

Rotary International District 5030 District Code of Financial Policies

Following are policies as officially adopted by the Finance Committee

Fiduciary Role of the District Finance Committee. All members of the Finance Committee shall at all times understand that they are fiduciaries of funds that belong to the Rotarians of this District, and, therefore shall at all times apply high standards of commitment to their jobs, in full compliance with the District's Policy on Conflicts of Interest and Code of Ethics. Although the Treasurer works closely with the District Governor, the Treasurer shall be primarily responsible to the Finance Committee.

Adopted July 7, 2009

Non-Reimbursable Expenses. The district will not reimburse incrementally unchanged expenses which are of a type that were incurred by the governor prior to taking office and would continue after leaving office. Thus, the district will not reimburse a cell phone contract with fixed minutes, home phone, or internet charges because there are no incremental additional costs.

Adopted: September 11, 2008

Governor's Jacket. The purchase of clothing is a personal expense and the district shall not reimburse such items. However, the district shall reimburse the district governor for not more than one "Governor's Jacket," not more than one "Theme Necktie," and not more than one "Governor's Scarf" as recommended by the Rotary International President.

Adopted: January 6, 2009

Depreciable Assets. In general, the district fund shall not be used to purchase any equipment or other tangible property that is expensive or has a useful life of two or more years. However, the Finance Committee may make exception if, in its opinion, there is good and sufficient reason. In such case, the equipment or property purchased shall be owned by the district, and the person requesting such purchase shall be the responsible custodian of such assets. To ensure proper possession of the asset, the custodian shall sign a contract guaranteeing to reimburse the district for an amount determined by the Finance Committee in the event the asset is lost, damaged, or becomes otherwise unavailable to the district. The current district governor's budget shall be charged for any such purchases.

Adopted: January 6, 2009

Budget. The budget shall be prepared and presented to the incoming club presidents in accordance with District Policy Manual. The District Governor Elect shall inform the presidents elect of any expected dues changes at the annual Pre-PETS meeting to allow the clubs time to adjust their club budgets accordingly.

Adopted: January 6, 2009

Form 990 Informational Tax Return. The Form 990 informational tax return is due to the Internal Revenue Service not later than the fifteenth day of the fifth month after the fiscal year end. In other words, November 15 for a year ended June 30.

It is the responsibility of the District Governor whose year has just ended to ensure that the return is filed. That is, a district governor whose year ends June 30, 20x1, is responsible for the Form 990 for the year ended June 30, 20x1, and that return is due November 15, 20x1. The successor district governor, whose term ends June 30, 20x2, is responsible to ensure the return has been properly filed.

Adopted: January 6, 2009

Compliance Committee. The tasks of the Compliance Committee are enumerated in the District Policy Manual. It is the responsibility of the District Governor whose year has just ended to ensure that the Compliance Committee is appointed and completes its assignment in a timely manner. That is, a district governor whose year ends June 30, 20x1, is responsible for the Compliance Committee work for the year ended June 30, 20x1. The successor district governor, whose term ends June 30, 20x2, is responsible to ensure the work has been completed.

Adopted: January 6, 2009

Compliance with Policies. The District Governor, the District Governor Elect, and the District Governor Nominee shall sign a written statement that he or she has read, understands, and will follow the established District Policy Manual, the district Policy on Conflicts of Interest and Code of Ethics, and the District Code of Financial Policies.

Adopted July 7, 2009

Fiduciary Role of the District Finance Committee. All members of the Finance Committee shall at all times understand that they are fiduciaries of funds that belong to the Rotarians of this District, and, therefore shall at all times apply high standards of commitment to their jobs, in full compliance with the District's Policy on Conflicts of Interest and Code of Ethics. Although the Treasurer works closely with the District Governor, the Treasurer shall be primarily responsible to the Finance Committee.

Adopted July 7, 2009

Allocation of Funds from Rotary International. The expense allocation provided by Rotary International to the District Governor shall be deposited in the District bank account. Should the Governor fail to deposit such funds with the district, the Governor will not receive any reimbursements from the district fund until he or she does so.

The District Governor shall take all necessary steps to comply with Rotary International requirements to collect the final allocation installment, and shall cause such funds to be deposited in the District bank account.

Adopted July 7, 2009

Approval of Expenditures. Expenditures shall be made only upon approval of the District Governor except that any check made payable to the district governor, directly or indirectly, must be approved by the Chair of the Finance Committee. If an expenditure is necessary in the absence of the District Governor, the Chair of the Finance Committee is authorized to make the approval. The Vice Chair may act if the Chair is unavailable. All approvals shall be in writing as evidenced by an approval signature on the expenditure request. Requests for expenditures shall be evidenced by the original underlying invoices where practicable and by a voucher request for payment signed by the person requesting the payment.

Adopted July 7, 2009

Year of Accounting of Expenses. Expenditures for expenses shall be expensed for financial reporting purposes in the year in which the expenditure is made, with the following exceptions:

1. registration and related costs to attend the following year's Zone Institute and related functions, such as the Governor Elect Training Seminar and the Governor Nominee Advance Training Seminar
2. registration and related costs to attend the following year's Rotary International Convention
3. deposits or other expenditures to secure the site of a future District Conference or other district events
4. costs to produce and print the following year's district directory (note: any advertisement revenue received for such directory shall be treated as deferred income)
5. other items upon approval of the Finance Committee.

Expense reimbursements must be recorded in the year the original expenditure was made. That is, if a person incurs an expense in year one, the reimbursements must be recorded in year one; an expense may not be "carried over" to a future year.

Adopted July 7, 2009

Decisions on Accounting Matters:

The final decision on accounting matters shall rest with the Finance Committee. The Finance Committee may delegate this authority to the Chair of the Finance Committee.

Adopted November 10, 2009

Travel Expenses:

Travel by airplane shall be reimbursed in an amount not exceeding the lesser of actual cost or lowest available commercial economy fare.

Adopted November 10, 2009

Documentation for Expense Payments:

The District Treasurer shall pay disbursements requests only if they contain proper documentation. Proper documentation means the original invoice or a clear copy from a vendor. If such invoice does not clearly explain the charge, the requestor shall write an explanation on the invoice. A credit card statement without the original invoice is not acceptable as proper documentation. The requestor shall complete an expense reimbursement form as provided by the Treasurer. The Treasurer may also require proof of payment of the invoice, by such means as a canceled check or a credit card statement.

For mileage reimbursement, the requestor shall submit a log showing the date, destination, purpose of the trip, and miles driven.

The purpose of this policy is to (a) establish proper business standards that will comply with Internal Revenue Service rules; (b) ensure that a later reviewer can easily understand the nature of the expenditure to determine its propriety; and (c) safeguard the district fund. If for any reason the original invoices or copies thereof are unavailable, such expense request may be paid if both the District Governor and the Chair of the Finance Committee agree by their written authorization, but only on an exceptional basis.

Adopted November 10, 2009