

**Rotary International District 6860
Winter Leadership Meeting
Finance Committee Meeting
February 21, 2014 1:00 pm
MINUTES**

Chair PDG John Valieant

Members Present:

DG Tom Greene (2013-14)
IPDG Martin Uptain
DGE Jerry Shepherd (2014-2015)
DGN Pat Cross
PDG J.G. Brazil
PDG Ty Robin
PDG Mary Jean Sanspree
Sue Mitchell, District Rotary Programs Chair
Mary Grace Evans, District Secretary
Bill Harwell, Chair Audit Committee
Joanie Gable
PDG Scott Stone
PDG Ron Layne

Members Absent:

Randy Blackwell
Ron Wainwright, Treasurer
Lee Weinman, Past District Treasurer
PDG Dennis Brooks

Guests:

PDG Bo Porter
Al Folcher, District Conference Chair

District Finance Chair (DFC) John Valieant welcomed everyone and declared a quorum.

DFC John Valieant welcomed and called upon DG Tom Greene for comments.

DG Tom recognized PDG welcomed everyone and discussed the importance of involvement of the committee recognizing expertise of the members.

DFC John identified the members of the Finance Committee as:

Chair

Immediate Past DG

District Treasurer

6 At Large (no two from the same AG Group)

Audit Committee – named requirement of RI and makes sense to sit on committee

In the absence of District Treasurer Ron Wainwright, DFC provided treasurer report (with supporting handouts)

DGE Jerry asked for clarification on the Credit Card Account. DFC John, DG Tom and

PDG Ty discussed the fee aspect of the credit card. Even after discussion and attempts to clarify DGE Jerry still felt it was unclear DG Tom agreed and additionally an understanding of why it is on the balance sheet.

ACTION ITEM: DFC to get with District Treasurer Wainwright to get to the bottom of credit card account

Continuing on Finance Report DGE Jerry shared that District Treasurer Wainwright has received all of the District Dues with the Exception of Tarrant Pinson.

All Clubs have not yet paid for PETs for 2014 (39 or 53 have paid)

Discussion returned to Tarrant Pinson. DGE Shepherd stated that they thought they had paid. They are in fact up to date on current district dues; however, still have a previous unpaid balance. They have also not yet paid for PETs.

- **PDG Mary Jean made a motion to forgive past due debt (old accounts) for Tarrant Pinson Club**
- **Sue Seconded the motion**
- **Further discussion on what was paid and what is owed, leading to**
- **Amendment to the motion to add: as long as they pay for PETs for 2014.**
- **Motion Approved.**

DG Tom brought up discussion that there has been a continual struggle to read and understand financial reports. He met with District Treasurer Ron Wainwright and Bob Crook (QuickBooks Expert working with Wainwright).

Much discussion ensued concerning the appropriate form of Accounting for the District, Accrual or Cash Based.

DG Tom expressed that accrual reporting is what has been used and does not work for us. He provided a summary of the year and expressed that there is approximately \$51,000 to work with for the rest of this year. The “big stuff” has been covered and suggested just a cash base report from here on out. He suggested that DG only budget for normal operating expenses, which would then be accountable for throughout the year.

PDG Mary Jean asked who would control Grants? DG Greene explained that Carol Argo, Greg Jeanne and District Treasurer (dual signature and separate account).

Mary Jean said that DG needs to be aware of all District money since they are the one recognized as accountable by RI.

DFC John and DG Tom further explained that DG is on the Grants Committee, just does not sign checks.

Discussion resumed concerning accrual or cash accounting. Joanie said that our system is not truly accrual and went on to discuss how it should be – does

not agree with Cash – right now with documentation provided, it is difficult to see where we are.

There was open discussion with varying opinions. A large portion of the discussion was based on money not spent from one RI year being placed in reserves the following year often causing immediate deficit in budget. As DGE Jerry is currently in the planning stage for his budget, this needs to be clarified and a solution determined.

Bill Harwell suggested a cash basis keeping the books open an additional 30 to 40 days in order to pay debts and then close the books for the year. We need to keep it simple.

Gable totally recommends accrual and does not recommend cash.

PDG Bo understands this point of view; however, also understands how we have operated. Money that was not spent was put into reserve and it required action to take money out of reserve.

ACTION Item: DFC John asked Joanie, DGE Jerry, DGN Pat and Gary Andrew to meet and determine best method and how to proceed.

DG Tom made one last comment – keep in mind with accrual – does not believe that he should have to absorb the last years expenses. DG should not be put into a position where they are accountable for things that they have no control over.
DG Tom would like to meet with the sub-committee (named above).

DFC John reviewed the Audit report RY 12/13 completed by Randy Blackwell (copy provided)

November 15 the tax form 990 was submitted

DG Tom has a copy of the 990 and was assured it was sent in. He has not heard otherwise from IRS.

Discussion of review and document retention of 990 ensued.

PDG Ty asked were copies are maintained.

DG Tom – District Leadership plan needs to address document and record retention

PDG Bo suggested that the Finance Committee should see a copy of the 990

Joanie interjected that is should say in the Bylaws and suggested/questioned on the tax return, does it state that the Board reviews?

ACTION Item: DG Tom will ask District Treasurer Ron to get a copy of the 990 to send to the Board

DCF John called on Al Folcher – District Conference Chair

AL - District Conference Budget Review – clarified that we are not 501(c)3, but a 501(c)4. We need generic stationary and envelopes for the District. Al needs

some now for sponsors. Web site is open for registration. There is a break in cost for Rotaract and Interact. There has been generous support, care should be taken and DG Tom ensured that we will continue to evaluate (for possible rate reduction) to ensure there is not excessive revenue. Goal is to net \$7,000.

Albertville and Madison Clubs are sponsoring Hospitality.

DGE Jerry presented preliminary budget. There was discussion concerning dues, committee expenses, recognition, etc.

DG Tom suggested that DGE Jerry and DGN Pat review/modify and send out for review and approval. District Treasurer Nominee should be included on sub-committee

PDG Ty made a motion to create a sub-committee to come up with a final plan/budget and ballot Finance Committee by email. Sub-Committee will include: DGE Jerry, DGN Pat, Joanie, Gary, Tom and District Treasurer Nominee.

PDG Mary Jean seconded motion

Motion passed

PDG Mary Jean made a motion to Adjourn

PDG Scott seconded motion

District Finance Chair Valieant adjourned the meeting.

Respectfully Submitted,

**Mary Grace Evans
District Secretary**