

**Rotary International District 6860
Winter Leadership Meeting
Finance Committee Meeting
February 16, 2018 1:00 pm
MINUTES**

Minutes of the District Finance Committee Meeting:

**PDG Pat Cross, Finance Committee Chair
Mary Grace Evans, Secretary**

Members Present:

PDG Pat Cross, Committee Chair
iPDG Gary Andrew
Ronnie Dukes
DG Sue Mitchell
PDG Tom Greene
DGE Carol Argo
Danny Cooner
DGN Bill Petty
PDG John Valieant
Ronnie Smallwood
PDG Martin Uptain

Members Absent:

PDG Scott Stone
PDG Dennis Brooks
Bill Harwell
Mike Ford

Guests:

PDG Jerry Shepherd
PDG Will Kirkpatrick
PDG Bo Porter
Don Wiginton
PDG Mary Jean Sanspree
DGND Lee Weinman

Minutes of the Winter Meeting of the Finance Committee

District Finance Chair Pat Cross called the meeting to order at 1:05 pm.

PDG Cross expressed her thank you to Michael Ford (Tuscaloosa Morning Club) for his serving on the Finance Committee for 2 years. He requested last year to be replaced for the remainder of his term. After consulting with DGE Carol Argo on who she would be appointing to the committee next year (end of term for Ford), she will be choosing Wilber (Bubba) Masters. Cross has asked him to join the committee early and he will will serve 3 1/2 Year Term (remainder of this year as well as the following 3 years). He is from the Gadsden Rotary Club and is President of Regions Bank

Review and Approval of Fall Finance Committee Minutes

**MOTION Ronnie Dukes moved for approval
DGE Gary Andrew second motion**

Motion Carried

Old Business:

Chair Pat Cross – email each member the 990 for iPDG Gary Andrew prepared by Jerry Mercer (accountant in Huntsville). This is prepared and sent to the IRS before the November 15th deadline. Needs approval and then PDG Valieant will post to the web site.

**Motion: Ronnie Dukes made a motion to approve
iPDG Gary Andrew Seconded motion
Motion passed**

**Motion: PDG Tom Greene made a motion for District Leadership Plan (DLP) to reflect the tax return oversight as the responsibility of the Finance Committee to make sure the 990 is submitted in a timely manner each year
Ronnie Dukes seconded motion.
Motion passed**

Action Item: PDG Tom Greene will follow-up to ensure appropriate action is taken at Fall Finance Committee Meeting

PDG Cross continued, Jerry Mercer prepared the financial review (not an audit) from iPDG Andrew's year and was emailed to Committee Members as well. Needs to be submitted and approved by RI and they are very firm about it. Everything has to be cleared at RI before we receive money for new year. It has been submitted.

DGE Carol Argo asked if there is a deadline for financial review. **PDG Cross** is not sure of actual deadline but will start getting notices in September 30 if it has not been received.

PDG Cross reviewed an item of old business from the Fall Finance Committee Meeting. PDG Greene had asked to see a budget balance comparison year to year. District Treasurer Chuck Adams was able to provide copies budget balances from Cross's Year and Andrew's Year. Passed copies to be reviewed. PDG Greene shared, if the financial records are good, we should see in comparison the numbers should stay together and if not it is an opportunity to make sure the records we are keeping are okay. The information provided settled Greene's question.

New Business

PDG Cross called to review of financials July - January

Financials:

DG Mitchell – everyone should have copies of:

- Balance Sheet as of January 31, 2018
- Check Detail July – January
- Income/Expenses July – June
- Open Invoices
- Profit/Loss
- Income Expense Budget

Open invoices – a few have been closed since printed. Mitchell first worked through the AGs and then called the Presidents directly.

Points of Discussion/Review:

- Bessemer (\$734) is dues and have been paid

- Goodwater was for PETs
- *Many Clubs that do not send anyone to PETs have issue with having to pay for PETs*
- Gordo – dues and PETs
- Haleyville in arrears 2 years in dues. Mitchell may physically visit. The Club has the money but Treasurer will not issue a check. This is a historical issue.
- Homewood – even
- Lawrence County - paid
- Montevallo PETs last year dues will be written off. Current President will serve again next year. He needs to attend PETs.
- North Shelby-Inverness – Dues and PETs, working with them on accurate membership number as of July 1 (will accept dues based on this number)
- Russellville – PETs and Dues past due
- Talladega – problems past due with dues at RI as well as District
- Trussville-Daybreak - paid
- Trussville Noon - paid

DG Mitchell expressed that we are in good shape financially. With dues increase, this has allowed us some flexibility. Should end the year in positive with money to transfer.

Request by DG Mitchell concerning Zone Institute:

This year zone meets in Montgomery, AL October 11 - 14. They are asking us for \$10,000 that we have not budgeted. They are asking the \$5000 for this RY (DG Mitchell budget) and \$5000 again after July 1 from DGE Argo budget. This was not budgeted for this year and DGE Argo is struggling to include this next year. She is formally requesting that we take the money out of reserve.

\$13,000 was deposited into reserve at the end of PDG Andrew year
Anticipate \$7000 to deposit after DG Mitchell year
The money is there to pay out of reserve.

PDG Cross said that we approved at the Fall Finance Committee meeting to pay current year request of \$5000 out of reserve payable in February. The addition is to take the remaining \$5000 to pay after July 1 out of reserves as well. **DGE Argo** has prepared a budget with and without this \$5000. Including the amount will put her budget in a deficit.

PDG Cross - We like to have the reserves to equal one year's operating cost (pretty much one year's dues). Dues right now are just over \$106,000 right now (reserve is about this amount right now).

PDG Cross shared whenever they have a Zone Institute meeting, it is 26 Districts. They ask surrounding Districts to be Regional Engagement. Expectations is for Mississippi, South Alabama and North Alabama to make donations of \$10,000 to support as well as sponsorships and other support. This year the Institute will be open to anyone that wants to attend. Big luncheon on Friday and speaker is Mark Maloney. Hope to have at least 100 people from our District to attend that luncheon. A big activity also planned for that evening, but the details are still being worked out. Might be able to have a Friday special. Andrew Young will also be a speaker. Fees have not yet been set.

Motion: PDG Tom Greene made a motion that the proposed budget for DGE Argo does not have to include the \$5000 payment for Zone Institute and that it will come from reserves, but make sure it shows that it flows through the budget for transparency.

Ronnie Dukes second motion.
Motion passed.

DGN Bill Petty asked about \$2400 paid in July to DACdb and again \$400.

DG Mitchell clarified \$2400 for Dennis Sanders (District Communications Officer) to attend DACdb seminar and \$400 was for annual dues.

PDG Greene said that we discussed in the Fall meeting that we are collecting money for a Disaster Relief Fund. We had talked about separating it out so that it was very clear.

Danny Cooner explained that it would be separated this year. When we have the money collected we will pay the portion to the Disaster Relief Fund (held at Rotary International) at that time.

PDG Greene asked if this falls under the operating budget for the purposes of audit? What happens if we spend some money?

Much discussion followed.

Action item: **DG Mitchell, DGE Argo and DGN Petty** will come up with a plan and report at Fall Finance Committee.

Action Item: **PDG Greene** will check the wording in DLP. Said that the Finance Committee should approve the spending/expense, but should not be responsible for the paperwork. This should still be the responsibility of the Governor and/or Treasurer.

District Conference Budget

DG Mitchell - District Conference Budget – 4 Districts (our part is 1/4 of each amount)

- Distributed Conference Budget
- Money collected/spent distributed

Asking for sponsorships. Currently have 30 sponsors.

June 7 - 10 and there is a wonderful video, actually there are 2, on District web site

Mark Maloney will be one of the primary speakers

Sue said we really need people to register. Sending out who is on committees. Need sponsorships. Anyone can sponsor \$50 and up. Hope that Clubs will sponsor. Major sponsor is Regions Bank \$10,000 spread between all Districts. Our part is \$23,000. This is a challenge dealing with 4 Districts. It is going to be fun!

PDG Uptain said that President's need to be hit hard. This is part of the President's responsibility and will be recognized if they attend.

DGE Budget:

DGE Argo is getting ready for next year – budget passed out will need to be modified to reflect income from \$5000 coming in from reserve and paying out.

Bottom line showing surplus of \$1578.

2 years of budgets where DG and/or DGE/DGN were single. Spouses not calculated into budget, however, DGE does have spouse and will be put back into the budget. Capped RI Convention at \$5000 for DG and \$8000 for DGE and spouse. \$1000 for DGN if they decide to attend.

PDG Shepherd, asked why paypal account is considered reserve?

DGE Argo explained it is cash but we are not spending. It is occasionally pulled out, but it is put into the operating budget. Money comes in to pay for an event and is pulled out to pay toward that event.

There was discussion about moving it under reserve, but no action was taken.

PDG Cross said something we have done when we get to July 1 we can use the number of members that is actually correct. The one we start with is the actual number.

DGE Argo will show \$5000 and will not know RI allotment until early March. \$5000 will be reflected income from reserve for Zone Institute to operating budget and expense under Zone Institute under expense.

Motion: **Ronnie Duke** made a motion to accept proposed budget.

PDG Uptain seconded motion.

Motion carried.

PDG Cross reminded group, Zone 30/31 Institute October 11 - 14 Thursday through Sunday - Friday luncheon speaker is Mark Maloney. Registration is not yet open but will be after this weekend.

Foundation Report:

Don Wiginton, has been working with Bill Harwell auditing block grants for last year and the scholarship for Carolyn Nolan, who has provided a clean bill of health for both.

Passed out DDF Sheet.

DG Mitchell asked if Clubs that are qualified have been contacted.

Don Wiginton has not contacted them.

Birmingham is working on their global grant written and will be asking for a good bit of this money

DGE Argo has been working with Roger Qualls and it may actually be in her year (other Districts are interested in participating in this grant as well so it needs to get in the system).

DG Mitchell said a Water and Sanitation is also being presented for Uganda.

Don Wiginton - funded 50 District Grants. 46 Clubs applied for District Grants, but only funded 44 (2 Clubs had not contributed to Annual Fund). Just conducted a webinar on how to close those grants. 10 clubs attended the webinar. Will promote more strongly in the future.

Working with 13 Global grants that were on the books at the first of the year. Got all the reports in on time, and they are working their way through.

Danny Cooner asked about paying a Club \$4000 if they are behind on their dues.

DGE Argo said they should not have been awarded a grant. The person that has been tracking the qualifications would not know the Club is past due. It needs to be put into the spreadsheet to determine if they truly meet all of the qualifications. It's needs to be part of the process to validate. This was just overlooked.

Other New Business:

PDG Cross introduced **Lee Weinman as DGND** and **DGE Argo** presented him with his badge.

Action Item: **PDG Valieant** will post the 990 to the secure site of District web site.

DGE Argo said she has asked someone in her Club to be the Auditor for this year. Wants a copy of the 990 and financials to see if they could provide pro bono. She asked for permission to provide.

PDG Cross provided copies to DGE Argo.

DG Mitchell said that Jerry Mercer (Rotarian in the Downtown Huntsville Club) has stated that he will not be able to provide this year. She will need to discuss with DGE Argo about this year as well. Mercer provided for 3 years at a pro bono value of \$4000 each.

Action Item: PDG Andrew and PDG Cross will write letter to him thanking him

PDG Will Kirkpatrick asked if there is some other kind of recognition he could be awarded.

Discussion of options.

PDG Valieant said that DG has authority to provide up to 20 service awards to those that have not received one.

Action Item: DG Mitchell and PDG Cross will coordinate with Debbie Dryer to present a District Service Award to Jerry Mercer at an upcoming Club meeting

PDG Shepherd asked that COG meet at 2:30 instead of 3:00.

PDG Bo Porter reported Foundation dinner broke even.

DGE Argo said that next year Mark Maloney will be speaker at Botanical Garden in Huntsville November 1.

Adjourned 2:05