for the purchase of a limited supply of theme material.
- (c) The District Governor Ann may also be responsible for the engraving of District Ann trophies the cost of which would be claimable.

Governor Ann's are expected, as an example to all Anns and Rotarians, to exercise the utmost fiscal discipline and make every effort to limit their cost to the District.

#### **4.4 The District Governor Ann Elect**

The costs which the District Governor Ann Elect may claim from the District Fund include:-

- (a) Travel expenses and subsistence on a per person sharing basis to attend the following events and meetings:
  - (i) District conferences
  - (ii) Governors' Council of Southern and East Africa

#### **4.5 District Committee Chairpersons and Committee Members**

Travel costs in excess of 100 kms per round trip by members to attend meetings of their respective committees are claimable.

#### **4.6 Assistant Governors**

Assistant Governors are expected to visit each club which they have been appointed to oversee about three times per annum. They are entitled to claim for travel in excess of 100 kms per round trip. The visited clubs are expected to provide them with their usual meeting refreshments.

#### **4.7 Dignitaries**

Clubs inviting Rotarians (such as District Governors, Past District Governors, Committee Chairperson etc.) to attend or speak at special functions of the club should take responsibility for the travelling and subsistence costs of such Rotarians, and should offer payment for these costs with the invitation, so as not to embarrass the invitee.

Individuals hosting Rotary dignitaries such as Rotary International Directors and Rotary Foundation trustees can claim accommodation subsistence and travel related to the dignitary.

#### **4.8 Aide to the Rotary International Presidents Personal Representative**

Claims can be made in respect of casual meals and refreshments.

#### **4.9 Representative to Nominating Committee for Director of Rotary International**

The elected representative may claim for travel and subsistence provided one of the candidates is a Rotarian from within District 9400. In the absence of a candidate from District 9400 the elected representative may represent District 9400 at no cost to the District.

#### **4.10 Group Study Exchange**

##### **(a) Incoming team**

Costs for the incoming Group Study Exchange teams are shared between the District and the clubs. The general principle is that the District pays for the travel costs between clubs, while the clubs act as hosts for the team, bearing their costs while in their care. The costs of the team for attending the District conference must be borne by the District conference as part of its Conference budget.

##### **(c) Outgoing team**

The claimable expenditure for the outgoing Group Study Exchange team is limited to standard committee operations. Transport costs of candidates for the selection weekend are borne by the candidates, unless the Group Study Exchange committee determines that a candidate is unable to finance the travel. Accommodation and catering for the candidates related to the selection weekend are claimable committee expenses. In respect of successful candidates the committee budget will fund the costs of blazers, insurance, travel visas and approved local travel costs related to the exchange.

#### **4.11 Youth Exchange Committee**

- (a) The Youth Exchange Committee is subject to the Finance Policies as are all other District Committees. In view of the substantial amount of money that this committee handles, it keeps its own financial records. The Youth Exchange Committee is required to be totally self sustaining. In January each year it is required to provide to the District Fund committee an interim financial statement and before 15 August each year it has to provide the District Fund committee with audited annual financial statements for the Rotary year ended 30 June. This statement will be incorporated into the District Fund annual financial statements.
- (b) The Youth Exchange Committee is required to prepare a budget by 31 March each year which budget has to be submitted to the District Fund committee for consideration and for presentation and approval at the District Conference.

## **5. District Conference**

- 5.1 It is recognised that certain expenses attach to the mandatory annual District Conference. It is therefore appropriate that such expenses are reimbursed by the District Fund and not by conference attendees. Such costs should be budgeted for and include:-
- (a) Accommodation and registration fees are claimable in respect of the District Governor and spouse / partner, the Rotary International President's Personal Representative and spouse / partner and costs of the Rotary International President's Personal Representative and spouse / partner's accommodation and subsistence one day prior to and one day subsequent to the District Conference.
  - (b) Accommodation and registration fees of the possible attendance of a Group Study Exchange team, Ambassadorial scholars, Rotaract leaders and Interact leaders. It shall be the responsibility of the Conference Treasurer to claim any possible contribution from the Rotary Foundation in respect of the attendance of the Group Study Exchange team.
- 5.2 It is recognised that a certain amount of promotional material, decor and administration costs is needed to ensure the smooth running of conference.
- 5.3 The Conference Organising Committee shall appoint a conference treasurer. A conference budget must be prepared by the conference organising committee not later than 6 months prior to the conference date. This budget must be approved by the District Fund committee prior to any invitations being extended for Rotarians to attend such conference. The conference treasurer must report to the District Fund committee on the financial aspects of the conference planning. When reporting, expenditure in excess of the budget must be highlighted.
- 5.4 If the Conference committee assumes responsibility for arranging accommodation for conference attendees, no binding obligation must be made to the venue unless the corresponding payment has been received from the attendee.

## **6. Travelling Costs**

6.1 In general the following guidelines apply in respect of travelling claims:-

- (a) Travel by motor vehicle in excess of 100 kms per round trip will be reimbursed at a standard rate per kilometre travelled to be determined on a regular basis by the Treasurer based on approximately 25% of the cost of a litre of petrol.

It is suggested that the standard rate be determined monthly and that it be communicated to Rotarians through the District Governor's monthly newsletter.

Tollgate fees will be reimbursed on submission of tollgate receipts.

- (b) No air flight on District business can be made at the expense of District unless such flight has been approved in advance by the District Governor and / or the Chairperson.

6.2 Every effort should be made by Rotarians to minimise costs by, for instance, sharing vehicles for travel purposes.

## **7. Approval of Claims**

The following procedure will be followed for claims:-

- (a) Any claims made against the District Fund should be made on the standard claim form to be prepared by the Treasurer, within sixty days after the relevant expenditure had been incurred, failing which the expenditure may in certain cases not be refunded.
- (b) All claims must be submitted to the respective Committee Chairperson for approval where after such claim shall be submitted by the Committee Chairperson to the District Governor or Chairperson of the District Fund committee.
- (c) If a claim is presented which has been budgeted for, either the District Governor or Chairperson of the District Fund committee will evaluate the claim, and if approved, pass the claim onto the District Treasurer for payment.
- (d) If a claim is presented which has not been budgeted for, the District Governor, the Chairperson of the District Fund and one other District Fund Committee member must approve or reject the claim. If approved, the claim will be passed onto the District Treasurer for payment.
- (e) If a claim is not approved, the claimant must be informed in detail about the motivation for the rejection of the claim.

- (f) Neither the District Governor nor the Chairperson of the District Fund committee can approve their own claims. Such claims must be approved by two other District Fund committee members.
- (g) The District Treasurer should only pay out claims approved in the manner prescribed above.
- (h) The District Treasurer should supply at least quarterly each member of the District Fund committee a schedule of payments made in the previous period with a brief reason for the payment.

## **8. Expenses not generally claimable from the District Fund**

- (a) Unauthorised and unbudgeted expenditure.
- (b) The first 100 kms of vehicle travel per round trip.
- (c) Expenses claimed more than sixty days after being incurred.
- (d) Travel costs of the District Governor to a club.
- (e) Accommodation and subsistence to attend District committee meetings.
- (f) Expenses of candidates to attend the District Governor nominating committee meeting.
- (g) Attendance of candidates for selection as Group Study Exchange Team Leader.
- (h) Attendance at training seminars by Trainees.
- (i) Invitees to Rotary International meetings at “no cost to Rotary”.
- (j) Travel and subsistence to meetings of the Council of Past Governor’s of Southern and East Africa by persons other than the District Governor and District Governor Elect.

## **9. District *Per Capita* Levy**

- (a) The payment of District *per capita* levies is compulsory and such levies are payable by the individual clubs before 31 July of each Rotary year.
- (b) If a club has not paid its District levy by 31 August, it will be considered in arrears. The District Treasurer will charge the defaulting club interest on the amounts in arrear at the prime bank overdraft rate, compounded monthly.
- (c) If a club has not paid its District levy by 31 December the District Governor is compelled to advise Rotary International thereof.

## **10. District Assets Manager**

The District Governor shall appoint a District Assets Manager. The District Assets Manager will maintain a list of all District assets and in whose care they are. Such list shall be passed onto the District Assets Manager's successor at the end of the Rotary year.

## **11. Club Finances and Management**

- (a) Clubs are required to have their annual financial statements audited or reviewed by a suitably qualified person, which must be prepared before 30 September each year. At District Governor visits before 30 September the clubs will inform the District Governor of the progress in this respect, but on club visits after 30 September, the District Governor will receive a copy of the financial statement.
- (b) The financial statements must distinguish very clearly between community / project funds and club administration funds. Community / project funds are collected from donors who expect the funds donated to be used in financing charitable activities. Club administration funds are membership fees and income exclusively from Rotarians.
- (c) Clubs must ensure that proper financial controls are implemented in respect of funds under their control and ensure that funds are not under the control of a single individual.

## **12. Legal Contracts**

No contracts or agreements with a financial implication for the District should be entered into by any Rotarian including the District Governor, Youth Exchange committee Chairperson or District Conference Chairperson without that contract or agreement being approved by both the District Legal Advisor and the District Finance Committee prior to entering into such contract or agreement.

## **13. Voting on Financial Matters**

Voting, related to financial matters, will take place at the District conference as follows:-

- (a) The audited annual financial statements will be presented in plenary session and explained in detail by the District Treasurer. Thereafter, the nominated club representatives will be called upon to vote for the formal adoption of the financial statements.
- (b) The budget will be presented in plenary session and explained and motivated by the District Governor Elect. Thereafter, a vote will be called for, for the approval of the budget by a vote of the nominated club representatives.

## 14. Amendments

- (a) These District Finance policies can be amended by a majority of members of the District Fund committee and such amendments shall be published by the District Governor in the subsequent Governor's monthly newsletter.
- (b) Any amendments must be presented to the next District conference for ratification by the nominated club representatives.
- (c) Any amendments must be in conformity with the Constitution and By-laws of Rotary International and the District 9400 Fund Constitution.

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### Document Tracking:

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