

ROTARY INTERNATIONAL DISTRICT 9600 LIMITED

FOUNDATION COMMITTEE

FINANCIAL MANAGEMENT PLAN 2018-2021

Purpose and Overview:

Rotary International District 9600 Limited (District) has established the following Financial Management Plan to assure proper stewardship of District Rotary Foundation funds, facilitation of Club projects and the fulfilment of the mission of The Rotary Foundation (TRF).

The District will have the responsibility to manage that portion of District Designated Funds (DDF) designated for District Grants. This amount will be up to a maximum of 50% of the District's total DDF in any given year.

Specifically excluded from the scope of this plan is the management of District 9600 operational finances and any other finances having to do with District programs and / or projects.

The District Rotary Foundation Committee comprises the District Rotary Foundation Committee Chair (Chair); District Governor (DG); District Governor Elect (DGE), District Governor Nominee (DGN), District Foundation Stewardship Chair, District Grants Committee Chair (Grants); District Fundraising Committee Chair; District Vocational Training Team Committee Chair; District Scholarships Committee Chair and District PolioPlus Committee Chair. Other members of the TRF Committee are Vice Chair, Secretary and Treasurer if appointed.

The Plan

Administration of District Grants:

The process for the submission and evaluation of District Grant applications will be as follows:-

- Clubs submitting applications for District Grants must be qualified. To be qualified, clubs must have signed the Memorandum of Understanding, be current in payment of dues to Rotary District 9600 and Rotary International, and be current in meeting reporting requirements on Open Grants.
- Clubs will submit District Grant applications on the District Grant Application Form.
- The timing for the receipt of District Grant applications will be advised at The Rotary Foundation Seminar each year.

- The District Grants Committee will review the District Grant applications as they are received and work with the respective clubs to resolve any content or format issues relating to the application.
- The District Rotary Foundation Committee will receive the recommendations of the District Grants Committee and will meet to review each application and determine a project funding plan for the proposed projects given the constraints of the funds available for District Grants.
- The District Rotary Foundation Committee will make a formal resolution regarding the grant funding plan indicating the will of the committee. A simple majority of votes of those present in favour of the plan placed in a motion, seconded and discussed will be sufficient to approve the resolution. The resolution of the District Rotary Foundation Committee will be final, with no appeal allowed.

Use of Grant funds:

- Approval must be obtained before the project is started;
- The club is responsible for the proper disbursement of Grant funds;
- The Club is responsible for prompt repayment to the District for any funds not properly disbursed or accounted for;
- The Rotary Foundation has determined both permitted and prohibited uses of Grant funds and applicant clubs are responsible to ensure that the project is eligible for funding.

Reporting and Payment:

Grants are paid to **reimburse** club expenditure on the project, as evidenced by the presentation of invoices and receipts at the completion of the project. Payment of the Grant to clubs is contingent upon the Grants Committee receiving original or certified copies of invoices and/or receipts for the project expenditure. These must detail what goods and services were purchased. Payment is also dependent on presentation of a District Club Grant Project Final Report that is accepted upon review by the District Grants Committee Chair. It is stressed that the reporting obligations are essential to payment of the Grant.

Administration of District Global Grants:

Funding procedures for Global Grants (Bank Accounts held in District 9600) will be accomplished as follows:-

- The Global Grant website assigns a unique number to each Grant.
- After The Rotary Foundation (Evanston) approves the application for a Global Grant, it requests bank information for the funds.
- The Chair will open a separate bank account in the name of **Rotary District 9600 Global Grant #...** The account(s) will be subject to the Bank Account Requirements listed below.
- The Chair will be the primary contact for all District Global Grants unless another committee member substitutes for this role.
- When the funds are deposited in the Global Grant Account, the Chair will advise the Grants Chair.
- The primary contact will prepare a payment requisition indicating the amount, the payee, the bank information (if it is a payment by direct deposit) or the mailing

address. Invoices must accompany the requisition and be forwarded to the Chair and another bank signatory.

- The Chair will approve the disbursement by email.
- The Grants Chair or Chair will prepare the payment.
- The Chair will verify the payment amounts and payees are in accordance with the payment requisition and authorize.
- The Grants Chair will maintain all records of each District Global Grant.

Bank Account Requirements:

The District shall maintain a District account to be used solely for The Rotary Foundation District Grant funds, in accordance with applicable laws

- The account shall be low or non-interest bearing. Any interest earned must be documented and used on Foundation activities, or returned to The Rotary Foundation.
- The name of the account will be **Rotary District 9600 TRF Account**.
- Grant funds shall not be deposited in investment accounts of any kind.

Bank statements need to be available to support the statement of income and expenditure.

Bank statements shall be reconciled monthly.

The authorization of two Rotarians are required on payments. Authorised signatories shall be any two of District Governor, District Rotary Foundation Chair and District Grants Chair, Secretary, Treasurer and District Governor Elect. When one of these positions has a change of personnel, the most senior individual will ensure that new signature cards are completed with the bank within 30 days of the change.

Accounting Records and Practices:

The Treasurer (if there is one) otherwise it is the District Rotary Foundation Committee Chair that will be responsible for the following:

- Maintaining a General Ledger in accordance with accepted accounting principles.
- Maintaining receipts for all expenditure of \$50 or greater.
- Disbursement of Grant funds, as appropriate, directly to Clubs as approved in the Grant application and upon satisfactory completion by the Club of all reporting requirements.
- Maintaining separate statements of income and expenditure, noting interest earned and recoveries, if applicable.
- Maintaining a general ledger that separates funds according to each project.
- Establishment of an inventory system for the control of equipment and other assets purchased with Grant funds, and maintaining records for items that are purchased, produced, or distributed through Grant activities.
- Ensuring all Grant activities, including the conversion of funds, are in accordance with local law.
- Adherence to all bank account requirements.
- Producing monthly bank reconciliations.
- Maintaining a plan for transferring the custody of the bank account in the event of a change of leadership.

- Annually, within 30 days after the end of each Rotary year, make available to the Committee the general ledger, income and expenditure statements, balance sheet and bank statements.

Auditing:

A sample of all financial transactions will be audited by a panel of three (3) Rotarians, appointed by District 9600. A full report will be provided to the district's member clubs within three months of the completion of each Rotary year.

Document Retention:

Retaining information allows transparency in Grant management and assists in the preparation for audits or independent financial assessments.

All original documents shall be maintained for a minimum of five years, or longer if required by applicable law.

Documents that must be maintained and available to The Rotary Foundation for an audit include, but are not limited to:-

- All bank information and copies of past statements, together with documentation of changes in payee signatories, if relevant.
- Documented plans and procedures, including terms and procedures of
- Financial Management Plan; the general ledger itemising deposits and withdrawals; procedures for storing documents and archives; a succession plan for the District Rotary Foundation Grants Committee and a system to receive and investigate allegations of discrepancies and/or misuse of Grant funds. Annual audit report.
- Legal documents, including copy of liability insurance cover, if necessary and copy of travellers' insurance policies.
- District qualification documents, including copy of District qualification application submitted to The Rotary Foundation and a copy of District qualification approval letter from The Rotary Foundation.
- Club qualification documents, including Documentation of Grant Management and qualification training for qualified clubs and copies of qualified club MOUs showing date on which club received qualification status.
- District Grant and District-sponsored Global Grant information, including copies of all proposals and applications, copies of Grant agreements, copies of reports submitted to The Rotary Foundation and information collected from clubs and entities receiving District Grant funds; including receipts and invoices for all purchases made with District Grant funds.
- Copies of any written or electronic correspondence.

Report on use of Grant funds:

Grant reporting is a key aspect of Grant management and stewardship. Grant reporting also provides education for clubs to consider projects and applying for future The Rotary Foundation Grants. District 9600 shall report on the use of all District Dedicated Funds to member clubs by:

- Providing a report annually at or before The Rotary Foundation Seminar. The report shall contain a breakdown of expenditures for each project that received funding, a description of the project and the names of districts, clubs and individuals to which Grant funds were distributed. The report shall also contain details of the audit report.
- Including financial information on such Grants in the District Governor's Newsletter and the Foundation Newsletter, and will also be made available to all Rotarians via the District website.

District 9600 must adhere to all The Rotary Foundation Grant reporting requirements and cooperate with all The Rotary Foundation Grant audits.

Method for reporting and resolving Misuse of Grant Funds:

Reports of misuse of Grant Funds must be tracked, investigated and resolved. Upon receipt any report or allegation of misuse of Grant Funds, the Chair will take action to resolve any discrepancies and/or misuse of funds and inform the District Governor along with an action plan to prevent the repetition of any such discrepancies. A copy of the Chair's report will be provided to the

District Governor Elect and District Governor Nominee for information.

The Rotary Foundation will be notified of any discrepancies and/or misuse of funds as soon as they are identified. The Chair will work closely with The Rotary Foundation to resolve these issues. Resolutions could include returning of funds to District 9600 or The Rotary Foundation. It could also include denial of future requests for District Dedicated Funds for a period of one to three years, depending on the severity of the discrepancy or misuse of funds. A record of all investigations shall be maintained by the District, together with a log to facilitate and track reports of misuse of Grant Funds.

Annual Review and Evaluation of this Financial Management Plan:

Annually, within three months of the end of the Rotary year, the Committee will meet to assess the operational performance of this District Rotary Foundation Committee Grants Financial Management Plan. The purpose of this review is to determine if the procedures work to the satisfaction of those involved and if the plan serves the clubs of District 9600 well. It is specifically not the purpose of this review to perform an audit on the financial records. Changes in the procedures can be made by majority vote of the review committee.

Changes to this Financial Management Plan:

If, from time to time, it is needed to make changes to this Financial Plan to better serve the clubs of District 9600, or to correct a deficiency in the Plan, such changes may be proposed to the Chair who will transmit the proposed change(s) to all members of the District Rotary Foundation Committee for comment. Any comments received will be resolved and the resulting proposed change(s) to the Plan will be made and promulgated. A note indicating the superseding Plan will be added to the end of the Plan indicating the date of the revision and the date of the superseded version of the Plan.