**Rotary International District 6860
Mid-Year Finance Committee Meeting Minutes**
April 16, 2021 2:00 pm via Zoom
PDG Carol Argo, Finance Committee Chair
Lindsy Gardner, Secretary

Members Present:
PDG Carol Argo, PDG Bill Petty, PDG JG Brazil, Ronnie Smallwood, PDG Georgia Medori, DG Lee Weinman, DGE Harold Lewis, DGN Wade

Guests Present:
PDG Wade Drinkard, PDG Bo Porter, PDG Tom Greene, Garry Rosenberger

Members Absent: Tommie Goggans, DGN Mike Wade

District Finance Chair PDG Carol Argo called the meeting to order at 2:00 pm, welcomed all in attendance, and called for introductions.

**OLD BUSINESS**

Review of District Mid-term Finance Committee minutes

PDG Georgia Medori pointed out that the time of adjournment should be corrected to 3:20 pm.

**MOTION: DG JG Brazil motioned to accept the minutes as amended, seconded by DG Lee Weinman. Motion approved unanimously.**

990 Review

PDG Argo has uploaded a copy of the 990 to the secure files in DACdb District files. The Form 990 has been filed with the IRS.

PayPal account

PDG Bill Petty reported that Doug Crump recommended closing the PayPal account, transferring the money to the District, and opening a new account. Ronnie Smallwood announced that there was a balance of about $2,600 in the account. Argo asked Smallwood and Weinman to work on the funds transfer. Petty asked if the District needs PayPal, and PDG Tom Greene and PDG Lee Weinman agreed that the District needs a payment gateway to accept credit cards. Greene added that DACdb offers some third-party options for payment gateways.

QuickBooks

Garry Rosenberger and Ronnie Smallwood have worked together to transition the District financials to Quickbooks Online. The cost is $45 per month with some other incidental costs. Both Ronnie and Garry currently have access to the company file. Ronnie will release it to Garry on July 1, but up to five users plus two accountants can have access. Argo recommended that additional people have access for security and redundancy.

**NEW BUSINESS**

Statement and Report of 2019-2020 Finances and Financial Review
PDG Bo Porter expressed appreciation to Dan Sutter and Will Jangaard for serving on the Audit Committee. Porter read the report for the record. The Audit Committee found nothing that would indicate that the district’s financial records and procedures were not meeting expected requirements. The Audit Committee recommended that the statements and reports, with accompanying explanatory notes, be presented to the clubs of the district for acceptance/adoption as presented.

The Audit Committee recommended for future reporting that the following data be included or modified:
1. Annual Statement – Actual data for all items referenced as “See….” be included in the report itself.
2. RYLA – A complete report of Income and Expense be requested from the sponsoring clubs/committee and included in the report
3. Boiling N Bragging – A complete report of income and expense for the event be requested from Children’s of Alabama for inclusion in the report
4. Summary report of grant account activity with reference to DACdb reports be included
5. Summary of Disaster Recovery Fund activity be included

DG Weinman commended the Audit Committee on their work. Porter asked Ronnie Smallwood to send journal entry adjustments that were reflected in the 990 filing. PDG JG Brazil asked about difficulties in implementing the recommendation for RYLA. Porter answered that the current report meets the requirements for RI, but the Audit Committee does not have information about the net income or loss associated with RYLA. Porter shared the available RYLA details in the report. Brazil supported the Committee’s recommendation regarding RYLA.

Porter asked for guidance in formatting a report for presentation to the District. Argo recommended sending the report with all the supporting information to Rotary International. The group discussed various options for reporting to the District and Rotary International.

Weinman would like to have the report distributed almost immediately and will call for a vote at the District Conference. The Finance Committee members agreed.

Porter acknowledged that the process was difficult this year since the Committee had to establish a protocol and policies for this new undertaking. He expressed appreciation for patience from all involved. Argo extended gratitude to the Audit Committee for their “Herculean effort” to complete this review.

Porter also asked that one member of the Audit Committee have access to the Quickbooks Online company file. He also noted that Dan Sutter’s term on the Audit Committee will end after June 30. DGN Mike Wade will make a nomination to replace Sutter.

Update on 2020-2021 DDF

PDG Wade Drinkard, District Rotary Foundation Chair, reported on DDF revenue and expenses as listed below.

|  |  |
| --- | --- |
| Revenue |  |
| $231,643.00 | 2017-2018 Annual Fund Share Balance |
| $104,525.75 | 2018-2019 Annual Fund Share Balance |
| $15,890.00 | Returned Funds |
| $5,799.00 | Share earnings from endowment funds |
| $357.857.75 | Balance as of 10/29/2020 |
|  |  |
| Expense |  |
| $123,576.00 | District Grants allocation |
| $25,000.00 | Rotary Center for International Studies (Peace Scholars) |
| $58,400.00 | Polio Plus ($12,000 Purple Pinkie) |
| $70,000.00 | Global Grant – Birmingham Club – Sri Lanka |
| $28,500.00 | Global Grant – RC of Tuscaloosa – India |
| $25,600.00 | Global Grant – Birmingham Sunrise - Ecuador |
| $10,000.00 | Global Grant – RIPN Jennifer Jones Project |
| $341,076.00 | Total Expenses |
|  |  |
| $16,781.75 | Balance Remaining for 2020-2021 |

The Financial Assessment on the District Block Grant has been completed. In 2019-2020, the District allocated $124,403, which meant each club was allocated $3,760. 33 clubs applied for a total 48 projects. $15,890 was returned. PDG Drinkard introduced the completed report to be appended to the minutes of the meeting (see attached). PDG Drinkard also recognized the diligence of all the participating clubs, District Grants Chair Kathy Brunot and Ronnie Smallwood, District Treasurer.

Drinkard received a letter from the Department of Stewardship at RI which stated that District 6860 had met 100% of reporting requirements as of the April 2020 analysis.

DG Argo thanked Drinkard for his service over his three-year term as District Rotary Foundation Committee Chairman. Ryan Stallings has been asked to serve in this role beginning in July.

Review of Financials July September 2020

PDG Argo shared the Balance Sheet, Income and Expense Budget vs Actual, and Open Invoices reports digitally.

DG Weinman has curtailed travel for significant savings to the District. He also mentioned a pending donation to the University of Alabama School of Communications for assistance with the public service announcement video projects. He predicts a net contribution to reserves. He does not anticipate that any funds will be returned to Rotary International. Ronnie Smallwood added that expenses related to scholarships and disaster relief have not been paid yet.

The Finance Committee next reviewed open invoices. A second notice went to the clubs with outstanding balances on November 1. Weinman sent additional emails to clubs with open invoices, and he volunteered to follow-up with phone calls. The clubs are current with Rotary International dues. Argo reminded the Finance Committee that the District Leadership Plan has procedures for handling clubs that are in arrears.

**MOTION: PDG Georgia Medori made a motion to approve the financials as presented, seconded by DGE Harold Lewis. Motion passed.**

2021-2022 Proposed Budget

DGE Lewis announced that the budget is predicated on having in-person events in 2021-2022. He presented his budget with level funding for most lines. He highlighted a couple of new items, including Quickbooks Online, travel expense for PDG Tom Greene as Executive Director, and Zoom account expense. Lewis is also proposing Emerging Leader Scholarships. Lewis budgeted $9,500 in revenue from reserves to balance the budget. The budget should be presented for approval at the District Conference.

**MOTION: PDG JG Brazil made a motion to approve the proposed budget, seconded by PDG Bill Petty. Motion passed.**

Also, on the recommendation of the Council of Governors, Lewis proposed approval for expenses for PDG Petty and PDG Weinman and their spouses to attend the Rotary International Conference of their choice in the next three years, up to $7,000 per couple. PDG Porter suggested that the District pay for PDG Petty to attend one conference, PDG Weinman to attend two conferences and DGE Lewis to attend one conference. Lewis withdrew his motion in consideration of discussion.

**MOTION: Due to the Rotary International convention trips cancelled by COVID, Ronnie Smallwood made a motion to allocate reserve funds to fund travel expenses to RI conventions as follows: Weinman and spouse– 2 conventions, Petty and spouse– 1 convention, Lewis and spouse– 1 convention. The maximum expenses allowed for each convention would be $7,000 total per couple. The funds should be expended within the next 3 years. Ronnie Smallwood added that unexpended funds budgeted for travel to RI Conventions cancelled due to COVID were placed in reserves. The motion was seconded by PDG Georgia Medori. Motion passed.**

Lewis, Petty, and Weinman expressed a conflict of interest.

PDG Argo commended Ronnie Smallwood for his excellent service to the District during his four-year term as District Treasurer.

PDG Argo adjourned the meeting at 3:58 pm.

Respectfully submitted,

Lindsy Gardner