

## **Rotary District 5340 Future Vision Plan – Financial Management Plan, 2011-12**

### **Purpose and Overview:**

The purpose of this document is to present the plan for managing the District Rotary Foundation finances during the Rotary Foundation Future Vision Plan pilot program. As such, the scope of this plan is limited to those finances pertaining to the District's stewardship over District Designated Funds (DDF) used for District Grants and Global Grants (where applicable) as defined and specified by The Rotary Foundation (TRF) in the various documents that describe the Future Vision Plan (FVP). Specifically excluded from the scope of this plan is the management of District 5340 operational finances and any other finances having to do with District operations.

The District Rotary Foundation Committee includes the DRFCC, DG, DGSC, DDGC, DGGC, District Fundraising Chair, District PolioPlus Chair.

An abbreviation key can be found at the end of the document.

Under the FVP, the District will have the opportunity and responsibility to manage that portion of DDF designated for District Grants. This amount may be as much as 50% of the total District's DDF in any given year. In addition, this plan will cover Global Grants where we receive Global Grant funds into our district.

The key to the successful management of the finances related to District and Global Grants is based on an effective process of administering the applications for and allocation of all grants.

**Guiding Principles:** The guiding principles behind the District's administration of the District and Global Grants are:

- All projects funded with District and Global Grant money must comply with TRF rules.
- The funds to be applied for District and Global Grants came from the clubs of the District. Thus the distribution of District and Global Grant funds will be based on each club's APF giving, both total and per capita.
- Notwithstanding the foregoing principle, it is desired that the available grant funding be spread as widely as possible among the clubs applying for District and Global Grants. Thus, it is encouraged that smaller clubs form partnerships to sponsor projects.
- It is desired that the funds granted result in a lasting benefit to the targeted population. Thus, it is desirable that clubs join together in partnership to sponsor a single project that can be larger, have a broader and more lasting impact and include more Rotarians from the District.
- In the case of District Grants, preference will be given to international projects in developing countries, particularly in non-pilot districts.
- It is desirable that clubs partner with outside, third-party organizations to expand the impact of the projects. However, all projects funded by a District Grant must be proposed, managed and directed by Rotarians.

- All activities associated with District Grants must be verifiable and auditable.
- The District's administration of District and Global Grants will in all particulars be in conformance with the requirements and intents of the Rotary Foundation Future Vision Pilot District Memorandum of Understanding (MOU).

## The Plan

Administration of District Grants: The process for the submittal and evaluation of District Grant applications and the allocation of District Grants will be as follows:

1. Club Qualification to Receive District Grant Funding: Clubs submitting applications for District Grants must be qualified. To be qualified each club must have signed the Club MOU, be current on all RI and District Dues and current on all TRF grant reporting. Attendance at the Grants Management Seminar is not a requirement for District Grants. However, it is a requirement for Global Grants.
2. District Grant Application: Clubs will submit the grant applications via the website, [www.matchinggrants.org/district](http://www.matchinggrants.org/district).
3. Schedule for District Grant Applications: The timing for submittal of District Grant applications will be promulgated each year.
4. Processing the District Grant Applications: The DDGC 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.
5. District Grant Funding Determination: As soon as practicable after the deadline for District Grant applications, the DRFC 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. A simple majority of the DRFC members being present will constitute a quorum for this meeting.
6. DRFC District Grant Funding Resolution: The DRFC will make a formal resolution regarding the grant funding plan indicating the will of the Committee. While a consensus is desired, a simple majority of votes of those present in favor of the plan placed in motion, seconded and discussed will be sufficient to approve the resolution. The resolution of the DRFC will be final with no appeal allowed. (The rationale for this policy is to avoid, to the maximum extent possible, any delays in the funding of the approved grants.)
7. DRFC District Grant Funding Resolution Dissemination: The resolution regarding funding of the proposed District Grants including a summary of the respective projects and the funding will be disseminated to all clubs in the District for information as soon as practicable after the DRFC has determined the funding plan but in no event more than 10 days after the resolution is made.
8. Funding Procedure for District Grants: Funding of the approved projects will be accomplished as soon as practicable after the funding plan has been determined. Funding will be accomplished as follows:
  - The District Grants website assigns a unique number to each grant.

- After approval of the grants, the DDGC will prepare the paperwork for submission to TRF of the Block Grant request. Upon receipt of the funds, they will be deposited in the Rotary District 5340 District Grant Account.
  - The DRFCC will send the DRFC District Grants resolution, annotated to include the assigned grant numbers to the District Rotary Foundation Committee Finance Officer (DRFCFO).
  - The DDGC will prepare a check request list indicating the grant number, the payees' names, addresses, bank information (if it is a wire transfer) and the amounts of the respective checks. The check request list will be sent via email to the DRFCFO.
  - The DRFCFO will prepare the checks per the instructions from the DDGC.
  - The DRFCC will verify the check amounts and payees are in accordance with the DRFC District Grants resolution and sign the checks and then arrange that the checks are delivered to the DG.
  - The DG will again verify the check amounts and payees are in accordance with the DRFC District Grants resolution, sign the checks and then make arrangements for the checks to be sent to the respective recipients.
  - When necessary, the DRFCFO or the DDGC can sign a check, but not both.
9. Funding Procedure for Global Grants (Bank Account held in District 5340): Funding will be accomplished as follows:
- The Global Grants website assigns a unique number to each grant.
  - After TRF approves the application for a Global Grant, it requests the bank information for the funds.
  - The primary contact on the Global Grant will request the bank information from the DRFCC. With approval from the DRFCC, the DRFCFO will provide the information to the primary contact on the Global Grant.
  - When the funds are in the District bank account, the DRFCFO will notify the Global Grant primary contact.
  - The primary contact will prepare a check request indicating the amount, the payee, the bank information (if it is a wire transfer) or the mailing address. Invoices or receipts must accompany the request. It will be sent to the DRFCC and the DRFCFO.
  - The DRFCC will approve the disbursement via email. If it is a wire transfer, the DRFCC will forward the request to the DG for approval.
  - The DRFCFO will prepare the checks per the instructions from the primary contact on the Global Grant. If it is a wire transfer, the DRFCFO will prepare the wire transfer.
  - The DRFCC will verify the check amounts and payees are in accordance with the check request and sign the check.
  - The DG will again verify the check amount and payees are in accordance with the check request and sign the check. The DRFCFO will mail the check.
  - When necessary, the DRFCFO or the DDGC can sign a check, but not both.

10. Club District Grant Reporting Requirements: As a stipulation of receiving a District Grant the sponsoring club will commit to comply with the following reporting requirements:
- a. Interim Report: If the project is not done, an interim report must be completed online by March 31 of the grant year, and every six months after that until completed.
    - A brief progress report which will describe both the advances made in fulfilling the project as described in the application and mention of any obstacles that have been experience in the project. Mention should be made regarding the planned solutions to the problems.
    - A summary accounting of how the money has been spent by major categories.
    - An estimate of the remaining time to completion.
  - b. Final report: within two months of project completion or no later than March 31 of the grant year, a final report must be completed online containing the following:
    - A summary of the project indicating what was done with respect to each of the project goals as set forth in the grant application.
    - A complete financial accounting of how the full project money was spent in detail including all receipts or invoices for items purchased and services contracted.
    - A list of Rotarians who participated in the project and a brief description of what each did on the project.
    - Photographs documenting the project. (optional)
  - c. Any other reporting requirements stipulated by TRF.
  - d. If the District Grant funds and the matching club funds are not fully spent, unmatched DDF must be returned to the district. For example, the club project totaled \$8,000 (\$4,000 DDF and \$4,000 club funds). \$7,000 was spent on the project. The club returns \$500 to the District making the project \$3,500 DDF and \$3,500 club funds.
11. Annual District Grants Activity Report: Each year the DDGC, will submit to the DRFCC, in the period April – June, a summary report of the status of all District Grants funded during the year. This report will include the following:
- a. A listing of all grants issued with the following information:
    - Status (in progress, complete)
    - Interim reports submitted as required
    - Final report submitted
    - Any problems known
12. Resolution of Problems Noted: The DRFCC will review the report and take action as appropriate to resolve any problems noted in the DDGC's report and forward the report to the DG.

13. District Grants Record Keeping: The DDGC will maintain a series of files of the following with the indicated retention times:
- a. An individual file on the website for each District Grant containing (retention period = five years after final report is received and approved):
    - the original application as reviewed by the DRFC prior to funding
    - a copy of the cancelled check sent to the sponsoring club to fund the grant
    - copies of invoices and receipts
    - photos
    - interim reports (if any)
    - the final report
  - b. A copy of the DRFC District Grant resolutions (retention period = five years)
  - c. A copy of check requests made to fund the approved grants (retention period = five years)
14. DRFC Grants Financial Accounting: The DRFCFO will be responsible for the following:
- a. Maintaining a General Ledger in accordance with Generally Accepted Accounting Principles.
  - b. Maintain receipts for all expenditures of \$75 or greater. (Note: this does not pertain to receipts for expenditures made by the various clubs as they execute the granted projects, rather, only to expenditures made by the DRFC.)
  - c. Ensure that all DRFC banking activities, including the conversion of funds, are in accordance with local law.
  - d. Adhere to all TRF bank account requirements as follows:
    - The DRFC bank account should be low or non interest bearing; any interest earned will be documented and used on eligible, approved grant activities or returned to TRF.
    - The name on the account will be “**Rotary District 5340 Grant Account**”.
    - Grant funds may not be deposited in investment accounts of any kind.
  - e. Perform monthly bank reconciliations and retain them electronically.
  - f. Annually, within 30 days after the end of each Rotary year, the DRFCFO will make available to the DRFCC and the DRFCACC the General Ledger, Income Statements, Balance Sheet and Bank Statements.
15. Signatory authority and custodianship of DRFC Grant Bank Account: The following will apply:
- a. All disbursements will be made by a check drawn on the DRFC Grants checking account. There will be no cash disbursements.
  - b. Two signatures are required on all disbursement checks. The following positions have signing authority: DG, DRFCC, DDGC, DRFCFO.
  - c. 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 60 days of the change.

16. Auditing:

The DRFC Audit Committee (DRFCAC) will be appointed for a three-year term by the 2010-11 DG and will be composed of at least three active Rotarians who are independent and financially literate, each of whom is a member in good standing of a different club in the district, and at least one of whom is a current member of the District Leadership Team and one of whom is a past district governor. One member of the committee must have professional accounting and audit experience. The DRFCAC members must be free of any conflict of interest and specifically may not be any of the following:

- Members of any club or district grant project committee
- Member of the DRFC
- The DGE
- The immediate past DG
- The DG
- Any Rotarian planning to be a project contact or a recipient of Rotary grant funds during the term of the DRFC Audit Committee

The selected DRFCAC will be approved by the clubs in the District at the legislative session of the District Conference.

The DRFCAC will annually, at a time selected by the Audit Committee, perform a financial assessment. The following is taken from the Rotary Foundation Future Vision Plan - District Memorandum of Understanding: *“An independent financial assessment is an evaluation of financial controls and compliance conducted by an independent, financially literate person or entity that has no direct links to the funds being examined or relationship with the club or district. The assessment is substantially smaller in scope than an audit or review and does not express an opinion on the financial statements taken as a whole.” (Section B, Paragraph 2)*

The written report of the DRFCAC will be submitted to the DRFCC and the DG within 90 days of the end of the Rotary year.

17. Resolution of Discrepancies and/or Misuse of Funds: The DRFCC will take action to resolve any discrepancies and/or misuse of funds noted by the DRFCAC and report said action to the DRFCAC Chair and the DG along with an action plan to prevent the repetition of any such discrepancies. Any discrepancies identified by others and presented to the DRFCC, will also take action to resolve said discrepancies and/or misuse of funds. A copy of the DRFCAC report and all follow up reports will be provided to the DGE and DGN for information. The Rotary Foundation will be notified of any discrepancies and/or misuse of funds as soon as they are identified. The DRFCC will work with The Rotary Foundation to resolve these issues. Resolutions could include returning of funds to the District or The Rotary Foundation. It could also include denial of future requests for DDF for a period of one to three years, depending on the severity of the discrepancy or misuse of funds. It is possible, if severe enough, that the club charter could be pulled.

18. Report to the District of Grant Activity: Annually, in the month of July or August, the DRFCC will transmit to all clubs in the District a summary report regarding the District Grant activity during the previous Rotary year. The DG, DGE, DGN and all members of the DRFC will receive a copy of this report.
19. Annual review and evaluation of this Financial Management Plan: Annually, within one month prior to or after the end of the Rotary year (that is in either June or July), the DRFCC, DRFCFO, DGSC, DDGC, DG and DGE will meet to assess the operational performance of this DRFC 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 the District well. It is specifically not the purpose of this review to perform an audit on the financial records. Changes in the procedures may be made by majority vote of the review committee.
20. Global Grant Financial Management: Should District 5340 be a recipient of any Global Grant funds, they will be deposited in the DRFC Grant bank account and disbursed in the same way funds for District Grants are disbursed. Any such financial activity will be reported and administered within the system established herein for District Grants. The only difference being the particular identification of the subject Global Grant.
21. Changes to this DRFC Financial Management Plan: If, from time to time, it is needed to make changes to this financial plan to better serve the clubs of the District or to correct a deficiency in the plan such changes may be proposed to the DRFCC who will transmit the proposed change(s) to all members of the DRFC for comment. Any comments received will be resolved and the resulting proposed changes 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.

**Abbreviation Key with 2011-12 Personnel:**

- District Rotary Foundation Committee = DRFC, Members in Bold below
- **District Rotary Foundation Committee Chairperson** = DRFCC (Pam Russell)
- **District Governor (serving)** = DG (Larry Sundram)
- District Governor Elect = DGE (Dick Stevens)
- District Governor Nominee = DGN (Carl Kruse)
- **District District Grants Chairperson** = DDGC (Marge Cole)
- **District Grants Subcommittee Chair** = DGSC (Philippe Lamoise)
- District Rotary Foundation Committee Finance Officer = DRFCFO (Judy Gallegos)
- **District Global Grants Chairperson** = DGGC (John Fistere)
- **PolioPlus Chair** = PPC (Richard Coutts)
- DRFC Audit Committee = DRFCAC
- DRFC Audit Committee Chairperson = DRFCACC (Keith Dindinger)
- DRFC Audit Committee Member = DRFCACM (Scott Peck, Adam Rosenberg)