

**Rotary International District 6860  
Mid Year Conference  
Finance Committee Meeting  
February 1, 2019 1:00 pm  
MINUTES**

**Minutes of the District Finance Committee Meeting:**

**PDG Gary Andrew, Finance Committee Chair  
Mary Grace Evans, Secretary**

**Members Present:**

PDG Gary Andrew, Committee Chair  
Mary Grace Evans, District Secretary  
DG Carol Argo  
DGN Lee Weinman  
Danny Cooner  
Ronnie Smallwood  
PDG Scott Stone  
Ronnie Dukes  
PDG Tom Greene  
DGE Bill Petty  
DGND Harold Lewis

**Members Absent:**

Bill Harwell  
Wilbur Masters (Bubba)  
PDG Martin Uptain  
Wesley Brown  
PDG Sue Mitchell  
PDG Georgia Medori

**Guests:**

PDG Bo Porter  
PDG Wade Drinkard

**Minutes of the Mid Year Meeting of the Finance Committee**

**District Finance Chair Gary Andrew called the meeting to order at 1:00 pm.  
and called for round table introductions.**

**Welcome to Harold Lewis, DGND**

**OLD BUSINESS:**

**Review of Minutes from Fall Leadership Meeting 2018 Finance Committee Meeting**

**MOTION:**

**Ronnie Dukes motioned to accept minutes as written  
PDG Scott Stone second motion  
Minutes Approved**

### **Club in Arrears (document provided)**

Chair Andrew shared that at the last Finance Committee decided (due to Clubs with past due with District and some with RI) to address in District Leadership Plan (DLP)

Andrew expressed appreciation to Ronnie Dukes for leading the effort, Danny Cooner and PDG Bo Porter putting this *Clubs in Arrears* document together. Great job!

Discussion: PDG Greene questioned about District case - if worst thing happens how will District handle/how do we execute. DG Argo addressed - it would be up to current DG if the Club will be terminated.

PDG Greene wanted to know how we are communicating this policy. Putting in the DLP is needed, but there are people that will not read.

Andrew explained that is in the DLP, it is on the Web site.

Argo said that they have paid for this year. She has asked DGE Petty to go over with new PE's as he is doing training. Communicate with PE at PETS and/or District Training Assembly as well in DG communication. She recommends sharing more than once, even recommends a session on financial responsibilities and legal issues with PEs.

PDG Porter explained the intent was that the Governor would have the flexibility needed to submit to RI, who could decide if they wanted to impose a penalty. Club suspension, if deemed, would be handled in accordance with and by RI.

DGND Lewis asked – at the first of the year he was notified that he had 3 Clubs that were arrears. He was unaware. Is there process for sharing with AGs?

Argo and Porter confirmed it is now in the DLP - AGs will be notified.

Porter added further clarification that there are 2 separate parts of policy RI and District.

### **Report on any Clubs that Haven't Paid Dues**

DG Argo confirmed that - All Clubs are up to date

### **Preparation of 990: PDG Sue Mitchell/Ronnie Smallwood**

Andrew due November 15 - Sue Mitchell said in email to Andrew that the 990 was submitted day prior of due date.

Ronnie Smallwood confirmed and provided those present a copy of the 990

PDG Porter asked if it has been posted. Carol said no - it needs to be provided to PDG Valieant to post to secure site.

**ACTION:** DG Argo will provide PDG John Valieant a copy to post

**NEW BUSINESS:**

**Review of Financials for October thru December 2018: Ronnie Smallwood**

Documents Provided:

- Balance Sheet
- Open Invoices
- Income & Expense
- Income & Expense Budget vs. Actual
- Check Detail

Balance Sheet - sitting very good and paying as things come due. This has been a slow time of year. Ask for questions.

PDG Greene asked how, to the best of his knowledge, Smallwood sees the year ending?

Smallwood feels that it will be better than last year.

DG Argo interjected that District Conference and International Conference have not yet posted.

Andrew asked for questions.

Greene asked if he could take this home and look over and offer comments.

Andrew sent in email; however, Greene did not receive. Greene asked for an opportunity to review before we vote.

PDG Porter asked if the members would be agreeable to approve subject to review.

**MOTION:**

**Ronnie Dukes made a motion for the report of the financials be approved subject to a 30 day review by members of the Finance Committee.**

**PDG Greene second**

**Andrew instructed to send questions to himself and Ronnie**

**Approved motion**

**DGE Bill Petty Budget (copies provided)**

DGE Petty reviewed draft of his budget, acknowledging that it will probably change. Included last 4 years of budget. Will be a few changes. Operating expenses are very little (as were DG Argo's).

Discussion:

Argo and Greene discussed Zone Institute Training Expense for Greene and PDG Pat Cross. Greene said that he will be rolling off and will incur no more expense; however, Cross needs to be included due to her role on the Zone Institute Committee.

Tom - current membership today - number will need to be looked at as it effects many other things

Greene - did not see line item for previously year's expenses. Hits almost every Governor. It shows up with a July date instead of a June date.

Danny Smallwood said last year the convention was early and closed books July 15 so it worked out (everything was paid). If the convention is the end of June it does roll into the next RY.

Greene is comfortable with how it is written, but is the Governor accountable? In his year, he had to deal with over \$10,000 due to date of International Conference. Money should be pulled from reserve if this happens so that it does not be a detriment to current DG (puts in an awkward position). We need to plan up front.

Argo asked if this should be part of the DLP.

Greene said if we want it part of policy or it could be an understanding up to the committee.

Andrew said we will continue at this point to leave it up to the committee.

Porter asked - does not want to limit funding to support our people. Do we have a policy concerning reimbursement for our people serving on Zone. Precedent is that we have supported ARC and Public Image. He thinks this is as far as it has gone in the past.

**ACTION: Andrew will look back at the DLP and see if it addressed**

Greene said we need to do what is right. We encourage people to participate and it is expensive.

PDG Drinkard said he has served on several Zone committees - District has not paid anything it was all paid by the Institute itself (District 6880 not 6860).

Argo asked about Southern Council for Youth Exchange Program - Our district if not fully compliant. We did send someone to the recent conference (Argo was at RYLA and we do not have a Youth Officer for our District). Need to send someone to either Montana in the summer or conference (January in Oklahoma) or we will lose our certification. This is not something we want to lose because to get it back is an incredible task.

Petty confirmed that is it in his budget. Argo said it will be at least \$1500 for Oklahoma and considerably more if they go to Montana.

**Motion:**

**PDG Greene will look at developing policy for payment for work performed outside the District.**

**Ronnie Dukes second motion.**

**Approved.**

**Motion:**

**Ronnie Dukes to approve DGE Bill Petty Draft for Budget 2019 2020  
Danny Cooner second motion.**

**Discussion:** PDG Greene suggested considering adding **that there may be some changes made, draft approved so long as the budget is balanced.**  
Motion modified to include suggested verbiage from Greene.

**Approved**

**Discuss Changes to the Finance Committee Composition: PDG Tom Greene**

Andrew advised that there are 2 inputs to Change of Finance Committee Composition. The handout shows current DLP words at top and 2 proposed changes following. Asked committee to choose one (original, 1<sup>st</sup> revision, or 2<sup>nd</sup> revision).

DDG Greene shared his process was going back to the way it was written and staying within what was already written. PDG Porter went further and added things that should also be included. Greene said that he and Porter both discussed the versions submitted.

PDG Porter offered second version in support of the first revision. The only real change in it is Bo said technically everyone other than those appointed by virtue of position is ex-officio. The only appointed members would be those that were not there due to ex-officio status. He went further to say when possible that there would not be more than on one appointment from a single Club.

Greene withdrew his proposal and ask that Committee accept Porter's proposal.

**Motion:**

**Ronnie Dukes accept Porter's proposal.**

**PDG Greene second.**

**Approved. Porter clarified that this is a recommendation for Governor to authorize change in the DLP and Argo so authorized.**

**Proposal for District Conference Budget: DG Carol Argo**

DG Argo discussed that she has request out for sponsorships. District 6880 has fully committed \$5000, if needed to balance the budget. There will be no deficit. This has not even been approved by their planning committee yet, but wanted to share today. Argo asked PDG Porter to address that we have a \$25,000 minimum for food and AV excluding taxes and service charges. Looked as ways that we could come up with money. By including RLI in this budget, we can include the food portion for their lunch we can meet the \$25,000 requirement. Porter further explained that initially the conference was going to include 3 meals, lunch, dinner and 1 day of the conference breakfast. At last discussion went to breakfast on your own which now made us fall short. With the RLI lunch (\$50 per person) we are back up to minimum. There is more cost to Heart of America including RLI with the conference, but there are advantages and Porter does not feel that this is an issue with Heart of America.

Greene commented that he has provided Andrew a quick write up - risk:

1. Attendance does not turn out like budgeted
2. Does not have a budget that can work with

It is important to look at due to risk. This is not only for this year, but for every year.

Argo went on to explain that she has in her budget \$6000 for DG, but only shows needing \$3000 in conference budget. If it does increase it will be covered.

All agree that there is risk.

**Motion:**

**PDG Scott Stone to accept Carol conference budget.**

**Ronnie Dukes second.**

**Approved.**

**Rotary Foundation Reports Wade Foundation report: PDG Wade Drinkard**

Received a copy of DDF earlier in the week and found a negative DDF of app. 58,000. Checking further, RI Foundation input a District number incorrectly on a pending grant in the amount of \$168,450 (for District 6980) which will be corrected.

**\$431,428 total DDF available for this RY**

Comprised of these figures:

\$267,785	of DDF 2018-2019 DDF (available from 3 years ago)
\$153,044	carryover from 2017
\$5,397	Interest transferred from the permanent fund
\$5,201	returned funds from district grants that did not use all of the funds

Out of the \$431,428, we have transferred:

\$63,557	Polio plus total of
\$25,000	Rotary Center for International Studies
\$116,837	DDF funding transfer for District Block Grants 31 clubs and granted 42 grants totaling \$114,000
\$5,000	Family Health Day Project (Larry Lunsford)
\$2,500	Mexico Peace Conference
\$29,134	Heath Thompson - Global Scholar

Have authorized transfer for:

\$70,000 DDF Sri Lanka (cervical cancer center project). The total budget for this project was \$390,250. DDF of \$137,000 came from 5 Districts; \$77,500 CAS contributions; \$175,750 World Fund.

Congratulate Birmingham Club on this project!

Committed but not transferred:

\$1,000 Sam Owori HIV awareness

\$3,987 Sam Owori School project

\$4,000 Red Fruit Project in Haiti

\$24,750 Shades Valley Rotary Club Sanitation

\$2,500 Heart Program

\$8,000 Dialysis Center at the request of RIPE Mark Maloney

**\$35,250 - Currently left uncommitted and untagged**

7 projects mentioned – our District has committed a total of \$115,621 DDF. These projects total \$1,151,153. Our District and our Clubs are to be congratulated.

DG Argo shared that 1 of the Sam Owori projects is her class a Simple School. The funding of the grant is from 24 Districts. It is a \$64,000 project. Total budget for the school is \$62,323 funded by 26 contributions and contribution from the World Fund.

Annual fund report was distributed. A little lower than this time last year. Aware, but not too concerned at this time.

Argo shared DDF for Bill's year \$212,800.74 so \$106,000 (roughly) with split Drinkard said we will be getting additional for \$30, 609 for 2 years (split for 2 years).

District Block Grants 31 Clubs 42 total grants Allocated 114,000  
\$70,000 to Rotary Club of Birmingham for Sri Lanka project  
390,250 total budget for the project

Last year's block grant has been approved and submitted. Now Bill Harrell has to complete his final review.

Gadsden has not cashed 3 checks as of end of January (\$4000) - according to Ronnie Smallwood.

Drinkard said Roanoke project fell through due to cooperating partner dropping out and they may be refunding. Argo said she received an email this morning.

Ron Brown has resigned and have a new team in place: Kathy Brunot (District) Brian Stallings (Annual) had a meeting in Chattanooga for new team. Both are with the Rotary Club of Tuscaloosa.

Discussion:

PDG Porter asked that on page 6 of the 990 section B is policies - every questions are marked no when some of them could be answered yes. Not sure why we are not providing yes where it could be. Porter requested that this be looked at.

Argo also asked that we had requested a financial review, not just the 990 in previous years. Is this correct? She remembers from previous years. Is it required?

Argo said that this is the piece that was not done. Mitchell tried but we still do not have.

PDG Andrew said that action should be presented at Conference.

**Action: PDG Porter will follow-up on status of review**

PDG Porter said that amendments for DLP recommendations need to be made to COG to concur. Andrew will mention as part of his report.

Adjourned 2:38

**Respectfully Submitted,**

**Mary Grace Evans**