

**Rotary International District 6860  
Fall Leadership Meeting  
Finance Committee Meeting  
September 7, 2012 1:00 pm  
MINUTES**

**Chair PDG John Valieant  
Ron Wainwright, Treasurer**

**Members Present:**

DG Phil Williams  
IPDG Martin Uptain  
PDG Ty Robin  
PDG Don Hadden  
PDG John Valieant  
PDG J.G. Brazil  
Bill Harwell, District Auditor  
Pat Cross, AG Coordinator  
Sue Mitchell, District Rotary Programs Chair  
Gary Andrew, District Secretary, Non-voting member

**Members Absent:**

DGE Tom Greene (2013-14)  
DGN Jerry Shepherd  
Lee Weinman, Past District Treasurer

**Guests:**

Gregg Jeane, District Future Vision Chair

**District Finance Chair Valieant welcomed everyone and called the meeting to order.**

- District Secretary, Gary Andrew reported there were no open items carried forward from the previous Finance Committee meeting held February 10, 2012.
- District Treasurer, Ron Wainwright, presented an update on the 2012-2013 District Budget. Treasurer Wainwright requested an explanation about the Public Relations Grant versus the actual cost. IPDG Uptain explained that RI only reimburses 2/3 of the actual funds expended. Gov Uptain explained that \$10,000 was approved by RI out of the \$15,000 requested. The current year requirement is for \$18,000 of which \$12,000 is expected. The District must fund the remaining 1/3 of the total requested. Therefore, Sue Mitchell moved that the District RY 12-13 budget be amended to add \$6,000 to the Public Relations account. Dennis Brooks seconded. Motion carried.
- Treasurer Wainwright provided copies of Finance reports to all attendees.

- Bill Harwell presented an overview of his audit of the Actual vs Budget financial reports for Rotary year ending June 30 2012.

Actual Income for RY 2011/12 Totaled	\$271,664.33
Expenses Totaled	<u>\$256,051.75</u>
Net Income	\$15,612.58

The District Equity Account reflects the following changes for the year:

Beginning Equity	\$92,423.68
Plus Current Year Income	<u>\$15,612.58</u>
Ending Equity	\$108,036.26

- Auditor Harwell reported this is the first time that the equity amount had exceeded \$100,000 which is well above the goal of keeping the equivalent of one year's district membership dues (approximately \$94,000) in reserve.
- Auditor Harwell reviewed line item accounts of Actual vs. Budget relating the accounts with major variance both those that exceeded the budgeted amount and those that were less than the budgeted amount.

Item	Budget	Actual	Difference
District Conference	\$6,000	\$9,964	(\$3,964)
RI Income for DG	\$7,500	\$10,305	(\$2,805)
Zone Institute Tng	\$7,500	\$4,531	\$2,969
International Conv	\$21,000	\$8,260	\$12,740 *

\*The difference is because the District budgeted for the DG, DGE, and DGN to attend the International Convention. The DGE did not attend and expense were actually much less than the Budgeted amount.

- Auditor Harwell also related that Quarterly Meetings and Supplies expenses were in excess of Budget but the Telephone expense was less than budget.
- Auditor Harwell related it was a good year with \$15,612.58 was returned to district equity and that District assets totaling \$108,036.26 are properly accounted for in four bank accounts.
- The Finance Committee then discussed ways that we could improve on preparation of the annual budget. It was suggested that the Budget Committee should make a concerted effort to include or amend the budget to include any known prior year expenses or incomes that failed to get recorded prior to closing prior year books.
- Auditor Harwell also led a discussion about whether it would be beneficial (any realizable value) for the district to consider changing our accounting method from a Cash Basis to an Accrual Basis both for books and Tax accounting. After

discussing it was agreed that we would continue to use the Cash Basis for District Accounting.

- Auditor Harwell also related that he had prepared the District's tax return (Form 990) for the past 6 or 8 years and that he had received a letter from IRS relating to the June 30 2011 Return requesting more information and that we should begin using the long form instead of the short form return. And also requesting that we begin preparing the return's on line. After discussing with Prior year's Treasurer Lee Weinman, Bill and Lee agreed we would look for a tax accounting firm to answer the IRS inquiry letter and also a firm to prepare each year's return. Bill is working with Pat Smith, a Rotarian in his club, and if the price is acceptable we will get Pat to give us a bid for preparation of future returns.
- Auditor Harwell summarized that his audit of the Budget vs. Cost records revealed no abnormalities. Rather, it was a normal year with acceptable variance.
- The Future Vision Audit forms are complete for John Valieant's year and will be sent to Greg Jeane by Auditor Harwell. Next, we need to perform the audit for IPDG Uptain's year.
- A general discussion of clubs not paying District Dues and fees for PETS ensued. While our District has been pretty successful, Gov Phil will follow up with 23 clubs. Gov Phil....suggests clubs who don't want to work overseas to partner with a club who does. Larger clubs should partner with smaller clubs.
- Greg Jeane distributed a report of District Designated Funds (DDF) Distribution for the 2010-11 (\$109,000) and 2011-12 (\$122,994) years. Greg Jeane recommends we support three global scholars using DDF in RY 12-13. The committee approved this recommendation.

**There being no further business, District Finance Chair Valieant adjourned the meeting.**

**Respectfully Submitted,**

**Gary Andrew**

**District Secretary**

