



ROTARY INTERNATIONAL

DISTRICT 9400

PROPOSED DISTRICT FUND CONSTITUTION

10 September 2010

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1. Establishment of the Fund

There shall be established in terms of the provisions of the Bylaws of Rotary International a fund to be known as The Rotary International District 9400 Fund ("the Fund").

2. Object of the Fund

- (a) The object of the Fund shall be to control and administer all funds contributed to, collected for, levied by, or donated to the Fund, and to use such funds for the promotion, administration and programmes of Rotary in District 9400.
- (b) The Fund shall be operated in a manner consistent with that of a sustaining enterprise
- (c) The fund shall strive to maintain operational reserves of between twelve and twenty four months

3. Principal Officer

The principal officer of the Fund shall the Governor of District 9400 from time to time.

4. Management

- (a) The Fund shall be under the control of the District Fund Committee ("the Committee") whose term of office shall run concurrently with the Rotary year.
- (b) The Committee shall, at all times, and in any way it deems fit, act in conformity with the provisions of the Constitution and By-Laws of Rotary International and in the furtherance of the best interests of the District.
- (c) The Committee shall consist of the District Governor, the District Governor Elect, the immediate Past District Governor, the District Treasurer, the Chairperson of the District Rotary Foundation Committee or his / her alternate, the Chairperson of the Rotary New Generations Committee or his / her alternate and one or more Rotarians up to three in number, of whom at least one shall have the necessary financial acumen, appointed by the District Governor and preferably in consultation with the District Governor Elect.
- (d) The District Governor may chair the Committee or elect to nominate an alternative Chairman of the Fund Committee.
- (e) Notwithstanding paragraph (c), no person shall be a member of the Committee who is not a member in good standing of a Rotary club in District 9400. In the event of any person who would otherwise be a member of the Committee not being eligible in terms of this paragraph, the District Governor shall appoint a suitable person to fill such vacancy.

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- (f) In the absence of the District Governor, the immediate Past District Governor will act as alternate and shall assume all rights and obligations of the District Governor in the conduct of the fund.
- (g) The Committee may invite the District Governor Nominee to attend any of its meetings and may co-opt up to two further Rotarians for a specific purpose; such invitees or co-opted members may take part in the deliberations of the Committee, but shall not be entitled to vote on any matter to be resolved by the Committee.
- (h) Members of the Committee are expected to set exemplary standards of behaviour.

5. Powers and duties of the District Fund Committee

- (a) The capital and all powers of Committee Members described in this deed vest in the Committee Members in their official capacity as Committee Members in order to enable them to deal with the capital and income of the Fund on behalf of Rotary and Rotary Clubs in the District and not for the personal benefit of the Committee Members.
- (b) The Committee Members are entitled to take any action whatsoever which they in their discretion deem necessary and/or beneficial for the preservation or increase of the capital of the Fund in the interest of the objectives of Rotary and Rotary Clubs in the District and for this purpose may take any action in the name of the Fund which a natural person being of full legal capacity may do regarding his own affairs.
- (c) Without derogation from the generality of the powers of the Committee Members, they are entitled to:

- i) open a banking account in the name of the Fund, to draw cheques and deposit moneys on the account; have bills of exchange and securities issued against the account and hand over bills of exchange in favour of the Fund for collection.

For the purpose of this sub paragraph, the signature of any of the Committee Members is sufficient for any action regarding the banking account provided the authority granted to a single Committee Member is supported by a proper resolution of the Committee Members.

“Banking account” also includes accounts at and credit arrangements with banks and financial institutions;

- ii) buy, sell or barter property of any kind, movable and immovable, corporeal or incorporeal and wherever situated, including shares, stocks, funds, debentures and securities and negotiate credit agreements and contracts of any kind on such conditions as the Committee Members stipulate;
- iii) sell, rent, improve, alter and maintain any immovable property and if need be to demolish immovable improvements and erect new improvements;
- iv) conduct in their own unlimited discretion any sale of Fund assets by public auction, public tender or private sale, and in their own unlimited discretion give credit on the whole purchase price or part thereof, with or without security or interest;

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- v) collect rent and cancel leases and take the necessary steps for the eviction of a tenant from a leased property;
 - vi) invest moneys which form part of the Fund capital at interest or interest-free in such securities and in such a way and on such conditions as the Committee Members may determine;
 - vii) retain in their discretion any investment which forms part of the Fund capital in its original form or amend it or re-invest it;
 - viii) grant loans, with or without interest and on such conditions as the Committee Members stipulate, to Rotary projects and Rotary Clubs in the District and other persons or institutions with or without security;
 - ix) negotiate loans for purposes of the Fund, with or without interest and with or without security and on such conditions as the person or institution which granted the loan to the Fund, has agreed to; Such loan lending persons or institutions can include any entity including financial institutions or third parties and such security can include bonds over fixed properties registered in the name of the Fund and/or liens given over any assets belonging to the Fund;
 - x) mortgage or hypothecate any asset of the Fund or grant a lien on it;
 - xi) institute, defend or settle (out of Court) any law suits;
 - xii) attend meetings of creditors of a private individual, company or body which is a debtor of the Fund regardless of whether the meeting concerns insolvency, liquidation or judicial administration and vote on any matter which is submitted to the meeting and in general execute all rights which are due to a creditor in similar circumstances;
 - xiii) utilise the services of professional advisors or artisans for the affairs of the Fund and pay for such services out of the Fund;
 - xiv) make donations out of the Fund;
 - xv) accept from anybody donations or legacies on behalf of the Fund subject to the terms and conditions of this deed of Fund and subject to such terms and conditions involved in such donations and/or legacy;
- (d) To appoint the Auditors of the Fund and fix their remuneration and to have the Financial Statements of the affairs of the Fund audited for submission to members at the Annual General Assembly;
- (e) To engage and dismiss staff and to determine conditions of employment of staff;
- (f) To transact the business of the District Fund;
- (g) To incur and settle debts and other obligations, in the name of the District Fund and to issue legal process;
- (h) To do all other things as it may deem in the interests of Rotary, the Fund or any of the Rotary members with due regard being had to Rotary and the Fund's objectives.
- (i) To delegate, at its sole discretion, any of the above powers and duties;
- (j) To determine per capita dues or any other levies on the Rotary Clubs in the District and any other amounts payable to the Fund.

6. Meetings of the Committee

- (a) The Committee will endeavour to meet four times per annum and shall meet at least twice a year. The meetings will normally be convened by either the District Governor or the Chairperson and they will also convene a meeting on receipt of a requisition signed by any three members of the Committee specifying the business to be discussed at such meeting.
- (b) The quorum at any duly convened meeting of the Committee shall be any four members of the Committee present at such meeting.
- (c) A resolution in writing signed by all the members of the Committee shall be valid as if it had been passed at a meeting of the Committee duly convened at which a quorum in terms of paragraph (b) was present.
- (d) In the case of any matter requiring to be resolved at a meeting of the Committee, each member of the Committee shall have one vote, and in the event of an equality of votes, the District Governor shall have a casting vote in addition to a deliberative vote.
- (e) The Committee may make such regulations as it considers appropriate to the operation of any fund raising or trading activity, and/or may exclude such activity from the ambit of the Fund and this Constitution.
- (f) A meeting may incorporate video and / or teleconferencing provided it is so recorded.

7. District Dues

- (a) Each club in District 9400 shall pay an annual contribution on a *per capita* basis calculated according to the number of members, other than honorary members. These dues become payable on the first day of July of each Rotary year.
- (b) In addition to payments calculated in terms of paragraph (a), each club shall pay an amount in respect of each member who became a member of that club during the previous Rotary year, whether or not he or she is still a member of that club.
- (c) The amount payable in respect of a member referred to in paragraph (b) shall be 50% of the amount fixed in terms of this clause for the previous Rotary year in respect of each member who became a member of that club on a date between the commencement of that year and 31 December of that year, and 25% of the amount so fixed in respect of each member who became a member of that club on a date between 1 January of that year and the end of that year.
- (d) The amounts payable in terms of paragraphs (a), (b) and (c) shall be known collectively as "the District Dues".
- (e) A club formed during a Rotary year shall only be liable for payment of any dues contemplated in this section in the year following the Rotary year in which it receives its charter from Rotary International.

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- (f) In the event of a club not paying to the District Fund the District Dues in respect of any Rotary year by 31 December in that year, the District Governor shall notify Rotary International.
- (g) Any club which fails to meet any financial obligation to the Fund within 30 days of date on which such obligation becomes due may be charged interest at the prime lending rate of the Fund's bankers from the date on which such obligation becomes due until the date of settlement.

8. District Rotary Foundation Committee

- (a) The District Rotary Foundation Committee shall operate in accordance with the Memorandum of Understanding dated 19 May 2009 between the Rotary Foundation and District 9400 as amended from time to time by the Rotary Foundation

9. Funds of District Committees

- (a) The Committee shall authorise, sanction, direct and dissolve district committees as necessary for the promotion, administration and programmes of District 9400
- (b) The finances of all district committees shall, at all times, remain under the control of the Fund Committee, and shall be subject to all requirements imposed on such committees and the Fund Committee by Rotary International.
- (c) Any district committee receiving any amount from the Fund, whether in the form of a grant or an advance, shall at the end of the Rotary year for which the amount was granted or advanced return any unspent part of such amount to the Fund.
- (d) No district committee shall expend any funds unless such expenditure has been approved by the Fund Committee or unless such expenditure has been specifically provided for in the approved district budget.
- (e) There shall be paid into the Fund all donations specifically made to the District.
- (f) Any surplus from a District Conference or other district activity shall be paid into the Fund free of any conditions relating to how that surplus shall be applied.
- (g) No district committee may use any funds raised, interest thereon, or discounts or rebates associated therewith, whether in cash or kind, for the personal benefit of any Rotarian, partner or family member in any manner whatsoever, or for any unbudgeted expenditure other than as disbursements in respect of costs incurred in respect of such assignment.
- (h) All district committees shall submit annual financial statements to the Committee within 60 days following the end of the Rotary year end, in such

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form as the Committee may determine and the Committee may require such accounts to be audited.

- (i) The Fund shall not be liable for any liability incurred by any club or committee which is not reflected in a budget approved by the Committee.

10. Administration

- (a) The financial year of the Fund shall be the period of twelve months commencing on 1 July of each year, or such other date as Rotary International may determine as the commencement of its year.
- (b) The Committee shall establish Financial Policies to ensure the proper administration of all monies received by the District Fund. Such policies are subject to approval by nominated club representatives at District Conference and / or District Assembly
- (c) The Treasurer shall deposit all monies of the Fund including surplus funds in such account or accounts in the name of the Fund (including investment accounts for the deposit of funds not required for immediate use), as the Committee may consider appropriate with a registered financial institution as defined in section 1 of the Financial Institutions (Investment of Funds) Act, 1984.
- (d) Two authorisations are required for all transactions of the Fund from among those designated as authorised by the Committee to conduct transactions and shall be substantiated by such documentation as may be necessary to record the nature of, and the purpose for, such transaction.
- (e) The Fund shall utilise such process and technologies as are expedient for its efficient operation subject at all times to maintaining appropriate security and the required authorisations.
- (f) The accounting and reporting of the Fund shall at minimum categorise:
 - i) Public benefit activities as defined by the South African Revenue Services and non public benefit activities.
 - ii) The various programs of The Rotary Foundation where applicable.
- (g) The Committee shall provide to each club in District 9400, within three months of the completion of the Governor's year in office, annual financial statements and a report on the district finances which has been reviewed by an independent qualified accountant, as required by the Bylaws of Rotary International. The annual financial statements shall be presented for discussion and adoption at the next district meeting to which all clubs are entitled to send a representative and for which 30 days' notice has been given that the statement and report of district finances will be presented. If no such district meeting is held, the statement and report shall be presented for discussion and adoption at the next district conference.

11. Insurance

- (a) The Committee shall ensure that adequate insurance is in place to protect the District against the loss of or damage to its assets.
- (b) The Committee shall ensure that adequate Public Liability insurance is in place to protect the District against general liability claims.
- (c) The Committee shall ensure that adequate Directors Liability and Insurance Cover is in place to protect the Fund in respect of negligence, default, breach of duty or breach of trust on the part of the members of the Committee.

12. Conflict of Interest

All members of the Committee shall declare at the earliest opportunity any conflict of interest or potential conflict of interest and shall recuse themselves from deliberation or voting in matters related to said conflict of interest.

13. Immoveable Property

No transaction binding the District Fund Committee or a sub-committee regarding immoveable property shall be entered into without a written mandate from the District Fund Committee

14. Records

The Committee shall ensure the safe keeping and retrieval of records and transactions in accordance with commercially accepted practice and as may be required by statutory authorities.

15. Utilisation of the Fund

The Fund shall be utilised solely for the purpose for which it was established and shall not be utilised to provide any financial assistance, premises or facilities to any person for the purpose of carrying on by that person of any business, profession or occupation, other than in terms of an arm's length agreement.

16. Dissolution of the Fund

If the Fund is dissolved, wound up or liquidated, its assets shall be transferred to some other club, society or association having objects similar to those non-profit and public benefit objectives of the Fund and Rotary International.

17. Amendment to the Constitution

- (a) Any amendment to this constitution may be proposed by any club within District 9400 and shall be submitted in writing to the District Governor not less than 90 days before the opening day of the District Conference at which such amendment is to be considered; the proposed amendment shall then be circulated by the District Governor to all clubs within District 9400 not less than 60 days before such date.

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Any proposed amendment shall be accompanied by a statement from the proposer setting out –

- (i) the purpose and reasons why the amendment is proposed;
 - (ii) the manner in which the objective will achieve; and
 - (iii) the impact the amendment will have.
- (b) No amendment made in terms of paragraph (a) shall be of force and effect unless passed by two-thirds of the delegates present and voting at the District Conference, provided that any elector, as defined in the Bylaws of Rotary International shall have the right to demand a poll, in which event the voting shall be restricted to electors, and no decisions or recommendations in terms of this clause shall be of force and effect unless passed by a two-thirds majority of the electors voting at the meeting at which such amendment is considered. Amendments required or to comply with statutory regulations or as directed by the fiscal authorities shall be implemented by the Committee and reported to the Clubs at the earliest opportunity with the reasons therefore and ratified at the next District Conference
- (c) Any amendments must be in conformity with the Constitution and the By-laws of Rotary International.

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Document Tracking

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| July 2009 | Presented to D9300 Finance Committee |
| July 2009 | Presented to 5 th Strategic Planning Committee Meeting |
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