

Rotary Club of Hampton Roads (RCHR)

Policies and Procedures
Updated April 23, 2024

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Rotary Club of Hampton Roads (RCHR) and RCHR Foundation Policy and Procedure Manual

Introduction

The RCHR Policy and Procedure Manual was developed to help RCHR members understand their responsibilities related to facilitating club operations and administration and increasing club effectiveness. This manual focuses on club operations based on avenues of service projects to accomplish the object of Rotary and administration required for effective operations, finance, membership development, and public image initiatives.

The purpose of the Manual is to place all general and permanent operational and administrative policies of RCHR into an integrated and comprehensive volume with the topics arranged in logical order and with consistent language. The existence of such a Manual will make it easier for members of the RCHR board of officers and directors to perform their duties, and those charged with the responsibility to administer the policies, to be familiar with all general and permanent policies currently in force, regardless of the dates of their adoption. This RCHR Policy and Procedure Manual is expected to provide an important source of information for RCHR current and future leaders.

Members should use this manual to gain a greater understanding of RCHR operations and administration and prepare for their role as officers and committee chairs. This publication will serve as a resource as members work with club officers, directors, committee chairs, and members for RCHR action in supporting the purpose of Rotary.

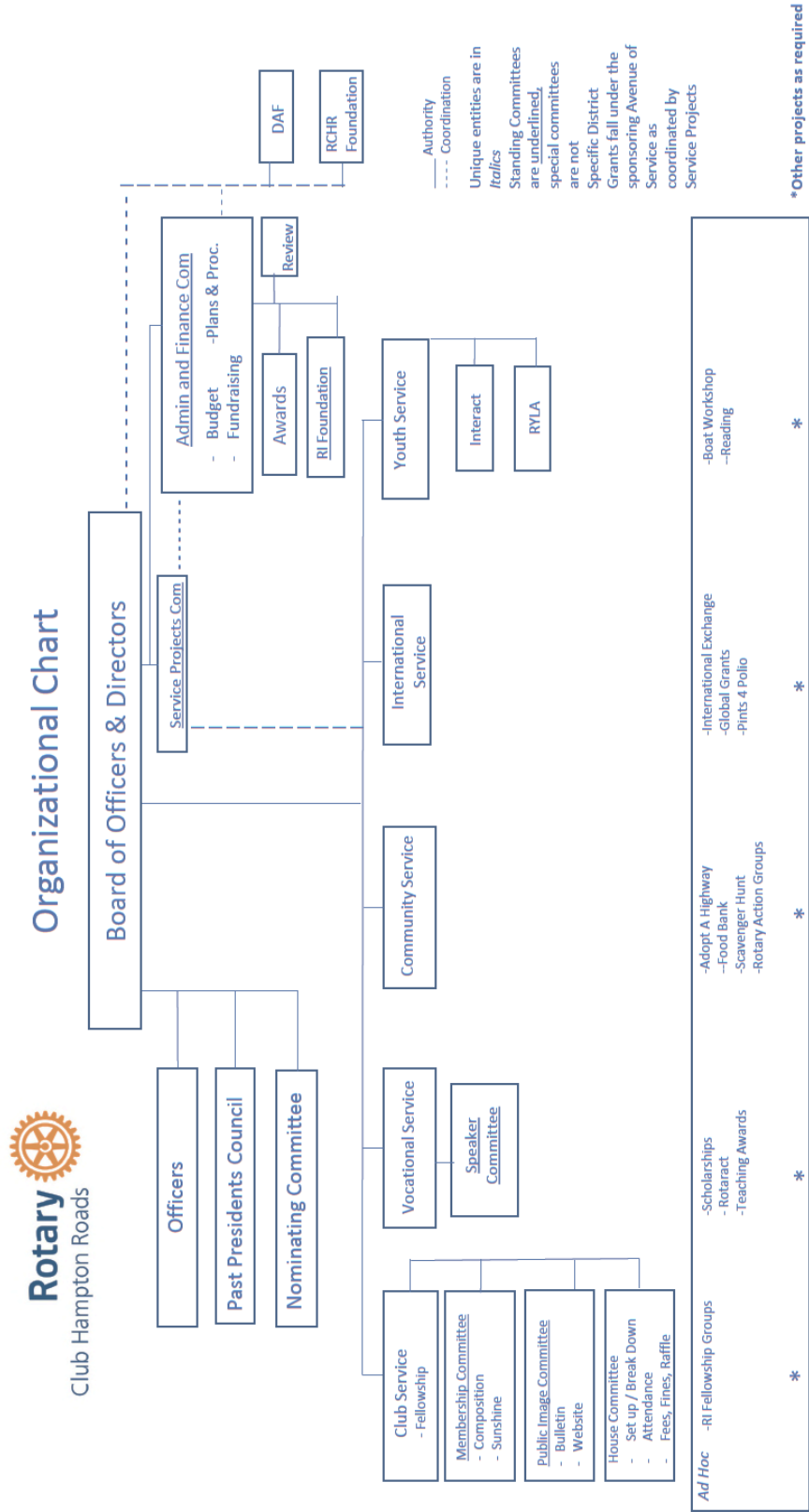
The relationship between RCHR and the RCHR Foundation and financial management is contained in the joint policies section developed in conjunction with the RCHR Foundation. This first section of the Manual primarily is a compilation of RCHR general policies currently in effect. The second section is made up of policies that apply to both the RCHR and the RCHR Foundation, which primarily are financial in nature. This publication is divided into policy sub-sections as set forth in the table of contents on the preceding pages. Each section in the Manual is intended to represent a separate subject divided into background, policy, procedure. The policies are numbered consecutively and are arranged in logical order for easy reference.

The joint policies in the second section directly relate to the RCHR Foundation. They are included because members of RCHR must understand both club and foundation financial management to pursue service projects. Additionally, the RCHR Treasurer also is the RCHR Foundation Treasurer and RCHR must be aware of and follow the requirements of supporting a 501 (c) (3) organization in budgeting, fundraising, management, and distribution of funds.

Both RCHR and RCHR Foundation may develop additional policies to be included in this manual as the need arises. The various policies will be revised and supplemented, on an annual basis or more frequently as time permits, to update and refine the Manual as a comprehensive document. Recommended changes to this manual shall be submitted to the RCHR Planning and Procedures Committee for regular review in accordance with RCHR Policy 15. All Manual additions or changes shall be approved by the RCHR Board of Officers and Directors.

The following page (issued separately) describes the RCHR organization at-a-glance as the club pursues the Object of Rotary through the Avenues of Service. The Rotarian Code of Conduct follows to remind us of our obligations to society in service above self.

RCHR Organization Chart



Rotarian Code of Conduct

The Rotary Club of Hampton Roads is an organization that offers opportunities for service and fellowship and is open and inclusive, fair to all, builds goodwill, and benefits our communities. The following code of conduct has been adopted for the use of Rotarians: As a Rotarian, I will,

1. Act with integrity and high ethical standards in my personal and professional life.
2. Deal fairly with others and treat them and their occupations with respect.
3. Use my professional skills through Rotary to mentor young people, help those with special needs, and improve people's quality of life in my community and in the world.
4. Avoid behavior that reflects adversely on Rotary or other Rotarians.
5. Help maintain a harassment-free environment in Rotary meetings, events, and activities; report any suspected harassment; and help ensure non-retaliation to those individuals that report harassment.

Rotary's Commitment to Diversity, Equity, and Inclusion

Rotary is committed to treating everyone with dignity and respect, allowing everyone's voice to be heard, and providing equitable opportunities for fellowship, service, and leadership.

Rotary International's members want and expect Rotary to be a diverse, equitable, and inclusive organization. It is committed to creating supportive environments that foster open communication and shared learning. And although the Rotary experience may differ from country to country, the dynamics, histories, and structures that create inequality and bias can be found all over the world. Issues of diversity, equity, and inclusion are globally relevant.

The Rotary International Board of Directors and The Rotary Foundation Board of Trustees embrace the principles of diversity, equity, and inclusion, and Rotary is taking action to follow these principles in everything we do. We recognize that being a diverse, equitable, and inclusive organization will enhance the experience that members have in Rotary, allow us to carry out more meaningful and effective service efforts, and create open, welcoming environments that appeal to people who want to connect with us.

DEI code of conduct

Rotary International's Board approved a new DEI code of conduct that reflects our core values. It provides a supportive framework for how Rotary members can create and maintain an environment that is collaborative, positive, and healthy for everyone. The DEI code of conduct asks Rotary members to:

- Use respectful language.
- Be supportive.
- Foster a welcoming and inclusive environment.
- Celebrate diversity.

Although free expression is important, what we say and how we behave matter. Rotary does not tolerate speech or behavior that promotes bias, discrimination, prejudice, or hatred because of

age, ethnicity, race, color, disabilities, religion, socioeconomic status, culture, sex, sexual orientation, or gender identity.

All Rotary leaders, from club presidents and district governors to directors and trustees, are expected to apply the DEI code of conduct uniformly by taking responsibility for how their words and actions may affect others.

If you hear something or observe behavior that doesn't align with the DEI code of conduct, you have several options for addressing it:

- If the situation can be resolved through discussion, encourage the member or participant to talk to the person directly. Very often, a person who said something or acted in a way that made others feel excluded, marginalized, or targeted did not do so intentionally. Although there might be mistakes, missteps, and uncomfortable conversations along the way, the end result is a better, stronger Rotary.
- If a discussion is not possible or the situation involves someone in a leadership role or another club, contact the Club President, President-elect, or Board of Officers and Directors who will review the information and follow up appropriately.
- If anyone is in danger or their safety is in doubt, contact local law enforcement and notify the Club Board of Officers and Directors.

Support DEI in your club and community.

You can take action to promote diversity, equity, and inclusion in your club:

- Invite local diversity, equity, and inclusion experts to speak to your club. Connect with organizations that support DEI efforts, and work with them on projects or events.
- Seek out new voices when you're making appointments and encourage people who have been underrepresented in these roles to take on leadership positions.
- Hold conversations about diversity, equity, and inclusion. Acknowledge that this can be uncomfortable and very personal. Establish the expectation that these conversations will allow everyone opportunities to learn and to be heard and will remain respectful.
- Create a club DEI committee that reflects the demographics of your community and works with residents to identify collaborative learning, sharing, and service opportunities.

Additional Important Considerations

Rotary is committed to maintaining an environment that is free of any type of harassment. Harassment is broadly defined as any conduct, verbal or physical, that denigrates, insults, or offends a person, other individuals, or a group based on any characteristic (age, ethnicity, race, color, abilities, religion, socioeconomic status, culture, sex, sexual orientations, or gender identity).

Allegations of harassment at Rotary events or activities shall be reviewed by the club board of officers and directors and responded to within a reasonable time, typically one month. If the alleged offender is a member of the club board, the incumbent may offer an explanation, but is expected to reclude themselves from the discussion of appropriate action to be taken. The review, including any investigation, shall be dependent on the circumstances including the frequency, severity, and pervasiveness of the behavior. See Rotary Code of Policies 2.120 and 26.120.

RCHR SECTION

RCHR Policy 1

Club Member Attendance, Makeups, and Volunteer Service Hours

Adopted: February 2014

Amended: December 16, 2022, January 23, 2024

BACKGROUND

Attendance, also called "engagement", is participation in RCHR or other Rotary Club regular meetings and taking part in Rotary projects, events, or other activities either in-person or virtually for at least 60 percent of the activity. Additional requirements are listed in the RCHR Constitution Article 10 and the definitions of regular meetings, projects, events, and activities are contained in the RCHR Bylaws, Article I. Rotary club attendance, excused absences, and attendance records are covered in the RCHR Constitution Article 10. While there is no requirement for attendance at club meetings in Article 10, Article 13, Section 4 of the Constitution relating to duration of membership sets forth justification for termination of membership for non-attendance if the RCHR Board of Officers and Directors so chooses.

Article 10 of the RCHR Constitution states that make up of absence can be done in any of the following ways within the same year:

- (1) attends at least 60 percent of the regular meeting of another club, a provisional club, or a satellite of another club;**
- (2) is present at the time and place of a regular meeting or satellite club meeting of another club for the purpose of attending, but that club is not meeting at that time or place;**
- (3) attends and participates in a club service project or a club-sponsored community event or meeting authorized by the board;**
- (4) attends a board meeting or, if authorized by the board, a meeting of a service committee to which the member is assigned;**
- (5) participates through a club website in an online meeting or interactive activity;**
- (6) attends a regular meeting of a Rotaract or Interact club, Rotary Community Corps, or Rotary Fellowship or of a provisional Rotaract or Interact club, Rotary Community Corps, or Rotary Fellowship; or**
- (7) attends an RI convention, a council on legislation, an international assembly, a Rotary institute, any meeting convened with the approval of the RI board of directors or the RI president, a multizone conference, a meeting of an RI committee, a district conference, a district training assembly, any district meeting held at the direction of the RI board, any district committee meeting held by direction of the governor, or a regularly announced intercity meeting of clubs.**

Most Rotary Clubs locations are at <https://www.rotary.org/en/get-involved/rotary-clubs> .

Additionally, Section 5 of Article 10 covers excused absences and a member's absence shall be excused if:

- (a) The board approves it for reasons, conditions, and circumstances it considers good and sufficient. Such excused absences shall not last longer than 12 months. However, if a leave is taken for medical reasons, follows the birth or adoption of a child, or takes place during foster care of a child, the board may extend it beyond the original 12 months.**

(b) The sum of the member’s age and years of membership in one or more clubs is 85 years or more, the member has been a Rotarian for at least 20 years, the member has notified the club secretary in writing of a desire to be excused from attendance, and only these requirements are taken into consideration.

Club leaders are encouraged to emphasize to club members and prospective members the value and significance of regular attendance and reporting of service hours as engagement and dedication. For regularly scheduled meetings, members are expected to be on time. For meetings associated with events (e.g., Oktoberfest – Springfest/Change of Leadership) that are preceded by a “social hour”, arrival time is not as strict to give working members a greater degree of flexibility.

The Board of Officers and Directors of RCHR recognizes that Rotary is a volunteer organization, and as such there are RCHR board and other positions that require additional time to be devoted to the function of the Club. The time devoted to Rotary and the functions of the club by these Board positions may deserve credit for attending a regular meeting, be counted as a makeup if the member is unable to attend a regular club meeting or be regarded as volunteer service hours expended on behalf of Rotary. Authorized make up activities are on the last page of this policy. Members may accumulate make ups and have them “banked” for future use for meetings or volunteer service hours during the current Rotary year. The Club Secretary shall ensure the maintenance of appropriate records.

Rotary believes that the best way to engage members who cannot attend weekly membership meetings or make-up meetings at other Rotary Clubs but wish to follow “service above self” in serving its community, is to allow members, who are encouraged to attend weekly meetings, to participate in service projects or events in place of weekly meetings. They are considered active members but referred to as “impact” members for meeting attendance purposes. This exposes more people to Rotary and promotes diversity in membership to better reflect the community served. Once members are inducted into the RCHR, they choose their level of involvement. Some may become traditional Rotarians and attend regular meetings. Alternatively, traditional Rotarians experiencing a life change may find they can maintain their Rotary connection by becoming an impact member.

POLICIES

RCHR members may attend other Rotary Club meetings, participate in regular service projects, and events to maintain their membership in lieu of weekly meetings.

RCHR members who are elected or appointed to leadership positions shall be required to attend RCHR board meetings and club assemblies.

RCHR officers, directors, sergeant-at-arms, executive secretary, assistant treasurer, and RCHR Foundation Chair and other committee chairs and members who are performing duties outside of regular and board meetings may accrue meeting make up time for missed meetings or apply the time to volunteer service hours.

Attendance applies to individual members and cannot be transferred to other members. Meeting attendance is limited to the number of scheduled RCHR meetings per month, unless they are counted as makeups for previous meetings within the same year as authorized by the RCHR Constitution. Banked make-up meetings cannot be carried over from year to year. Time spent in excess of scheduled meetings can be counted as service hours.

RCHR shall recognize members who have annual perfect attendance because such attendance enhances engagement and dedication. There are RCHR members who have distinguished themselves and Rotary with multiple years of perfect attendance. Subject to availability of pins and numbered year tags from the Rotary vendor, RCHR shall provide a “Perfect Attendance” Pin and a one-year tag to members who have attained their first year of perfect attendance. Succeeding years of perfect attendance will be honored by RCHR providing the appropriately numbered tag, if available. The RCHR Secretary shall ensure that records of members’ perfect attendance are maintained. Should RI or the RI vendor discontinue the pins and tags, the RCHR board shall recognize perfect attendance with an appropriate certificate.

PROCEDURE

Attendance. Weekly meeting attendance and meeting make ups shall be recorded by name by the RCHR House Committee member taking role and receiving funds at regular meetings (checking members in to the meeting). The virtual operator also shall provide virtual attendance to the House Committee member taking role. Meeting make ups (see what can be a make up at the conclusion of this document) shall be reported by RCHR members when checking in at the first RCHR regular weekly meeting after the make-up meeting. Attendance shall be sent by the most expeditious means to the RCHR Secretary by the RCHR House Committee member at the end of each meeting. For further information on the duties of the RCHR House Committee member checking members in to a meeting, see the appendix to this policy.

The sponsors of Rotary projects and events shall report attendance by member name to the Secretary within one week of the conclusion of the activity. RCHR members who participate in other Rotary related activities shall report their participation to the Secretary based on the Four-Way-Test within one week of their participation by the most expeditious means available.

The Secretary shall maintain the attendance record and make the required monthly reports to the District 7600 Governor. Annually at the end of the Rotary year, the Secretary shall verify the attendance records with RCHR members and provide the results to the RCHR President and Executive Secretary. The results shall include members’ annual and multiannual perfect attendance records.

The Executive Secretary shall procure, in a timely fashion, the required perfect attendance pins and years of perfect service tags from the authorized Rotary vendor, if the vendor has the required pins and numbered tags in stock. Pins and tags shall be presented to the distinguished members at an appropriate RCHR meeting. Should pins and tags not be available, the Executive Secretary shall ensure the appropriate certificates of recognition are available.

Volunteer Service Hours. Participating in and reporting volunteer service hours provides Rotarians and clubs with the option of reporting the hours related to project planning, fundraising, and club administration on the My Rotary website under Rotary Club Central. The benefit of capturing administration and fundraising hours is that the information can enable clubs to perform their own cost/benefit analysis on projects in which they are involved. It would also provide RI with comprehensive internal data on the total number of organizational hours spent on volunteering.

Rotary International, District 7600 and the Rotary Club of Hampton Roads are documenting the hours Rotarians devote to volunteer activities. It helps tell the story of Rotary doing good in the world. In addition, it provides the scope and monetary value that Rotarians provide to the community.

The Club is responsible for compiling information on all projects, donations, and fundraisers. This includes name of the project, date(s) of the project, volunteer hours, funds raised or donated, value of goods collected or donated, etc. This information will be entered into DACdb’s Engagement Module by a

designated club representative. Board approved projects will be entered into Rotary Club Central by a designated club representative.

The information entered is aggregated with entries from all other Clubs in District 7600 to better understand and articulate the value Rotary brings to communities. It is also aggregated with the entries from all other clubs around the world.

Procedures for Reporting Volunteer Hours. To report information about a project, submit service hours using one of these methods:

1. **Recommended** - Complete the online form at <https://www.rotaryhamptonroads.org>
2. Download and complete this paper sheet and return to the club's designated representative: <https://tinyurl.com/rchrvalsheet>

Directions:

- Provide your name.
- Indicate the date of service.
- Provide a short description of the event, activity, or organization that you served (e.g. Food Bank, Emmanuel Episcopal Church, Kempsville Interact, etc.).
- Identify as many Areas of Focus as applicable (see below*).
- Indicate the number of hours volunteered.
- Indicate any funds raised or donated. For goods donated, identify an approximate value.
- If photos are taken, send photos to the club's Public Image chair.

***Areas of Focus:** 1. Promoting peace; 2. Fighting disease; 3. Providing clean water, sanitation, and hygiene; 4. Saving mothers and children; 5. Supporting education; 6. Growing local economies; and 7. Protecting the environment.

Makeup. Examples of activities or functions that count as make-ups:

- Monthly board meetings
- Committee meetings
- Adopt-a-highway
- Scavenger Hunt
- Interact meetings
- Other Club-approved Project Work and Sunshine participation
- Weekly Sergeant at Arms set up/tear down (must do this 2 weeks)
- Board-approved club socials
 - Thirsty Thursdays
 - Change of leadership event
- Attend another Rotary Club Meeting
 - Check the RI website or rotary7600.org to find a club near you.
 - If you make up in X Club, the secretary of that club will e-mail our Club secretary with your makeup. It's a good idea to follow up to be sure the makeup was received by the secretary.
 - If you make up outside our area, be sure to bring back some kind of proof of attendance. Most clubs have a makeup card. You can also bring one of their bulletins back to our club secretary.
- Attend a District Rotary Function Any Rotary District function counts as a make-up:
 - District Conference

- District Planning Sessions
- PETs and Pre-PETS Training Sessions (NOTE: clubs grant up to 4 makeup days for multiday events. Example, International convention is 5-6 days long. Clubs grant 4 days for that event)
- Rotaract meetings or functions
- District Interact meetings or functions
- Rotary Youth Exchange Student planning sessions or functions
- District leadership team functions
- Rotary Zone meetings
- RI International Convention
- RYLA camp
- Online Makeup - You can go online at <http://www.rotaryclubone.org/> to do a makeup.
 - When you finish the exercise you choose, be sure to enter your e-mail address two times in the blanks provided. In the third blank, enter your club secretary's e-mail address.
 - Print out a copy of the e-make-up in case something happens, and it does not get sent to the club secretary.

Appendix to RCHR Policy #1

RCHR Regular Meeting Check-in Procedures

All Rotarians and Guests, paying and nonpaying, shall check-in with the House Committee (HC) table at the meeting entrance. The HC Check-in Rep manning the computer shall:

Maintain a change fund of \$45 and provide change as needed.

Make entries on the electronic check-in report (as specified in the report guidelines below) to provide an accurate income report and attendance count of Rotary members both in-person, virtual, and make-ups.

For members providing one or more make-ups at other Rotary clubs or other approved activities (See RCHR Policy 1, Attendance), the letter "M" will be entered in the Zoom Column, but the "Ms" are not to be included in the total count for the meeting.

All Rotarians shall pay the meeting fee by check, cash, or Venmo. Rotarians who pay via Venmo shall be taken at their word that it was paid, to be confirmed by the Treasurer when the Venmo statement is received. Should a Rotarian's payment not be confirmed, they will be reminded that payment is due on their account.

On checking in, the Speaker and designated special guests and prospective members shall be informed if any fee is required by the HC Check-in Rep. Rotarians shall pay the fee regardless of whether they are the speaker.

Those attending may purchase tickets for the weekly lottery from the HC Check-in Rep and receive lottery tickets from the Lottery-Meister.

After checking in, RCHR members shall retrieve their badge.

Fun Fines and other fines shall be collected before or during Announcements, but not afterward. After announcements, members designated for such fines and Zoom participants shall be on their own recognizance to report and pay the fine via either: Venmo; at the next regular RCHR meeting; or mailing their fine to RCHR P.O Box.

A list of virtual attendees shall be provided by the virtual media operator or a designated assistant.

The HC Check-in Rep shall reconcile the income from meeting fees, lottery, and fines on the check-in report and provide all income, less the change fund, to the designated Assistant Treasurer at the end of the meeting.

Verification of cash/checks shall occur during the end-of-meeting hand off between the HC Check-in Rep and the Assistant Treasurer. If the Asst. Treasurer isn't available, the funds should be turned over to the Executive Secretary, Treasurer, or other RCHR member designated to receive the funds.

The HC Check-in Rep will complete the check-in report during the meeting and send it to Treasurer, Assistant Treasurer, Secretary, President-elect, Executive Secretary, and Meeting Manager at the end of the meeting. The Executive Secretary is responsible for reviewing the check-in report for accuracy on the day it is submitted and sending a confirmation email to the RCHR HC Check-in Rep, Assistant Treasurer, and Treasurer.

Near the end of the RCHR weekly meeting, the Lottery-Meister and President or other presiding officer shall conduct the Lottery and the Queen-of-Hearts (QoH) drawing for the QoH. If the QoH isn't drawn, the chosen card will be discarded from the pack. If the QoH is drawn the rest of the pack of cards shall be discarded and the winner rewarded with the revenue in the QoH fund by separate check within seven days of the drawing in accordance with RCHR Policy 7.

The HC Check-in Rep shall maintain control of the laptop computer, original records of reports, and petty cash fund between meetings. The Assistant Treasurer shall ensure that the meeting meals income and Lottery Proceeds plus Fun Fines income are deposited on the day received or the next banking day separately from other income deposits.

NOTE: The check-in report is primarily a financial accountability document and secondarily an attendance report. The RCHR Secretary must extract the attendance from the report.

Procedures for Entering Information on the RCHR Weekly Check-in Report

Identify the Rotarian checking in and place the number 1 in the "In Person" column, collect the meeting fee in cash or check. If by check, enter the check number next to the amount in the designated column. Members paying by Venmo should inform the HC Check-in Rep of the payment. The dollar amount shall be entered in the appropriate column under Food.

List the names of Visiting Rotarians and Guests who pay for their meals in the designated rows on the second page after the Honorary Members and the other data as previously described.

If lottery funds are provided, the amount shall be entered in the appropriate column under Lottery as cash, check, or Venmo. If the payment is by single check or Venmo payment for the combined Food and Lottery, the Lottery amount shall be deducted from the Food amount.

Inform the Lottery-Meister of the amount of funds provided for lottery tickets.

The Guest Speaker and other complimentary non-paying guests' names are to be entered on the second page under Speakers, Prospective Members shall have the number 1 placed in the far-right Comp column and record any lottery fees they may wish to make. Note that "first-time attendees" are not automatically "Prospective Members". The RCHR Membership Committee Chair shall advise who are "Prospective Members" if they are not already listed on the Check-in Report.

The Excel format will automatically enter the total numbers in the tables at the block containing the attendance summary and food and lottery income, except Fun Fines that must be entered manually after all are collected and counted.

The INCOME block, bills submitted as cash must be counted manually and the count entered in the Income reconciliation chart in the "COUNT" column and the corresponding total amount of value entered in the "AMOUNT" column.

The TOTAL Collection amount in the bottom chart should equal the Total block located just after the initial block of members. If it does not the difference must be reconciled. If it cannot be reconciled, a plain text note should be entered detailing the difference between under or over and why there is a discrepancy.

NOTE: If rows or columns are added or deleted, the formulas in the cells must be checked for accuracy because the cell letter and numbers may change.

NOTE: Funds raised during the meeting for any purpose not covered by the Check-in Report, such as cash and check collections for Polio using "Red Cups", they will not be reported on the Check-in Report. They will be accounted for separately as directed by the fundraising project manager.

RCHR Policy 2

Dues

Adopted: Prior to 1993

Amended: December 16, 2022

BACKGROUND

The RCHR Constitution, Articles 12 and 13, state that every active member shall pay annual dues and any member who fails to pay dues within 30 days after they are due shall be notified in writing by the secretary. If the dues are not paid within 10 days after the notification, the board may terminate membership, at its discretion. The board may reinstate the former member to membership if the former member requests and pays all debts to this club. Articles 12 and 13 of the RCHR Constitution apply.

The RCHR board of officers and directors sets the amount which is subject to justifiable change and payable in two installments twice a year in July and January. The dues do not include special assessments, which occur very infrequently every few years to cover exceptional circumstances.

POLICY

Deposits of dues shall be made on the day received or the next banking day.

The treasurer shall notify the secretary in writing of nonpayment of dues after 30 days have elapsed from when they are due. At that point a reminder is sent to those who are overdue. The reminder shall be made within five days of the end of the 30-day period unless the requirement is modified by the board. If the dues are not paid within 10 days after the notification, the board may terminate membership, at its discretion.

PROCEDURE

The RCHR Treasurer and Secretary, in conjunction with the RCHR Membership Committee Chair, shall ensure implementation of this policy.

RCHR dues support:

- Dues for Rotary International
- District Dues & Assessments
- Public Relations
- Membership, New Member Fees & Supplies
- Administration, Computer Expenses, Supplies, P O Box Rental & Postage
- Taxes, Licenses & Bank Charges
- Accounting Fees & Accounting Software
- Avenues of Service: Club, Vocational, Community, International & Youth

RCHR Policy 3

Meeting Fees

Adopted: About 1998

Amended: December 16, 2022, August 22, 2023

BACKGROUND

RCHR requires members and guests, except the guest speaker, to support the club finances by paying for the meeting fees at regular and other meetings and functions. Meeting fees include the use of facilities and the meals served.

POLICY

All RCHR members who attend meetings in-person shall pay the established meeting fee set by the RCHR Board of Officers and Directors.

Members who expect to bring guests shall inform the club member ordering food of the number of guests they are bringing to the next meeting at least four days before the meeting to assure sufficient meals are available for all who are attending. Notice to this effect shall be placed in the club's weekly bulletin.

Possible members who are guests at their initial meeting shall pay the fee or the guest's sponsor shall cover the cost.

All other guests, except the speaker, shall pay the fee. Exceptions to this policy shall be determined by the president.

The first two meetings for a prospective member shall be paid for by the club. Thereafter, meetings for a prospective member shall be paid for by the prospective member or his or her sponsor.

Meetings or field trips at activities that take place offsite from the regular meetings shall be paid by the member, prospective member, new member, or guest at the fee approved for the event.

Deposits of meeting fees shall be made on the day received or the next banking day.

PROCEDURE

The Sergeant-at-Arms shall ensure that the member responsible for recovering the meeting fee from members, prospective members, and guests/visitors at RCHR regular meetings and the funds are turned over to the treasurer at the conclusion of the meeting.

It is the responsibility of the activity sponsor to ensure that meeting fees are collected for the activity and turned over to the treasurer as required by the type of offsite activity in which members and their guests are involved.

The RCHR Treasurer or Assistant Treasurer is responsible for making deposits.

RCHR Policy 4

New Member Requirements

Adopted: About 1979

Amended: December 16, 2022, August 22, 2023

BACKGROUND

RCHR has required new members to complete certain tasks as a "Red Badge" member prior to gaining the status as an "Active" member of the club.

POLICY

The new member's sponsor shall be the mentor Rotarian to guide the new member through the process toward active membership. Should the sponsor be unable to mentor the new member, a volunteer shall be appointed from members of the RCHR Mentor Teams with the appointee's concurrence. The tasks are chosen to introduce the new member to the responsibilities of being a Rotarian. Rotary members' commitment to "Service Above Self" encourages members to spend time making a difference, preferably through service in our community on a Rotary Club of Hampton Roads (RCHR) project or by joining another Rotary club service project locally, regionally, or internationally. The service may be done individually or preferably with a group. It also must be reported so RCHR can track our club's service hours.

PROCEDURE

When a prospective member is identified they shall be interviewed along the guidelines provided in the attached Proposed Member Interview.

When a new member is accepted into RCHR, the new Rotarian will be provided with the following letter.

“Welcome to Rotary! As a new member of the Rotary Club of Hampton Roads (RCHR) we want you to have the opportunity to discover more about being an Active Member of our club. We encourage your participation in our club's projects and activities, even if you are distant from our programs, we want you to know how you can be actively engaged in our club and Rotary International. You now are a Rotary ambassador and wear your Rotary emblem with pride, particularly at all club meetings and both club and public events.

The value of Rotary comes because of your participation. Please review the list below and submit reports of completion to your sponsor, who is your mentor, who will be willing to answer any questions you may have or offer additional explanations for you throughout your discovery process. The following Red Badge expectations are intended to educate and engage new Members. You will receive a Blue Badge after you have fulfilled these commitments.

Complete the attached Check List. Credit also will be given if you attend to the following:

- Complete the bio information following the Check List.
- Attend a one-hour orientation, apart from regular meetings, known as a Fireside Chat.
- Attend at least three (3) Rotary meetings each month if possible.
- Attend a meeting of another Rotary club to learn and meet more Rotarians.
- Participate in a community service project.
- Attend a Youth Service event such as Interact.

PROPOSED MEMBER INTERVIEW

Why do you want to be a Rotarian? Or, were you a member of another Rotary club?

How did you find our club?

Describe your commitment to service.

Prior Service as a Rotarian. Prospective new members who are former Rotarians shall provide their: (1) former Rotary Clubs names and locations; (2) membership number; (3) period(s) of past service; and when they left their last Rotary club. This is needed to: (1) determine the scope of their “Red Badge” requirement; (2) give them credit for past Rotary Foundation contributions; and (3) recognition for past achievements including serving as past presidents, if that were the case.

Notes

Your skills, experience, enthusiasm will be your strength as a member.

You can work together in our club to eradicate polio and provide lasting solutions for communities fighting disease, hunger, illiteracy, and poverty.

Through our Rotary fellowship you can exchange ideas, build lifelong friendships, and share your passion for service. We have resources and activities available to make your experience in our Rotary Club of Hampton Roads both rewarding and fun.

We believe strongly in the Rotary 4-way test:

- Is it the truth?
- Is it fair to all concerned?
- Will it build goodwill and better friendships?
- Will it be beneficial to all concerned? AND ~ WILL IT BE FUN?!

How to get the most out of your membership:

- Participate in club projects and activities.
- Serve on a club committee where you can use your skills.
- Help identify a need and suggest a hands-on project to address it.
- Work with a youth service project sponsored by your club (Interact).
- Recommend a colleague or friend for membership.

Next steps:

- Your biography will be published in our weekly news bulletin three times.
- Club will vote on your membership acceptance and the Board will make the final vote.
- Following a positive vote, you will be inducted at an official meeting to be determined.
- A Rotary member mentor will work with you to help you become fully engaged and comfortable with all aspects of our club along with expected support for The Rotary Foundation; Every Rotarian Every Year (EREY) and the Paul Harris Fellowship.
- Dues are payable, at the current rate, to RCHR and given or sent to the Treasurer: VENMO (@RotaryHamptonRoads) or – Mail: Rotary Club of Hampton Roads, P.O. Box 66123, Virginia Beach, VA 23466
- The use of dues and the Meal Fees required for meetings.

You will be required to attend a Fireside Chat consisting of a one-hour orientation scheduled at a convenient location, time, and date. Participants will include the RCHR Officers, Directors, Membership Committee Chair, and appropriate committee chairs.

NEW MEMBER CHECKLIST

WELCOME TO THE ROTARY CLUB OF HAMPTON ROADS

New Member XXXX (Name)

This is a member orientation list that is helpful in engaging in the activities of the Rotary Club of Hampton Roads.

	Date
1. Read 2 or more of the following <ul style="list-style-type: none"> • Rotary Basics • A Century of Service: The Story of Rotary International • The Rotary Foundation Quick Reference Guide • Rotary Basics 	
2. Pay your Club dues (Presently \$155 twice a year - Treasurer will contact you)	
3. Attend a Board of Directors' meeting (usually the 4th Tuesday of each month at 4:30 PM)	
4. Present a classification talk – Presented at a meeting	
5. Assist the Sergeant-at-Arms by greeting members as they arrive during the month of <u>XXXX</u>	
6. Volunteer to serve on a committee	
7. Attend a Club fellowship event	
8. Submit a picture (jpeg format) for the Club Directory	
9. Submit a biography to the Membership Committee	

These items are designed to help you become familiar with the Club and to get you involved. It is the responsibility of your sponsor to assist you in their completion. Do not hesitate to ask your sponsor/mentor or your Membership Committee Chair for guidance. When you have completed the items, sign and return the sheet to the Club Membership Committee. Once again **WELCOME** to our club!

Signature: _____

Thank-you,

Your Membership Committee

New Member Biography Form Follows



Rotary Club of Hampton Roads – New Member Biography

Date:

Full Name:	
Nickname:	
Spouse Name:	
Formal full name for you & your spouse (Mr. & Mrs., Dr, etc.)	
No. of Children:	
Names & year of birth of children:	
Home Address:	
Home Phone: (Cell phone)	
Email address:	
Classification:	
Date Joined Rotary of HR (Mo/Yr):	
Total years in Rotary:	
Firm Name:	
Position in Firm:	
Business Address:	
Business Phone:	
Business Fax:	
Additional phones and/or email address:	
BACKGROUND INFORMATION:	
Place of Birth:	
Date of Birth:	
High School (s):	
City of High School(s):	
College(s):	
Degree(s):	
Civic/Professional/fraternal Affiliations:	
Other Service Affiliations:	
Hobbies, Special Interest, Talents:	
Brief Bio and/or Description of yourself and your background:	

Return information to RCHR, Membership Chair.

New Member Orientation (Fireside Chat) Follows

New Member Orientation (Fireside Chat)

The program is designed to help new members expand on the knowledge gained from the prospective member program. It is intended to broaden their understanding of their membership in a Rotary club. It is a casual meeting conducted outside of regular club meetings at an appropriate location convenient to those involved, where some food and beverages are available, in fellowship fashion. Some circumstances may preclude an in-person fireside chat; therefore, it may be conducted virtually.

The "Fireside Chat" should be an informal event that takes about one hour according to the information provided, number of participants, and questions asked. The club membership chair is responsible for organizing and the Club Trainer (Immediate Past President) is responsible for scheduling it in coordination with all concerned. The following club members or their representatives are expected to participate:

- President
- Immediate Past President
- Treasurer
- Director of each avenue of service
- Executive Secretary

Should the officers and directors or their representatives listed above be unable to attend, they shall ensure that the information needed can be addressed by an available participant.

The following session outline can be customized to fit the club's and new members' needs and participation. It may incorporate and distribute relevant club and RI publications, if not distributed *beforehand*. The focus should be on opportunities for immediate involvement in club activities and projects upon becoming a member and answering questions. The club's program should cover the following topics in an order that suits the situation, for example:

Rotary Club Policies and Procedures

Club regular meetings and club assemblies, committee meetings, and service projects with attendance requirements and options for meeting make-ups;

Opportunities for service (club projects past, present, and future) presented by each service director;

- Benefits of Rotary club membership;
- Responsibilities of membership;
- Financial obligations;
- Spouse/partner and family involvement;

At the end of the session, make sure that all expectations and concerns were addressed and arrange for a follow-up session if needed.

RCHR Policy 5

The Rotary Foundation (TRF) Contribution for New Members

Adopted: June 2011

Amended: December 16, 2022, August 22, 2023

BACKGROUND

In order to facilitate recognition of new members, the RCHR has resolved to make initial donations to The Rotary Foundation (TRF) in their name.

POLICY

RCHR shall submit a \$100 contribution to The Rotary Foundation for new members at the beginning of the Rotary year after they get their Blue Badges.

Former Rotarians who are returning to Rotary shall be evaluated on a case-by-case basis for this benefit.

PROCEDURE

The RCHR RI Foundation Committee Chair shall:

- a. Coordinate with the Membership Committee Chair to identify new members and track each new member's progress toward getting their blue badge.
- b. Notify the RCHR Treasurer to submit the \$100 contribution to TRF.

The RCHR Treasurer shall within seven working days of receiving notification from the RCHR rotary Foundation Committee Chair:

- a. Send the appropriate contributions to TRF in response to the RCHR RI Foundation Committee Chair's requests and shall notify the Chair when that has been accomplished.
- b. Provide appropriate recognition to the new member and ensure that recognition is publicized to the RCHR members in the Club Bulletin.

The RCHR Membership Chair shall update the New Member Information Packet to reflect this change and ensure that the new member sponsor fully explains TRF Giving/Every Rotarian Every Year (EREY) process to new members.

RCHR Policy 6

Framing of Paul Harris Fellow Awards

Adopted: June 2011

Amended: December 16, 2022, August 22, 2023

BACKGROUND

In order to honor RCHR members and recognize the significant attainment of a Paul Harris Fellow (PHF), the RCHR has resolved to frame the first PHF citation awarded to a member.

POLICY

The club shall cover the cost for framing of the first PHF citation. It is up to the member to cover the cost for framing of subsequent citations, if issued, or for honorary citations issued to non-RCHR members.

PROCEDURE

The RCHR RI Foundation Committee Chair shall procure the frame for mounting the citation and forward an invoice to the RCHR Treasurer for reimbursement.

RCHR Policy 7

Lottery, Raffle, Auction, Fines Revenue

Adopted: About 1995

Amended: December 16, 2022, August 22, 2023

BACKGROUND

The weekly lottery at regular membership meetings has been authorized by the board to be conducted at each regular meeting since the RCHR was chartered. The winner of the lottery is eligible to draw a card from the deck of playing cards and if the Queen of Hearts is drawn, the drawer wins additional funds. Raffles and Auctions held at events have also been authorized by the board.

Fun Fines or Happy Fines are fines for, not displaying a Rotary emblem on member's clothing on meeting days, engaging in private conversations when another has the floor and is speaking (particularly during the inspiration and pledge of allegiance), interrupting the speaker for anything except a point of order, failing to identify the mystery Rotarian, and other fines have been regular events at RCHR meetings.

Revenue from fellowship and other events such as the Spring and Oktober Fests and the Change of Leadership shall be placed in the RCHR Raffles and Auctions unrestricted account to support RCHR expenses for those events and other RCHR expenses.

POLICY

One third of the weekly lottery funds shall be awarded to the winner and one third shall be placed in the RCHR Queen of Hearts Share Lottery fund for future winner of the Queen of Hearts drawing, and one third shall be placed in the Club Share of the lottery fund. The weekly raffle winner shall be eligible to draw a card from the deck of cards, from which previously drawn cards have been deleted, and if the Queen of Hearts is drawn the winner shall receive the funds residing in the Queen of Hearts fund, up to the week before the winning draw. The winnings shall be paid by check within seven days of the drawing.

Fun Fines and other fines shall be collected at regular meetings, time permitting. Revenue from fines and events shall be deposited on the day received or the next banking day and entered into the appropriate RCHR Operating Account to support RCHR administration.

PROCEDURE

The member of the RCHR House Committee responsible for the lottery shall turn over the proceeds to the RCHR treasurer upon completion of the lottery and the drawing for the Queen of Hearts. Should the winner draw the Queen of Hearts, the treasurer shall ensure the funds in the Weekly Raffle fund plus the current winnings are turned over to the winner within seven days.

The member of the RCHR House Committee responsible for collecting Fun Fines and other revenue from fines and the income shall turn over to the RCHR Treasurer for deposit in the RCHR Fun Fines Account.

Revenue from fellowship and other events shall be turned over to the RCHR treasurer by the event sponsor upon completion of the event for the treasurer to reimburse event expenses.

RCHR Policy 8

RCHR Regular Meeting Speaker Programs

Adopted: June TBD, 2023

Amended: August 22, 2023

BACKGROUND

Club Speakers Committee shall, under the cognizance of the vocational service director, select guest speakers for meetings to present topics that are interesting and relevant, but not politically partisan, in line with club goals and other club requirements. Priority shall be given to club requirements as determined by the club board and president. The committee chair and committee members who are responsible for the weekly speaker programs each month are authorized to communicate directly with the club board, president, president-elect, the members responsible for the club bulletin and website on weekly speakers' programs to be presented and the executive secretary for meeting location.

The Club Speakers Committee is composed of a Chair and three to four RCHR members, each of whom is responsible for getting speakers for an assigned month. On assignment, the committee member will be provided the Rotary International (RI) theme for that month and a schedule of regular meetings requiring a speaker and events taking place at other meetings that month. The assigned member shall try to have at least one speaker address issues related to the RI theme for the month.

POLICY

Non-Profit Organizations. These organizations are welcome to speak to the Club; however, the organization is not allowed to pursue the Club during a program for a monetary contribution unless the organization has requested and been approved by the Foundation as a recipient of Club funding.

Elected Officials. Elected officials are welcome to be guest speakers; however, if the elected official is a candidate running for reelection, the club asks that the candidate not speak during the election year. Even if the elected official is running unopposed, please observe this guideline. A copy of the Club Policy 9 on political activity is attached to the sample letter of invitation in the Procedures section of this policy.

Product and Service Promotion. Presentations shall be focused on education. Business owners and company executives who are invited to speak to discuss their business are asked not to use the Rotary podium to promote their products and services.

Potential speakers will be asked to agree to a Recording Consent and Release (in the sample letter in the procedure's section that follows) to this policy because RCHR records most meetings (unless the speaker prefers otherwise) to be sent out to Members unable to attend and the recording will be placed on the RCHR website and social media pages.

PROCEDURE

A copy of this policy along with RCHR Policy 9 shall be provided to each prospective speaker before they are engaged to speak by the Speaker Committee member who is responsible for speakers in a particular month.

Sample Letter to Prospective Speakers

Dear...

Rotary Club Hampton Roads (RCHR) RCHR has about 55 members. The average weekly attendance runs between 25 and 35 members for weekly breakfast meetings that are held the first four Friday mornings of each month, except holidays that fall on that Friday or the following Monday, from 7:30 am to 8:30 am. Meetings are in-person, but a zoom connection is provided for members who cannot attend in person. The link is sent with the Club Bulletin for that week several days before the meeting. Meetings are held at the Emmanuel Episcopal Church located at 5181 Singleton Way in Virginia Beach. The normal schedule is as follows:

- 7:15-7:30 Networking
- 7:30 - 8:00 Breakfast and Club Business
- 8:00 - 8:20 Speaker Presentation
- 8:20 - 8:30 Questions & Closing Remarks by Club President

Speaker Guidelines.

1. To the Speaker Committee Member (SCM), with whom the speaker will be working, will request the speaker send via email a short biography and the topic of the presentation as soon as the presentation date has been confirmed. The presentation will be promoted on the RCHR website and social media channels.
2. RCHR can project slides and videos for the speaker's presentation, if requested. The speaker should get these items to the SCM via email by the Tuesday before the scheduled Friday presentation. A Club member will handle the audio-visual items, or the speaker will be given control of the slides or the virtual meeting so that they can change the slides or start the video as needed.
3. On the speaking day, the speaker should plan to arrive no later than 7:15 am. If the speaker desires to bring a guest, they are requested to inform the PCM before the meeting. The speaker is welcome to a complimentary breakfast on arrival. The formal part of the meeting begins at 7:30 am. The speaker will be introduced around 8:00am. The length of the presentation should be up to 20 minutes with 10 minutes left for questions and closing remarks by the Club President.
4. The speaker's presentation will be recorded on video and live-streamed. The RCHR requests the speaker's permission to use the speaker's name, picture, and biographic information. The speaker will be provided with a release request prior to the presentation.

Presentation Guidelines

- The RCHR makes a concerted, ongoing effort to be a diverse and inclusive organization. The speaker is asked to convey their remarks without bias toward race, gender, religion, political party, ethnicity, or sexual orientation. Humor is encouraged if it is in good taste.
- Please refrain from taking political positions, making sales pitches, and soliciting funds.
- RCHR values the time and commitment that the speaker makes. If possible, the speaker should allow for time to meet and talk with members after the meeting.

Thank you,
Signed by Speaker Committee member.

Attachment: RCHR Policy 9, Political Activity

RCHR Policy 9

Political Activity

Adopted: 1993

Amended: December 16, 2022

BACKGROUND

This policy is an amplification of the RI Standard Club Constitution, Article 14, Sections 1 through 3 which states that any public question involving the welfare of the community, the nation, and the world is a proper subject of fair and informed discussion at a club meeting, but the RCHR shall:

Not express an opinion on any pending controversial public measure.

Not endorse or recommend any candidate for public office and shall not discuss at any club meeting the merits or demerits of any such candidate.

Neither adopts nor circulates resolutions or opinions and shall not take action dealing with world affairs or international policies of a political nature.

Not direct appeals to clubs, peoples, or governments, or circulate letters, speeches, or proposed plans for the solution of specific international problems of a political nature.

Partisan political issues are ones that express or promote only one political party's opinions or those of a party candidate for elected position to the exclusion of all others.

POLICY

At club functions, there shall be no partisan political statements made to the RCHR membership, and politicians shall not be invited to speak on any subject which might be construed as partisan political issues or election campaigning.

Presentations by politicians on international, federal, state, and local government programs or international, national or community welfare issues are acceptable for fair and informed discussion. RCHR shall not express an opinion on any pending controversial public measure.

PROCEDURE

It is the responsibility of every Rotarian and their guests to follow this policy and not publicly discuss past and future partisan elections, candidates for office, partisan positions on any issue, or solicit support of any partisan cause.

RCHR Policy 10

Club Terms of Office and Committee Assignments

Adopted: December 16, 2022

Amended: August 22, 2023, April 23, 2024

BACKGROUND

RCHR Officers, Directors, and Committee Chair Requirements are set forth in the RCHR Constitution and Bylaws. This Policy and Procedure provides a summary of terms of office and committee assignment requirements.

An officer is a person elected or appointed, as in the case of the Sergeant-at-Arms, to an executive office or position of trust and authority that has a responsible position in a hierarchical organization and is accountable to the members.

A director is a person who is a leader elected by and accountable to members in a hierarchical organization and they manage the long-term vision and strategic goals for an organization. They act in the interest of the members in specific areas of responsibility and communicate with officers to gain insight on how an organization functions. Directors are also responsible for setting policies for an organization and chairing important committees.

A hierarchical organization is an organizational structure where every entity in the organization, except one, is subordinate to a single other entity. The officers and directors of such an organization make up a singular group of power at the top with subsequent levels of power beneath them, such as committee chairs, each with different levels of management and authority. The organization operates under the principle of unity of authority which means that only one person occupies the principal leadership position. Exceptions are when a committee performs two functions (i.e., Administration and Finance) or there are dual responsibilities (i.e., membership recruitment and reporting/retention). An elected or appointed member may serve in more than one leadership position, but only is entitled to one vote.

The chair or president of a hierarchical organization appoints committee chairs, with the approval of the organization's governing board. Committee chairs may have members appointed to their committee by the president or other designated officer or director of the organization and may get other members or non-members to participate as committee members with or without voting privileges.

POLICY

The best interests of RCHR are served by observing the principle of rotation in office. This includes membership on the board of directors and chairs of committees as well as the offices of president, president-elect, secretary, and treasurer. Club officers should not be encouraged or expected to hold office for two successive years; however, the club may sometimes find it advantageous to elect an officer for a second and successive year or to re-elect a former officer of the club.

RCHR Membership shall ensure that fully qualified members are elected and appointed to office. To serve as an elected officer, at least four years of service shall be performed in this club or another club with at least one year as an elected director. Directors shall have been a RCHR member for at least two years and served on a committee in the avenue of service for at least one year. Committee chairs shall have served in the club for a minimum of one year in the committee to which they are appointed chair.

- a. In addition to the qualifications listed in the Club Constitution, the club president shall:
- b. Possess leadership skills;
- c. Have sufficient time to lead and carry out the work of the club;
- d. Possess a working knowledge of the club constitution and bylaws;
- e. Have attended one or more district conferences and international conventions.

Prior service as an officer, director or committee chair shall not be accepted as a reason for not accepting candidacy for a position, but the board and nominating committee may take other factors into consideration.

All officers and directors, whether elected or appointed who are listed in Article II Board Officers and Directors of the RCHR bylaws, shall be administered the oath of office upon assuming their position; annually, biennially, or otherwise. They shall assume their position immediately on 1 July of the next Rotary Year.

The Board of Officers and Directors may modify the foregoing requirements on a case by case basis.

PROCEDURE

RCHR Official’s Terms of Office

Officers and Directors

<u>Position</u>	<u>Term</u>	<u>Re-electable/Appointable</u>	<u>Type</u>
President	1yr	1 yr Max 2 consecutive yr total	Members’ Election
President- Elect	See Club Constitution, Article 13, Section 5		Members’ Election
Secretary	See Club Bylaws, Article III, Section 2		Members’ Election
Treasurer	2yr	2 yr Indefinite	Members’ Election
Sergeant-at-Arms	1yr	1 yr Indefinite	Members’ Election
Immediate Past President	Coincident with President’s term of Office		Statutory
Exec. Sec. & Admin Com	4yr	Yes Indefinite	Members’ Election
Assistant Treasurer	4yr	Yes Indefinite	Bd. Appointment
Dir. Club Svc	2yr	even yr Yes once	Members’ Election
Dir. Vocational Svc	2yr	even yr Yes once	Members’ Election
Dir. Community Svc	2yr	odd yr Yes once	Members’ Election
Dir. International Svc	2yr	even yr Yes once	Members’ Election
Dir. Youth Svc	2yr	odd yr Yes once	Members’ Election

Standing Committees

Ch. Rotary Foundation Com	2yr	Yes Indefinite	Bd. Appointment
Ch. Membership Com	2yr	Yes Indefinite	Bd. Appointment
Ch. Public Relations Com	2yr	Yes Indefinite	Bd. Appointment
Ch. Programs Com	2yr	Yes Indefinite	Bd. Appointment
Ch. Service Projects Com	2yr	Yes Indefinite	Bd. Appointment

Board Council and Committees

Ch. Council of Past Pres.	2yr	Yes Indefinite	Cncl Mbrs’ Election
Ch. Nominations Com	1yr	Yes 1yr	Bd. Appointment
Ch. Board Admin Com	See Executive Secretary & Administration Committee above.		
Ch. Board Finance Com	See President-elect		

Other Boards in support of the Club Board and the Club

Ch. RCHR Foundation	1yr	Yes Indefinite	RCHRF Bd.
Ch. RCHR DAF Board	1yr	Yes Indefinite	RCHR DAF Bd.

Special Committees should be appointed by the appropriate Officer, Service Director, Standing Committee Chair, or other body for terms as follows:

- Review; Chaired by the President-elect, one year
- Awards: Chaired by the President-elect with Service Directors in support, one year
- Budget: Chaired by the President-elect with the Board in support, one year
- Fellowship: Chaired by a member of Club Service, two years
- House: Chaired by the Sargent-at-Arms or an appointed member, two years
- Interact: Chaired by a member of Youth Service, two years
- Planning & Procedures: Chaired by a member skilled in Roberts Rules, two years
- RYLA: Chaired by a member of Youth Service, two years
- Sunshine: Chaired by a member of Club Service; two years

Club ad hoc (temporary as needed) committees may be appointed by the appropriate Service Director for two years or the duration of a project as follows:

- District Grants: Chaired by a member of the applicable avenue of service
- Global Grants: Chaired by a member of International Service
- International Exchange: Chaired by a member of International Service
- Pints-for-Polio: Chaired by a member of International Service
- Rotary Action Groups: Under the cognizance of the Service Projects Chair
- Rotary Fellowship Groups: Under the cognizance of the Club Service Director

Officer Committee Duties

President – Chair the Board and be Ex officio on all Committees

President-elect – Vice Chair of the Board and be Ex officio on all Committees

- Co-chair, Administration-Finance w/ Executive Secretary
- Co-chair, Budget Committee w/Executive Secretary
- Chair, Awards
- Member, Nominating Committee

Secretary – Co-Chair, Membership w/Committee Chair
Board, RCHR Foundation

Treasurer – Member of the following:

- Board, RCHR Foundation
- Board, RCHR DAF
- Finance Committee
- Budget Committee

Executive Secretary – Co-Chair, Administration-Finance w/President-elect

Immediate Past President – Member, Past Presidents Council
RCHR Trainer

RCHR Policy 11

Club Education and Training

Adopted: December 16, 2022

Amended: April 23, 2024

BACKGROUND

RCHR Bylaws require the Immediate Past President to develop, maintain, and oversee the implementation of the club training plan during the year. The club trainer or Learning Facilitator serves a one-year term and should form a committee to assist the incumbent. The club trainer should work with the club's board and committees to ensure all training needs are met and work with the district training committee, the assistant governor assigned to the club, and the district governor for support and ideas. The Immediate Past President shall be assisted by the RCHR Executive Secretary and the Past Presidents Council. They also assist the Nominating Committee's training of candidates for their designated offices.

POLICY

RCHR shall have a comprehensive training plan that ensures:

- a. Club leaders attend district training meetings as appropriate;
- b. Orientation is consistent and regularly provided to new members;
- c. Candidates for RCHR elected offices receive leadership training;
- d. Attendance required by officers and committee chairs at the District Training Assembly;
- e. Ongoing educational opportunities are available for current members;
- f. A leadership skills development program is available for all members.

PROCEDURE

The Immediate Past President as club trainer/learning facilitator should:

- a. Ensure a Rotary Moment is included in every club bulletin.
- b. Ensure members attend District and RI Training Sessions as required.
- c. Schedule new member Fireside Chats, in coordination with the Chair of the Membership Committee, so the new members can attend with participation by RCHR members to contribute to the discussion.
- d. Organize and conduct one or more Club Leadership Development Seminars to develop the personal leadership skills of club members thereby enhancing their professional life and developing future club leaders. Attendees shall be possible candidates for a RCHR office, but any interested Rotarian may attend. Such seminars may be conducted as programs for club regular meetings. Suggested topics are:

- Communication skills
- Leadership styles
- Leading and motivating volunteers
- Mentoring
- Time management
- Goal setting and accountability
- Strategic planning
- Ethics (4-Way Test)
- Building Consensus through teamwork

RCHR Policy 12

Board Administration-Finance Committee

Adopted: February 2014

Amended: December 16, 2022, August 22, 2023. April 23, 2024

BACKGROUND

The role of the RCHR Administration-Finance Committee is to conduct activities associated with the effective operation of the club. It is only through efficient club operations that a Rotary club can provide service to its community, retain members, and develop leaders for the club, district, and Rotary International. The club administration committee is responsible, in coordination with RCHR officers, directors, and other RCHR committees, primarily associated with Club Service, for ensuring that:

Committee goals to achieve club's annual goals are developed.

Weekly and special programs are organized.

The club bulletin is produced, and the club website is maintained.

The club secretary is assisted in tracking club attendance.

Fellowship among club members is promoted.

Other activities associated with the effective operation of the club are conducted.

In accordance with the RCHR Bylaws, the board administration-finance committee:

- a. Is supported by two special committees; the board awards committee and board review committee; and
- b. Has cognizance over the RCHR foundation, the RI foundation committee, and the donor advised fund as described in Article IX of these Bylaws.
- c. The board executive secretary shall be an ex officio, non-voting board member and co-chair the board administration-finance committee with the club President-elect and have such powers, duties, and responsibilities as set forth in these club policies and procedures, or as may be assigned by the board from time to time. The renewable appointment shall be for four years in accordance with Article IV Section 8.
- d. All club finances shall be conducted under the cognizance of the board administration-finance committee which shall:
 1. Ensure that the requirement for separate 501 (c) (3) and 501 (c) (4) accounts is met;
 2. Be responsible for developing and reviewing fiscal control procedures, fundraising plans, and the annual budget in collaboration with officers and other club board members;
 3. Meet monthly to review required financial reports that will be submitted to the board prior to the monthly meetings of the board. Monthly financial reports submitted to the board shall show income, expenditures, and pending income in accordance with RCHR financial policies and control procedures; and
 4. Ensure that the club's financial records are public information and shall be open to all club active members and at a minimum provide club members with an annual financial statement and a mid-year financial report with current and previous year income and expenses presented at the club annual meeting.
- e. The budget shall be the responsibility of the board administration-finance committee composed of finance committee members, service directors, and other active members as required and shall be assisted by the accountant retained by the club. The budget shall be based on input from the officers and service directors, and particularly the club treasurer, of estimated income and

estimated expenditures for the year. Upon approval by the board, the budget shall stand as the limit of expenditures for the respective purposes unless otherwise modified by the board. The administration-finance committee shall coordinate and balance the financial needs of the various activities of the club and exercise control of budget development and implementation throughout the Rotary Year. The committee also shall:

1. Meet at least six months prior to the coming Rotary year and establish a schedule for completing the next Rotary year's budget that shall include club goals and objectives for that year;
 2. Provide preliminary approval of the club board annual goals and objectives;
 3. Receive and review budget estimates of the directors, committees, and projects;
 4. Submit to each incoming club board for approval the next Rotary year budget that acts as an authority/target for club board action, before the next fiscal year starts.
 5. Meet quarterly to ensure compliance with the approved budget or recommend modifications for club board approval;
 6. Report the status of the budget at the annual meeting with current and previous year income and expenses;
 7. Suggest changes, modifications in accordance with club goals and objectives;
 8. and analyze performance reports on budget implementation; and
 9. Suggest corrective action to improve reaching budgetary and performance goals.
- f. The board review committee shall work under the cognizance of the board administration-finance committee with freedom to report independent findings to the club board. The committee shall be chaired by the president-elect but shall not have members that regularly handle funds or have access to club bank accounts. The committee is responsible for oversight of financial reporting and disclosure and shall be assisted by the accountant retained by the club. The Committee is also responsible for monitoring and reporting on adherence to the club's principles and moral accountability. The committee may retain the expertise and consulting resources necessary to carry out its functions, with the approval of the club board. The committee shall:
1. Conduct a thorough annual review of all financial transactions and additional reviews as required;
 2. Present to the board for approval written management report and IRS 990 forms for the club's operations and club foundation financial accounts no later than September 30 following the close of the prior fiscal year;
 3. Monitor the choice of accounting policies and principles and recommend changes, as required;
 4. Supervise regulatory compliance; and
 5. Oversee the ethics and integrity of the club.

POLICY

The Administration-Finance Committee shall meet monthly a week before the RCHR board of officers and directors meet to review the RCHR administrative requirements and review the RCHR financial reports provided by the RCHR Treasurer covering the previous month's finances and year-to-date-finances. The latter report shall include the status of RCHR Foundation finances.

The RCHR Board of Officers and Directors retains an Executive Secretary who is a club member and who manages and administers RCHR operations. The Executive Secretary serves as the board's principal staff support and continuity and chairs the Board Administrative Committee and co-chairs the RCHR Administration-Finance Committee. The incumbent is responsible for administrative duties and tasks

required by the RCHR Board, and for ensuring that the club functions in accordance with the principles of Rotary and the Four Way Test.

The Executive Secretary's duties, as supported by the Board Administrative Committee, include the following (not in order of priority):

- a. Act as RCHR's agent to perform on the club's behalf ensuring that all acts necessary and appropriate to carry out the purposes of the club are accomplished and in a lawful manner.
- b. Supervise and participate in subordinate committee meetings.
- c. Serve as the RCHR Financial Manager.
- d. Develop and execute contracts and other documents necessary to carry out the club's purposes, including those with the facility where the club holds its in-person meetings.
- e. Participate as a member of the senior management team in leading and setting direction for the functioning of the club board in carrying out the mission of the club and the training of club members and future club leaders.
- f. Support the club board's requirements by planning ahead, prioritizing, time managing, and screening input and output.
- g. Ensure club strategic planning and governance documents are current in conjunction with the Club Parliamentarian.
- h. Review and recommend changes to the Club Constitution and Bylaws, if required.
- i. Determine administrative funding requirements for the club.
- j. Establish, maintain, and ensure implementation of policies relating to fundraising and administration of the funds in conjunction with the Administration-Finance Committee and the supporting RCHR Foundation and Donor Advised Fund.
- k. Assist the Secretary, as required, in arranging for Board (one per month) and Committee (as required) meetings and ensure that meetings follow established procedural rules.
- l. Attend all board meetings as an ex officio, non-voting participant.
- m. Report RI and District activities to the board as required, but at least at every board and committee meeting, as appropriate.
- n. Supervise the conduct of RI, District, and Club surveys to be taken by Club members.
- o. Maintain a schedule of RI, District, and Club requirements and ensure they are met on time.
- p. Accept, maintain, and account for real property owned by the RCHR.
- q. As required by the Board, hire, or retain an accountant who shall oversee and provide technical guidance regarding the financial records of the Club and submit reports as required by law, RI, District, and the Club.

- r. Ensure prompt turnover of files between Officers, Directors, Standing Committee Chairs, and Boards of Trustees.
- s. Keep the Board and Club informed of all initiatives and activities under your cognizance.
- t. Request technical and other assistance when necessary and in a timely manner.
- u. Maintain the historical records of the Club, the Club Foundation, and Donor Advised Fund.
- v. Perform other coordination and duties as necessary to support the mission of the Club.

PROCEDURE

In accordance with Article VIII, Section 3.f.(1) of the RCHR Bylaws, the Board Administration-Finance Committee shall be co-chaired by the executive secretary and president-elect and have as statutory members the club treasurer, secretary, and immediate past president along with the chairs of the RI foundation, RCHR foundation and DAF boards, or their representatives, the Board Service Projects Committee Chair, the Community Service Committee Chair plus other service chairs who may have projects underway, the Planning and Procedures Committee when activated, and the accountant retained by the club. For budgeting, the committee shall include the service directors. The committee shall:

- a. Ensure that notices of board meetings are sent;
- b. be responsible for club planning and procedures and have a member who is skilled in planning and Roberts Rules of Order Newly Revised serves as the club parliamentarian;
- c. Support the club training program in conjunction with the immediate past president and the Past Presidents Council;
- d. Have cognizance over the awards committee and provide assistance as required;
- e. Employ and manage the RCHR accountant;
- f. Oversee all finances and financial controls related to the club in accordance with Article IX of these bylaws as covered in the background section of this policy;
- g. Supervise all club fundraising and the support of club core charities; and
- h. Coordinate its activities with the RI foundation committee, and the donor advised fund and the RCHR foundation boards.

RCHR Policy 13

RCHR Projects

Adopted: December 16, 2022

Amended:

BACKGROUND

A Service Project is an activity undertaken by the club in an avenue of service that requires three or more club members providing either financial or physical effort or both by Rotarians for the benefit of the club or the community. This is in conformity with the RCHR Bylaws Article I, Section 6. (Definitions)

- a. Activity: Any action taken by the club or its members, including events, functions, projects, reviews, and changes to club documents; (b. Omitted, not relevant.)
- c. Function: Any duty that is required to be performed by one or two active members;
- d. Project: Any activity that is required to be performed for the benefit of club members or the Community that requires the formation of a committee and use of club resources.” The term “event” is a general term covering activities, functions, and projects, but usually specifies a fellowship activity.

POLICY

Project planning and development does not need prior approval. However, there is a critical point when planning becomes a commitment and approval shall be needed before that point is reached. Each service project that is approved must be supported by an ad hoc (temporary as needed) committee of at least three members that is approved by the appropriate service director and the RCHR board for the duration of a project that shall not exceed the current Rotary year. Exceptions to the committee size and time limit shall be addressed by the appropriate service director, Project Committee Chair, and President or President-elect for the coming year.

The projects developed should support the Object of Rotary and the Four-Way Test within the Five Avenues of Rotary, and in accordance with Rotary’s Guiding Principles and the Rotary Code of Policies. Service projects should be planned so that family members of club members can easily participate.

Service projects shall be designed to benefit RCHR and the community it serves, and the service project committee is responsible to ensure that projects are within RCHR physical and financial means and are conducted at no expense to RCHR.

PROCEDURE

- a. Projects may be initiated by written request to the appropriate service director and the board service projects chair for the project to be approved by the RCHR board. The request shall state the:
 - (1) Names of the project sponsors/committee members;
 - (2) Purpose;
 - (3) Scope;
 - (4) Duration and frequency;
 - (5) Budget and Funding required, if needed. If not needed the next step may be omitted;
 - (6) Source of funds, how expended, and disposition of overages/shortages on completion;
 - (7) Extent of Club member and family participation; and
 - (8) Expected results of the project to the benefactors and the Club.

b. When considering a fundraising project:

- Determine the group to receive donations (e. g., Food Bank, charities focused on youth);
- Determine the charities that provide the most creditable return on investment;
- Propose a date, location, personnel, and finances needed to get the task done;
- Contact the chosen charities to get permission to fundraise and donate funds;
- Determine the target audience, advertising needed, and media to distribute same;
- Decide the type of event to be conducted within the budget available;
- Provide for the distribution of advertising;
- Consider additional fundraising activities (e.g., silent auction) and the assets required;
- Assign tasks to key personnel and supervise execution throughout;
- Brief organizational participants so that everyone is working together;
- Organize the physical layout to promote the fundraising cause receiving donations;
- Ensure that the setup is prepared well ahead of time and staffing available;
- Account for funds raised and ensure that they are delivered to recipient charities;
- Provide receipts or thank-you letters for donors and thank all event participants;
- Have charitable donation recipients report their use and effectiveness of donated funds.

c. Projects submitted to the club board shall be evaluated on the following points. Does the project:

- (1) Support the Object of Rotary and the Four-Way Test;
- (2) Follow one of the Five Avenues of Service;
- (3) Conform to Rotary's Guiding Principles;
- (4) Fit with the Club's available resources of time, manpower, and funds;
- (5) Have the support of the Club active members; and
- (6) Provide a long-term return on investment?

d. Examples of projects and the responsible avenue of service may include:

- Adopt-a-Highway: Chaired by a member of Community Service
- Area Educator Awards/Putt-Putt: Chaired by a member of Vocational Service
- Dictionary Program: Chaired by a member of Youth Service
- Disaster Relief: Chaired by a member of the Community Services Committee
- District Grants: Chaired by a member of the applicable avenue of service
- First Responders Project: Chaired by a member of Community Service
- Food Bank: Chaired by a member of Community Service
- Global Grants: Chaired by a member of International Service
- International Exchange: Chaired by a member of International Service
- Pints-for-Polio: Chaired by a member of International Service
- Reading Program: Chaired by a member of the Youth Service
- Rotary Action Groups: Under the cognizance of the Service Projects Director
- Rotary Fellowship Groups: Under the cognizance of the Club Service Director
- Rotaract: Chaired by a member of Vocational Service.
- Scavenger Hunt: Chaired by a member of Community Service
- Scholarships: Chaired by a member of Vocational Service
- Scouting: Chaired by a member of Youth Service
- Tidewater Wooden Boat Workshop: Chaired by a member of Youth Service

Proposed service projects shall be submitted by the service director to the board service projects committee for review and forwarding to the club board for approval.

RCHR Policy 14

Guidance and Rules for Conduct of Virtual Meetings

Adopted: December 16, 2022

Amended:

BACKGROUND

The RCHR Bylaws Article V Section 3 states that “Club, board, and committee meetings may be conducted in-person, virtual, or a combination thereof. Attending members who are not present in-person shall have the opportunity to participate by virtual means. The notice of meetings that include virtual participation shall include a description of how to participate, including the electronic link to the meeting, and the meeting’s electronic “host” who controls the electronic aspects of the meeting. Any meeting using virtual participation shall follow rules adopted by the club in the club policies and procedures.” While in-person meetings are preferred, RCHR recognizes that some members cannot attend meetings in person.

POLICY

The RCHR President shall ensure that access to virtual meetings is provided prior to the meeting and that all participants can be heard and, if required, that their votes be counted.

PROCEDURES

The secretary or designated RCHR member shall ensure that notices of virtual meetings are sent by email to every member at least 24 hours before each meeting to include the time of the meeting, the type of meeting service, the URL and access codes necessary to connect to the internet meeting service, and as an alternative and backup to the audio connection included within the internet meeting service, the phone number and access code the member needs to participate vocally by phone.

Each member is responsible for their audio and internet connection and the quality of the connection. They shall install the required application on their system before the meeting.

The internet meeting service availability shall be scheduled to begin at least 15 minutes before the start of each meeting.

Members shall identify themselves by name and not by phone number and maintain access for at least 60 percent of the meeting to be counted as present.

Should the meeting require members to vote on issues, the presence of a quorum shall be established by roll call at the beginning of the meeting. The quorum shall be maintained by an ongoing list of participating members.

Votes shall be taken by the anonymous voting feature of the internet meeting service unless a roll call vote is required. The announcement of the voting results shall include the number of members voting on each side of the question and those that abstain or do not respond though present.

The President or the meeting “host” operating the internet meeting service on order of the President shall disconnect or mute a member’s connection if it is causing undue interference with the meeting.

RCHR Policy 15

RCHR Governing Document Preparation and Changes

Adopted: December 16, 2022

Amended: April 23, 2024

BACKGROUND

RCHR Governing Documents include the Constitution, Bylaws and Policies and Procedures. Document preparation shall be guided by the Associated Press Manual of Style including using short titles and very limited use of acronyms and common terminology. Technical Changes are designed to correct:

1. Typographic errors;
2. Incorrect grammar and punctuation;
3. Erroneous or incorrect terminology;
4. Name changes;
5. Old documents that require alignment with the terms in Appendix A; and
6. Other dated material that does not affect the intent of the passage being changed.

POLICY

The RCHR Constitution, Bylaws, Strategic Plan, and Policies and Procedures shall be reviewed annually, or sooner if required.

All changes made to the RCHR Constitution and Bylaws must be reviewed by the RCHR Board of Officers and directors and approved by the RCHR active membership at a meeting called for that purpose. Origination and changes to RCHR Policies and Procedures and technical changes may be made to RCHR Governing Documents with Board approval.

PROCEDURE

Changes to RCHR governing documents normally are the responsibility of the RCHR Planning and Procedures Committee, which shall review recommended changes.

The committee is chaired by the club parliamentarian and when activated shall include the president, president-elect, the immediate past president, the executive secretary, a service director, and a standing committee chair. The committee is responsible for the development and maintenance of the Club Constitution, Bylaws, Strategic Plan, and Club Policies and Procedures.

Proposed changes to governing documents and new policies originated and submitted by members, officers, directors, and committees shall be in writing and include: (1) objective to be accomplished, (2) background for the change; (3) facts or assumptions justifying the change; (4) discussion justifying the need for the change; and (5) recommended change.

RCHR Policy 16
RCHR Effective Communications

Adopted: April 23, 2024

Amended:

BACKGROUND

Effective communication is a top priority in every successful organization. It can be a challenge between people with varying backgrounds and cultures.

Effective RCHR communication is the exchange of ideas and thoughts concerning pursuing goals. It is clear and the receiving members must understand its purpose. It creates an environment where RCHR can thrive, and both the sender and receiver of the message are satisfied. It is not just relaying information to a RCHR member but explaining it in a way it is understood. It enables members to know the tasks they need to perform and why and how to do them so they can achieve RCHR goals.

The benefits of effective communications are many, but primarily it provides focus and being able to adjust to change. It causes better relations between all concerned and enhances motivation and productivity while reducing conflict. These benefits are covered in greater detail in the procedures section of this RCHR policy.

There are two basic types of communication, formal and informal. The two main forms of communication are written and oral.

Formal communication covers any official acts that share information in writing. This includes the RCHR Constitution, Bylaws, Policies, and board meeting minutes. The RCHR board minutes are important because they contain board decisions such as: (1) the RCHR schedule and changes thereto; (2) the introduction of a new policy for the RCHR Policies and Procedures Manual; (3) approval of a new or expanded project or event; (4) or a public image release.

Informal communication is any oral interaction outside of an official communication structure to coordinate a proposed initiative or reach greater understanding of a situation. Two or more members having a conversation are participating in informal discussion. Informal communication is a key component of RCHR's communication structure. When a member has a question or is planning a project or event, it is more efficient to ask another member informally.

POLICY

RCHR officers, directors, and committee chairs shall communicate official business using the formal, written communications modes of the RCHR website, bulletin, and email messages facilitated by the District and Club Data Base (DACdb) link, which is a great source of District and Club data.

RCHR officers, directors, and committee chairs shall include all applicable members in formal, official communications.

RCHR regular and committee meetings are considered informal gatherings and any official information provided to those present shall be communicated to all members within 24 hours of the conclusion of the meeting.

All members may use informal communications for unofficial coordination, business, and social interaction through use of the telephone, email, texts, social media, apps, and voice modes. However, if official, formal information is presented such as scheduling meetings, events, and other formal activities, that information shall be communicated to all officers, directors, committee chairs and affected members within 24 hours of the conclusion of the meeting.

PROCEDURE

RCHR communication management should include the following considerations:

- RCHR leadership should set the character and spirit for the methods of communication.
- Members should know or be instructed in the RCHR's communication policies and know how to communicate via available types and forms of communication.
- Every member should be able to reference policies that include a code of ethics, guidelines on communication, and exercise clear, complete, concise, courteous communications.
- Feedback should be used to ensure communications are effective through the use of meetings, surveys, and other forms of measuring effectiveness such as use metrics to measure quantitative and qualitative data related to member performance and retention for more effective and enjoyable membership.
- Results of feedback should be used to create plans of action when and where required.

The benefits of effective RCHR communications are:

Focus and Adjusting to Change. With the clear stating of RCHR goals, changes, and RCHR values and culture, the membership can stay focused and be able to adjust to change and unexpected events. The members share updates to meet challenges. Effective communication will boost motivation, engagement, and satisfaction, which will reduce conflicts and enhance productivity. This particularly pertains to new members.

Increased Member Engagement. It creates better relationships between RCHR leadership (the board or project committee chairs) and members, as well as amongst members and promotes member engagement. When the RCHR leadership considers member needs and motivations and speaks to them directly and correctly, it's easier to get them to use their skills and talents toward the same goal resulting in overall stronger morale.

Enhanced Motivation. Organizations experience low retention because of ineffective communication between leadership and members. Effective communication promotes better understanding among the members of their tasks and how their roles affect the RCHR's overall success, and they are motivated to take necessary steps. Longer member retention will result, thereby strengthening RCHR, and members will stay motivated.

Increased Productivity. By ensuring that information is communicated in the right manner, members understand their roles better and perform their functions competently.

Reduced Conflict. RCHR has members from various cultures and beliefs and conflicts may naturally arise, but most conflicts are from ineffective communication. RCHR's embrace of open and refined communication styles should bring less conflict between leaders and members, and among members.

RCHR Policy 17
RCHR Emeritus Members

Adopted: April 23, 2024

Amended:

BACKGROUND

Emeritus Membership shall be a category of active membership reserved for RCHR regular members who have provided substantial years of service to Rotary and are recognized as a mark of Rotary distinction. Emeritus members shall not have the obligations, responsibilities, and privileges of active members and retain the current “classification” of their profession.

POLICY

Emeritus Members shall pay dues at a reduced rate that shall, at a minimum, be the total of the current Rotary International (RI) and District 7600 annual assessment. They shall be exempt from attendance requirements but are strongly encouraged to attend meetings and participate in RCHR projects and fellowship events.

RCHR members who meet the following requirements may apply for the status of Emeritus Member.

- Membership in good standing; no dues or other delinquencies.
- Rotary membership that meets the 85 Rule as defined as the age of the Rotarian added to the years of Rotary service, the last five years of which shall have been in the RCHR.
- Member has been a past president or active participant in one or more avenues of service or programs of RCHR.

The board, at its discretion, may wave the 85 Rule for exceptional circumstances. An Emeritus member may be terminated from RCHR upon recommendation by the board.

PROCEDURE

The RCHR Membership Committee shall administer the Emeritus award program and will submit nominees inwriting for board approval 30 days before the board meeting in June of each Rotary year.

RCHR members who wish to apply for this distinction after June of the Rotary year and who have met the requirements, shall be prepared to finish their financial obligation for the remainder of the Rotary year.

Should the committee consider current members who have not met their financial for the year at any other time of the Rotary year, consideration shall be given to any financial liability that may be incurred by RCHR in the recommendation for approval to the RCHR board.

The RCHR board must determine the reduced membership dues based on RI and District annual assessments for the current year in consultation with the RCHR Treasurer and RCHR Administration-Finance Committee and approve the members who will be granted Emeritus status.

Rotarians elected to that status shall be recognized in an Emeritus award ceremony at a subsequent regular weekly meeting, if feasible. Otherwise, the presentation will be done at a time and place agreeable to the honoree.

RCHR & RCHR FOUNDATION JOINT POLICIES SECTION

RCHR & RCHR Foundation Joint Policy J1

RCHR and RCHR Foundation Relationships

Adopted: March 28, 2023

Amended: April 23, 2024

BACKGROUND

The purpose of this policy is to establish policy and procedures for coordination between the Rotary Club of Hampton Roads (RCHR) and the RCHR Foundation, which are two separate entities. The organizational relations between the two are depicted in Annex A.

- A. RCHR Foundation is responsible for providing direct mutual support to RCHR.
- B. Direct mutual support means that the RCHR Foundation specifically supports RCHR and is authorized to answer directly to RCHR's request for assistance. Additionally, RCHR provides direct mutual support to the Foundation in support of both organizations' common goal of providing Rotary services, because of each organization's: (1) assigned tasks; (2) position relative to each other; (3) common goals; and (4) inherent capabilities.
- C. Mutual support is a form of partnership to accomplish a common goal and means that each counterpart has a degree of authority over the other in actions that have mutual effects, and that mutual costs and benefits are shared as equitably as possible. The mutual relationship exists between RCHR and the Foundation because each organization was established to provide effective and efficient services. Each collects, uses, and preserves resources for current and future contingencies and maintains financial accountability and integrity through separate independent operations. The relationship is built on mutual respect for the different purpose or mission, authority, and responsibility of the two agencies and their common goal. The elements of that mutual support are contained in RCHR-RCHR Foundation joint policies and procedures.
- D. In the context of the relationship, the RCHR board of officers and directors or Foundation trustees, receive assistance from each other's organization capabilities, are responsible for ensuring the supported organization understands the assistance required.
- E. The RCHR donor Advised Fund (DAF) functions as a component of the RCHR Foundation and The Rotary Foundation (TRF).

Policy

- A. It is the policy of RCHR and RCHR Foundation to ensure cooperative and efficient inter-relationships between each other.
- B. RCHR Foundation shall entertain only funding requests that have been reviewed and approved by the RCHR board of officers and directors.

- C. Requests for DAF revenue shall be forwarded via the RCHR Foundation for consideration.
- D. For fundraising, RCHR acts as an agent for the RCHR Foundation.

Procedure

- A. Detailed procedures for RCHR and RCHR Foundation are contained in Joint Policies J1 through J7. [J1 is this document, J2 is Budgeting, J3 is Fundraising, J4 is Donation Management and Distribution, J5 is Donor Advised Fund, J6 is Directors Response Fund, and J7 is Expenditure Reimbursement. A policy of RCHR Financial management will be required as outlined in the RCHR Policies Booklet Introduction.]
- B. In most cases, the procedure for commencing interactions between RCHR and RCHR Foundation is for RCHR to identify an unmet need or project that requires support. The need then would be passed to the Foundation for its insight and recommendations on best practices, management and performance requirements, non-profit operations and other considerations. The Foundation then would validate the requirement and pass its recommendation to RCHR for consideration. RCHR may consider internal resources or external resources, including Foundation resources, to address the unmet need or potential project.
- C. RCHR Foundation needs typically should be passed to RCHR for review, recommendations, and action.

Exceptions. Exceptions to this policy shall be determined by RCHR Foundation in consultation with RCHR.

RCHR & RCHR Foundation Joint Policy J2

Budgeting

Adopted: March 28, 2023

Amended:

BACKGROUND

The budget is a plan for the allocation and coordination of resources (appropriations) and distributions or expenditures by either the RCHR or RCHR Foundation for a definite period, normally one Rotary year. It is based on estimates of income appropriated and its various distributions and expenditures during the period. It also may be the amount of money that is available for, required for, or assigned/allocated to a particular purpose.

This policy covers the first step in the requirements for sustaining the continuing cycle from budgeting, collecting, management, and distribution or expenditure of resources. Expenditure usually results in additional funding needs that are to be met through fundraising. RCHR and RCHR Foundation budgeting and fundraising or appropriations of revenue are the subject of separate RCHR Policies as are the management and disbursement of resources.

In accordance with the RCHR Bylaws:

Article II, RCHR Board, Section 5 - The president-elect shall hold a meeting with the new and continuing club board members and standing committee chairs in June to orient members and approve the club goals, budget, and schedule for the coming year. The monthly club board meeting shall address adjustments to the budget and updates to the schedule, if required. A mid-year review shall be held in December to address adjustments to the budget and schedule.

Article IV, Duties, Section 2 - President-Elect. It shall be the duty of the president-elect to: f. Conduct planning and budgeting meetings, in collaboration with the board officers, directors, and executive secretary, prior to the start of the year in office; Section 7 – Avenues of Service Directors (Service Directors). c. Submit supporting budgets to the budget committee.

Article VIII, Committees, Section 3 (1) Board Administration-Finance Committee. The committee shall be co-chaired by the executive secretary and president-elect and have as statutory members the club treasurer, secretary, and immediate past president along with the chairs of the RI foundation, RCHR foundation and DAF boards, or their representatives, and the accountant retained by the club. For budgeting, the committee shall include the service directors. (f) Oversee all finances and financial controls related to the club in accordance with Article IX of these bylaws; Section 7 – Unless authorized by the club board or these bylaws, no standing, special, or ad hoc committee authorized under the provisions of this article may exercise any power of the board in the conduct of the affairs of the club. No committee shall make any expenditure or offer club support that results in a club liability whatsoever or commit the club to any liability whatsoever unless such expenditure has been approved by the board or has been budgeted by prior approval of the club board.

Article IX, Finance, Section 1 – All club finances shall be conducted under the cognizance of the board administration-finance committee which shall:

- a. Ensure that the requirement for separate 501 (c) (3) and 501 (c) (4) accounts is met;
- b. Be responsible for developing and reviewing fiscal control procedures, fundraising plans, and the annual budget in collaboration with officers and other club board members;
- c. Meet monthly to review required financial reports that will be submitted to the board prior to the monthly meetings of the board. Monthly financial reports submitted to the board shall show income, expenditures, and pending income in accordance with RCHR financial policies

- and control procedures; and
- d. Ensure that the club's financial records are public information and shall be open to all club active members and at a minimum provide club members with an annual financial statement and a mid-year financial report with current and previous year income and expenses presented at the club annual meeting.

Section 2 – The budget shall be the responsibility of the board administration-finance committee composed of finance committee members, service directors, and other active members as required and shall be assisted by the accountant retained by the club. The budget shall be based on input from the officers and service directors, of estimated income and estimated expenditures for the year. Upon approval by the board, the budget shall stand as the limit of expenditures for the respective purposes unless otherwise modified by the board. The administration-finance committee shall coordinate and balance the financial needs of the various activities of the club and exercise control of budget development and implementation throughout the Rotary Year. The committee also shall:

- a. Meet at least six months prior to the coming Rotary year and establish a schedule for completing the next Rotary year's budget that shall include club goals and objectives for that year;
- b. Provide preliminary approval of the club board annual goals and objectives;
- c. Receive and review budget estimates of the directors, committees, and projects;
- d. Submit to each incoming club board for approval the next Rotary year budget that acts as an authority/target for club board action, before the next fiscal year starts;
- e. Meet quarterly to ensure compliance with the approved budget or recommend modifications for club board approval;
- f. Report the status of the budget at the annual meeting with current and previous year income and expenses;
- g. Suggest changes, modifications in accordance with club goals and objectives;
- h. Receive and analyze performance reports on budget implementation; and
- i. Suggest corrective action to improve reaching budgetary and performance goals;

The following definitions apply to this and all other RCHR and RCHR Foundation financial policies.

Budget: See the definition at the beginning of BACKGROUND in this Policy

Appropriation: An appropriation is something that is to be received or has been received for a particular purpose.

Allocation: An allocation is an apportionment or assignment for a specific purpose.

Distribution: A distribution is something that is disseminated, such as charitable distributions forming a sum of money withdrawn from a fund and given to the beneficiary of the fund. A grant is a form of distribution in writing of funds or resources for a particular purpose.

Contingency: A contingency is a foreseen and planned situation pertaining to a RCHR or RCHR Foundation program or project need for funds that have not been appropriated, but an urgent need exists to expend resources on hand.

Emergency: An emergency is an unplanned, unforeseen occurrence where a RCHR or RCHR Foundation urgent need exists for funds that have not been appropriated and a need exists to expend resources that are not immediately available.

Expenditure: An expenditure is the process of expending or spending as in paying out a disbursement or expense for a specific purpose, usually goods and services.

Grant: An allocation or distribution of funds given to an organization for a specific purpose and its use is restricted to that purpose.

POLICY

RCHR and RCHR Foundation shall, in coordination with the avenues of service directors, oversee and ensure that monies collected are properly expended unless they are held for nonrecurring expenses or emergencies.

RCHR and RCHR Foundation shall jointly participate in the annual operating budget development process to provide timely information for authorized RCHR requests and expenditures.

RCHR Foundation shall advise RCHR, as necessary, during the budget development process to help ensure that the budget reflects the spending authority needed to support expenditure of funds in support of RCHR programs and projects. RCHR is solely responsible for its services expenses.

RCHR Foundation shall provide assistance to RCHR in the development of budgetary documents.

RCHR and RCHR Foundation shall pass budgets that are based on actual anticipated revenue and not revenue that both organizations hope to acquire. The budget's anticipated total expenses shall not exceed total anticipated revenue.

RCHR shall provide financial management and accounting necessary to ensure compliance with appropriate disbursement requirements.

RCHR board may revise the budget at any time.

RCHR board, by a three-quarters vote of all officers and directors, may authorize expenditures more than anticipated revenue in emergency and unforeseen circumstances, provided that no expenditure causes indebtedness that exceeds the net assets of RCHR. The president shall report full details of the excess expenditure and its circumstances to all RCHR members.

RCHR board shall establish an annual reserve in equity sufficient to ensure that RCHR will continue to meet its financial obligations. If at any time the RCHR reserve is greater than 50% of annual expenses the RCHR reserve the board, by a three-quarters vote, may authorize the expenditure of amounts more than anticipated revenues, provided that such expenditure would not cause the RCHR reserve to decrease below the 50% reserve target. Full details of the reserve target and any excess expenditure and the circumstances leading thereto shall be reported by the board to all RCHR members within 30 days.

PROCEDURE

Budgeting Considerations

- A. Budgeting primarily is used for financial resources, but personnel are equally important to meeting RCHR and RCHR Foundation goals. This policy focuses on financial consideration but includes some personnel requirements.

- B. The budget process includes approval of priorities, establishing measurement metrics, measuring program performance, and obtaining quantitative and qualitative results. These results are used to assess each program's ability to meet specified objectives that contribute to established RCHR and RCHR Foundation goals as calculated to ensure each program and project uses resources, primarily revenue but includes consideration of personnel, effectively. The information developed is used to determine how resources will be allocated in the annual budget process for distribution of revenue. This is called Performance Budgeting or Performance Based Budgeting and is described in greater detail in the procedures section of this policy.
- C. The budget is the RCHR and RCHR Foundation's central policy document to meet annual goals, which is supported by financial and personnel administration documents. The RCHR budget is a contract between RCHR and its members plus the RCHR Foundation showing resources available, raised, and allocated for programs and projects. RCHR Foundation must have a comprehensive understanding of RCHR revenues and their uses. These are required so that RCHR Foundation can respond to a comprehensive, accurate, and reliable budget.
- D. Budgets should be managed within clear, credible, and predictable limits within RCHR and RCHR Foundation personnel and fiscal policies. Sound fiscal policies are those that avoid build-up of large, unsustainable debts or excess revenue and that use favorable income flows to build up resilience and buffers against more difficult times. Sound fiscal policy is enhanced through clear and verifiable fiscal rules or policy objectives.
- E. The RCHR and RCHR Foundation budgets should be closely aligned with distribution and spending priorities. The annual financial goals set boundaries for the main categories of distribution and spending for the year. A mid-year analysis is an important tool to determine not only where RCHR currently is, but whether it will meet annual financial goals. The analysis should be grounded on realistic forecasts for baseline distributions and expenditures based on experience, of which ample data exists both in RCHR and RCHR Foundation data. The budget should be flexible to ensure that expenditure boundaries are respected. This is with the understanding that there may be a need to revisit or realign financial goals and priorities to take account of unforeseen emergency developments. A regular process for reviewing existing distribution and expenditures must be in place and it must be supplemented by regular monthly analysis made to ensure budgetary distributions and expectations are managed in line with assets available and anticipated.
- F. RCHR and RCHR Foundation budget documents and data must be open, transparent, (i.e., understandable) and widely distributed. This is required to keep on top of budget goals. Detailed monthly reports, including income and expense schedules, currently produced by RCHR in conjunction with RCHR Foundation should be available and widely distributed to promote timely and effective decision making, accountability, and oversight. RCHR participants need to be actively involved.
- G. Budgetary options should be realistically debatable by all participants. The RCHR Service Projects leadership needs to be involved in discussions about budgetary policy options because they best know the priorities, funding requirements, difficult trade-offs, and goals to maximize the finite resources available for support of RCHR projects.

- H. Budgets and their periodic updates should present a comprehensive, accurate, and reliable account of finances. They should account correctly and comprehensively for all revenues and expenditures and the full financial costs and benefits of budget decisions.
- I. Budget execution should be actively planned, managed, and continuously monitored. There should be some limited flexibility to reallocate funds throughout the year in the interests of effective management consistent with the broad purpose of the allocation, within the restrictions placed by donors.
- J. Performance evaluation and value for revenue should be integral to the budget process. RCHR and RCHR Foundation members must understand not just what is being spent, but what is being accomplished on behalf of donors, RCHR, and Rotary. That is, what services are being delivered and under what standards of quality and levels of efficiency. This requires detailed reports on specific outcomes by RCHR. Performance Budgeting would meet this requirement.
- K. Longer-term sustainability and other fiscal risks should be identified, assessed, and managed prudently. This promotes stability in providing resources.
- L. To maintain stability and sustainability, avoid depletion of assets, and focus on immediate needs while planning for the future, a reserve fund is essential when established. The reserve fund contains the sum of funds on hand less the funds allocated for the current annual budget. The result is the amount of unallocated restricted funds from donors to support RCHR. Ideally, 100% of the annual budget must remain in the reserve account for contingency purposes. The remainder may be available for investment for endowment purposes in the RCHR Donor Advised Fund (DAF). If the funds available in the reserve account are less than the amount in the current budget, expenses for the following year will have to be reduced by a comparable amount.
- M. RCHR and RCHR Foundation budgeting must consider the types of funds available from the Foundation for use. Foundation funds are divided into two broad categories: restricted and unrestricted.
 - 1. Restricted funds are further subdivided into: (a) funds for general purposes such as those donated to RCHR Foundation specific purposes; (b) funds for specific RCHR programs and projects. Priorities for budgeting for veterans' services are placed on these funds in inverse order.
 - 2. Unrestricted funds are donated to the RCHR Foundation for use as the Foundation determines and interest received accrues to this.
- N. The integrity and quality of budgetary forecasts, fiscal plans, and budgetary implementation are promoted through rigorous quality assurance and independent audits. Both the internal and external financial control systems should have a role in quality assurance for cost effectiveness and performance accountability. There is a need for structured, institutional processes to provide scrutiny of all aspects of the budgeting system as previously described.
- O. A summary of information on the process and its timing is at [Annex A](#).
- P. A notional annual RCHR budget used for planning is at [Annex B](#).

Q. A notional Foundation budget is at Annex C. Note that the notional budget does not include fundraising revenue and project distributions and expenses. They are the responsibility of the project committee and will be included in the Foundation budget when approved by the RCHR board and the RCHR Foundation trustees.

R. Both notional budgets in Annex B and C may be modified to meet current needs. It is optional to include the past year's expenses in the operating budgets.

Performance Budgeting

The objective is to make the budget more effective by focusing on results of resources available to RCHR programs that RCHR Foundation supports. The basic principle of performance budgeting is accountability; measuring how well each respective project was implemented. Also, by assessing how effectively the funds budgeted/allocated to the RCHR project were used.

Performance based budgeting supports decision making by establishing a purpose, setting measurable objectives, and providing flexibility to achieve the desired outcome. Performance may be judged by a program's ability to certain objectives that contribute to established goals within the constraints of the resources (or inputs) allocated. By linking inputs to program outcomes and not process outputs, accountability can be measured. A resource allocation decision can be made by determining which projects achieve the greatest outcomes by focusing on results.

The RCHR Foundation Performance Budgeting Initiative process would be as follows:

- 1) At the RCHR board level, project funding requirements would be reviewed, prioritized and recommendations prepared for presentation to the Foundation for fund requirements and allocation.
- 2) The RCHR recommendations would include prioritization and performance measures that can be used by the Foundation to measure the results or effectiveness of the use of the funds allocated from the Foundation.
- 3) Before the third quarter Foundation meeting of each Rotary year, RCHR would provide a detailed review that would precede the development and subsequent approval by the Foundation for allocating funds to RCHR for expenditure the next fiscal year.
- 4) This review would address both prioritization and performance. The RCHR and or its supported project would be asked to answer a few basic questions. These would include:
 - a. What is the project that requires additional funding?
 - b. What shortage and why is the current funding insufficient?
 - c. What is its priority in comparison to the other requirements submitted by the RCHR?
 - d. In the event the program is currently receiving additional Foundation funding, how has it performed, based on performance metrics approved by the Foundation?
 - e. Should a program not be on track to obligate the budgeted Foundation funding, is there a shortfall in requirements, or a failure to execute the level of activity associated with the budget?
- 5) RCHR Foundation trustees validate the need and recommend a fund allocation annually at the May meeting.

The key to this initiative is approving priorities, establishing measurement metrics, and measuring program performance using both quantitative and qualitative methods. This approach will provide information to help make better choices, better decisions and in turn provide greater value.

Budgeting Procedures

The prior information on budgeting considerations and performance budgeting and the follow-on procedures applies in varying degrees to both RCHR and RCHR Foundation budgeting.

1. **Start Early.** Nonprofit budgeting takes time; time to gather the necessary information and data, to think through and discuss the various elements of the budget, and document it. The budgeting process cannot be rushed. Ensure that budget development is a team effort, but that each participant understands and accomplishes their responsibilities. This not only helps create a more accurate and comprehensive budget but also ensures buy-in by the membership.

Budgeting is a team effort by the RCHR Administration- Finance Committee that has as its members the executive secretary and president-elect and have as statutory members the club treasurer, secretary, and immediate past president along with the chairs of the RI foundation committee, RCHR foundation and DAF boards, or their representatives, and the accountant retained by the club, plus the avenues of service directors as stated in the RCHR bylaws. Though the RCHR president- elect leads the effort, all members shall participate.

Boards should begin reviewing their budgets at least three months before the end of the fiscal year to ensure a budget is approved budget before the start of the next year. An advance start should be sufficient to get input from relevant stakeholders, review the input and set a date to present the budget on target dates to the Board for their review and another date for approval.

2. **Goals and Objectives.** The goals and objectives of both RCHR and RCHR Foundation may not match, but they must be compatible. Financial goals also must agree with each organization's operational and administrative goals.

At the first budget planning meeting, the board or budget committee should agree on their financial goals. This will require prioritizing program delivery goals and setting organizational financial goals. This is a good time to review the current year's actual income and expenses against the budget. Boards should analyze variances and consider if there will be any impact on the upcoming budget.

3. **Current Financial Status.** The second meeting of the budget committee should focus on assessing the current financial and resource management decisions of both the RCHR and RCHR Foundation. Evaluate current financial health by reviewing current year income and expenses compared to the budget. Analyze the current year-end forecast, current budget variances, and balance sheet strength and reflect on financial successes and failures.

Identify opportunities, threats, and emerging trends likely to influence activities (both internal and external). Look at the financial trends for RCHR programs and projects over the past few years, and assess if each is covering its direct costs, or contributing to overhead.

4. **Avoid Assumptions.** While there will inevitably be some assumptions in any budget, try to work with real numbers as much as possible. Use last year's numbers as a starting place. Assess economic changes and get quotes from suppliers. If assumptions are included in the budget, have them written in a separate document. This way, when asked about a number in the budget, it can be easily explained.

It's also very important to the success of programs and projects that the revenue and expense estimates are realistic. When compiling data for revenue, ensure that the revenue source is valid and can produce the results needed.

5. **Detail Balance.** There should be enough lines in the budget to provide a comprehensive understanding of the financial situation. However, the budget should be high-level enough to not be cluttered and overwhelming. Start with RCHR or RCHR Foundation's Chart of Accounts that classifies the sources of revenue and the types of expenses incurred. Use the same main categories in the appropriate budget without getting too much detail. As an example, compare previous budgets with their corresponding charts of accounts and adjust as the situation dictates.

6. **Estimate Expenses.** Expenses may be estimated based on past years' data with an appropriate amount of inflation included. Differentiate between fixed and variable costs for expenses. Fixed Costs remain constant over several years, but variable costs fluctuate; usually upward.

Variable costs are directly tied to operating and administering events; increasing or decreasing and changing with each situation. RCHR and RCHR Foundation can have some control over these expenses; therefore, this is where a lot of decision-making will happen.

Differentiate between program or project operational expenses and the distribution of profits resulting from the initiative. Donors are particularly interested in what the cost of raising and managing (operational and administrative) funds are compared to the benefit distributed to needy causes. Projected operational and administrative costs should not exceed 10% of income for the program or project.

7. **Estimate Income.** The amount of income needed is a critical budgeting factor and the most difficult to predict, despite experience. Organize charitable gift income by source, e.g., individuals, foundations, corporations, net profit of special events, and any other income sources that might be relevant.

To estimate fundraising income, evaluate multi-year trends in RCHR fundraising. Remove any donations that are unlikely to be repeated. Then, estimate likely donation increases per donor, based on the quality of the relationships. Track restricted and unrestricted funds, and how they are spent. For example, if donors are told that all donations will go directly to program expenses, those are then restricted funds that exclusively support charitable programs and not RCHR or RCHR Foundation operations and administration.

Budget planners should contact all foundations, corporate, and other major donors to determine the likelihood of their repeat gifts before their anticipated revenue is entered in the budget projections.

The Budget committee will have information for developing a draft of an expense budget and an income budget. The committee will need to determine the costs for the upcoming program goals, organizational goals and strategic goals. In determining the income budget, the committee will need to project income based on the current fundraising and revenue activities and consider "cash flow".

8. **Consider Cash Flow.** One of the most important tools is a cash flow projection. This is the budget of revenues received and expenses paid, broken down monthly to ensure cash will be there when needed. Cash flows are highly important, and provision must be made on what to do if the cash doesn't flow. If it is expected, for example, that RCHR will incur all its expenses in the first three months of the year and all of its revenue in the last three months of the year, the organization will be unable to pay expenses unless it has built up a large cash surplus. Plan both cash flows and revenues and expenses.

RCHR board and Foundation trustees should have a direct role in developing cash flow projections, agreeing on the assumptions to use, and reviewing the projections carefully to avoid operation on a “shoestring” budget. There may be a reluctance to show a surplus in the books, fearing the perception that resources are not being put to good use.

There is a place for a surplus in the budgets. Reserves are critical to any organization’s long-term sustainability. They can mean the difference between surviving a rough patch and being forced to close down. Having extra cash can help stabilize RCHR and the RCHR Foundation and absorb an unexpected delay in receiving funds, a shortfall in revenue for a special event, or unbudgeted expenses.

Budgeting for a modest surplus allows support for future innovations. The goal is to avoid the “nonprofit starvation cycle” of never having enough to invest resources in new programs or projects. The annual unrestricted surplus should be sufficient to meet requirements for new programs or projects. A 3-5% surplus and 4-6 months of expenses in operating reserves should be considered, subject to adoption each year by the board of trustees.

At this point, the budget committee should have a draft budget ready and do a thorough review of it. The review should include verifying that the budget is able to meet program and organizational goals. They should make any final adjustments based on the organization’s goals and its capacity to match income and expenses as closely as possible. In addition, they should review the final draft against the organization’s goals and objectives.

9. Monitoring the Budget. Budgets are too often proposed, discussed, accepted, and forgotten. Once a budget is approved, compare the predicted numbers to the actual figures every month to look for differences and establish why they occurred. When things are not in line with the budget, look at “why,” and what factors can be controlled or changed. This is where the budget becomes an effective management and operations tool for RCHR and RCHR Foundation. This allows for a better overview, speedier addressing of any potential issues, more nimble management of the staff and volunteers, and a more informed everyday decision-making process.

For example, based on this review you can determine which projects need to be updated and which areas need to develop new ideas for RCHR and RCHR Foundation to reach their goals and move forward with their missions. Good communication between all concerned is the key to monitoring the budget during the year.

10. Implementing the Budget. Budget implementation is a team effort by not only the RCHR Administration/Finance Committee and the RCHR Foundation board, but all RCHR members, particularly that committee in charge of RCHR projects.

- Assign management responsibilities for budget implementation.
- Incorporate the budget into the accounting system.
- Monitor and respond to changes as needed.
- Make reports as outlined in Annex A.

ANNEX A

RCHR and RCHR Foundation Rotary Year (RY) Schedule*

July

RCHR Board Officers and new Directors assume duties.

August

RCHR Foundation Trustees meeting second week of month to orient new trustees and approve RY budget.

Approve 4th Quarter prior RY Financial Statement and Annual Report.

September

The Nominating Committee put out call for candidates for officers' positions.

October

Approve 1st Quarter current RY Financial Statement.

RCHR Foundation Trustees quarterly meeting.

Annual RCHR Membership Meeting (December) not later than the second week of month

Review previous RY's finances;

Present the "mid-year" financial report of current year income and expenses

Review RCHR Constitution, Bylaws, and Policies

Review Goals and Objectives for current RY

Elect officers and directors for next RY

Establish a schedule for completing this and next RY goals, objectives, and budget

January

Approve 2nd Quarter current RY Financial Statement

Approve current RY budget adjustments if any

RCHR Foundation trustees' mid-year review

April

Approve 3rd Quarter FY17 Financial Statement

President-elect request Budget input for next RY from officers and directors elect and directors remaining

Submit draft budget to RCHR Budget Committee by mid-May

Review current RY Goals and Objectives as a baseline for next RY Goals and Objectives

RCHR Foundation Trustees quarterly meeting to consider current and next RY's budget

Fourth Quarter (June) board meeting third week of the month

Incoming RCHR President meets with new and continuing officers, directors, and standing committee chairs to approve the RCHR goals, budget, and schedule for the coming RY

Approve next RY Goals and Objectives

Incoming RCHR President appoint next RY Committee Chairs/Assistant Chairs with board approval

Approve current RY budget adjustments, if any

Approve next RY tentative schedule of dates and locations of Board meetings

Appoint a nominating committee for next RY

*Does not include monthly board and committee meetings, weekly membership meetings, and periodic committee meetings.

ANNEX B

RCHR Notional Budget

To be completed

<u>Number</u>	<u>Account</u>	<u>Prior Year Income</u>	<u>Next Year Budget Projected</u>
	Member Dues		
	Fines		
	Raffles		
	Member Meals		
	Miscellaneous		
	Special Projects (Brackets)		
	Auctions & Donations		
	Oktoberfest		
	Springfest & Leadership Change		
	Other		
	Total Income		
			<u>Expenses</u>
			Projected
	RI Assessments		
	Annual per capita RI Fee		
	Rotary Magazine		
	District Assessment		
	District Conference Assessment		
	RYLA Participant Fees		
	Printing and Bulletin		
	Pins – Officer & RI Theme		
	Misc. Supplies		
	Bank Charges/Processing Fees		
	Accounting Software		
	Websites & Zoom		
	Postal		
	Licenses & Insurance		
	Paul Harris Award Frames		
	New Member TRF Donation		
	Training & PETS		
	Membership		
	Sunshine		
	Club Service		
	Vocational Service		
	Community Service		
	International Service		
	Youth Service		
	Accounting Services		
	Breakfast Meals		
	Guest Meals		
	Facility Rental		
	Other		
	Total Expenses		

ANNEX C

RCHR Foundation Notional Budget

<u>Number</u>	<u>Account</u>	<u>Type</u>	<u>Last Year Income</u>	<u>Next Year Budget</u>
4000	Foundation Operations Total			
4001	Directors Response Fund	Income		
4010	Unrestricted Revenue Fund	Income		
4100	Donations Total			
4101	TRF Donations	Pass Thru To TRF		
4102	DAF Donations	Pass Thru To TRF DAF		
4110	Other Donations	Income		
4800	Miscellaneous Revenue	Income		
XXXX	Other Restricted	Income		
	Total Income			

Expenses

5000	Foundation Operations Total			
5001	Office Supplies	Expense		
5002	Quickbooks Fee	Expense		
5003	VA Corporation & Bank Fees	Expense		
5010	Other Operations Fees	Expense		
5100	Member Donations Total			
5101	DAF Donation	Expense Pass Thru?		
5102	The Rotary Foundation	Expense Pass Thru?		
5110	Other Donations	Expense Pass Thru?		
5800	Miscellaneous Expenses	Expense		
	Total Expenses			

RCHR & RCHR Foundation Joint Policy 13

Fundraising

Adopted: December 16, 2022

Amended:

BACKGROUND

One of the main challenges of putting on a fundraising event is the sheer effort and coordination that goes into the planning and execution. Planning and execution require a committee. This committee should be made up of internal personnel, as well as volunteers from RCHR's local community. The committee needs to carefully plan who will run key aspects of the event. Assign small groups to oversee marketing, operations, logistics and other critical aspects of the experience.

Personnel are obviously an important piece, but so is the budget. Make sure to set goals and objectives for the investment. To get a good sense of numbers, seek out organizations of comparable size that have hosted similar events and ask them. Corporate sponsorships are also critical to pulling off a successful event. They can obviously provide capital resources, but do not overlook the possibility of in-kind donations for crucial components of the operations – corporate volunteers or prizes to incentivize participation.

Planning and coordination are essential to successful fundraising and to avoid duplication in approaching potential donors in the name of the Rotary Club of Hampton Roads (RCHR) and the Rotary Club of Hampton Roads Foundation. The term “fundraising” includes solicitation and acceptance of donated funds and grants through the RCHR for the RCHR Foundation. For fundraising, RCHR acts as an agent for the RCHR Foundation.

From the founding of RCHR in 1979 for ten years, the club only supported individual charitable projects with sweat equity (e.g., Adopt-a-Highway 1992-93) and fundraising. In Rotary year 1994-95 the Teachers' Excellence initiative/Area Educator Awards (also known as Putt-Putt) was started and has continued ever since as had the Food Bank started in 1999-2000. During 1995-96, the Bowl-a-thon was brought to the Club, and it was the club's major fundraiser for 22 years grossing an average of \$40k per year with an average of \$12k going to RCHR supported charities for children and families. The Bowl-a-thon fund also has supported the DAF since Rotary Year 2003-04 and the Board Emergency Fund, along with adding funds to individual contributions to the Rotary International Foundation. Along the way, other service projects involving fund donations have come and gone.

To preserve the credibility and integrity of RCHR and RCHR Foundation among their financial supporters and the public, as well as to optimize resources and protect respective Rotary marks/logos/brands, this policy will serve to govern all fundraising made on behalf or in support of RCHR and RCHR Foundation and/or activities belonging to these two agencies and affiliated groups.

To promote maximum effectiveness and avoid duplication of effort, conflict of events, and dilution of effectiveness, all fundraising sponsors are required to receive prior approval of their initiatives from the RCHR Foundation Board of Trustees and the RCHR Board of Officers and Directors.

Organizing an event gives RCHR much deeper roots in the community. Local volunteers and participants will interact with RCHR staff and board in a way that never be able to replicate. Operating an event is

dynamic. The fluid nature of logistics will force individuals to collaborate and work together in many different ways. Lastly, it can be a TON OF FUN!

POLICY

The RCHR Foundation is a repository and accountability organization, and all fundraising shall be conducted by RCHR in the name of the Foundation. RCHR Foundation and RCHR fiduciary responsibilities are contained in the U.S. Code for 501 (c) (3) and 501 (c) (4) organizations. The RCHR Foundation shall be responsible for obtaining and maintaining authority of fundraising in accordance with Virginia Code Sections 57.48 and 57.60.A.8 and C. All fundraising revenue solicited and accepted by RCHR as tax exempt donations shall be in the name of the RCHR Foundation, payable to the RCHR Foundation, and deposited in the RCHR Foundation Fund, to comply with federal and state laws. The RCHR Foundation shall be responsible for compliance with U.S. Internal Revenue Service requirements as a charitable foundation.

The RCHR Foundation board of trustees serves a fiduciary responsibility to donors and a source of funding to RCHR in order to meet the needs of the community not otherwise available for funding through national, state, or local sources. RCHR serves as the Foundation agent, in accordance with the Uniform Prudent Management of Funds Act, for the receipt, deposit, management, allocation, and expenditure of funds in accordance with the U.S. Code referring to 501 (c) (3) organizations and with the Code of Virginia Title 64.2. Wills, Trusts, and Fiduciaries » Chapter 11. Uniform Prudent Management of Institutional Funds Act, Section 64.2-1100 et seq. RCHR members are authorized to solicit gifts, financial and in-kind, from private sources on behalf of the RCHR Foundation.

Sponsorships are not considered gifts or donations if given and received in return for a measurable tangible benefit including actively promoting the sponsor or the sponsor's product. Sponsorships may be received by the RCHR for support of an RCHR program or service.

The RCHR and RCHR Foundation shall respect donor privacy and not sell, rent, exchange, and share donor information with other non-profit or other organizations and third parties.

“Contributions received by the RCHR Foundation shall be used as specified by the donor. However, if the purpose of the donation has been met or no longer exists, remaining funds may be used at the discretion of the Foundation board of trustees for other charitable purposes”. This statement shall accompany all requests for donations.

“The RCHR Foundation trusts that anyone wishing to contribute online considers their donation carefully and checks donation amounts during their transaction. If an error is made while making an online donation, the Foundation shall consider all refund requests made within 10 business days of the donation. Errors after that period shall be considered on a case-by-case basis. If the funds have been distributed, refund requests shall be denied. If the donor becomes aware that their bank card has been used fraudulently, it is the donor's responsibility to contact the card provider.” This statement shall be posted in appropriate online requests for donations and the donor notified as appropriate.

Project committees that conduct fundraisers shall specify the charitable cause(s) for which the donors' funds are to be used and whether part of the funds will be used for fundraising and administration expenses. Virginia Code Section 64.2-1104 applies.

All fundraising activities shall abide by “The Donors Bill of Rights” at the end of this policy.

RCHR and the RCHR Foundation reserve the right to refuse donations and sponsorships.

In-kind goods and services contributed to RCHR Foundation or RCHR shall be received, recorded, and managed. At the discretion of RCHR Foundation or RCHR, in-kind donations may be passed on to other Rotary Clubs or non-profit organizations. Due to limited capacity, neither the RCHR Foundation nor RCHR shall accept: (1) tangible goods that have no further service life; (2) tangible goods that must be discarded; (3) any goods that have debt attached to them; and (4) any goods without clear proof of ownership from the donor. Questionable items will be subject to a decision by the RCHR Foundation Chair of the Board of Trustees.

As an exception, RCHR and RCHR Foundation may, at their discretion, accept in-kind donations for raffles and silent auctions or as a public outreach gesture. They may dispose of said donations as befits the nature of the gift. However, any gains realized from such disposals must be recorded as donations to the Foundation and as a contribution by the donor.

Revenue from RCHR raffles or other games of chance are not tax-deductible donations.

PROCEDURE GENERAL PROVISIONS

RCHR shall coordinate all fundraising activities with the RCHR Foundation and shall conduct fundraising planning and execution to seek, promote, and stimulate contributions to support RCHR programs and projects and raise awareness about those programs.

RCHR shall oversee and ensure that the establishment of fundraising priorities is not in conflict with other RCHR priorities. The RCHR board shall make recommendations regarding fundraising and organizing fundraising programs. RCHR shall coordinate all plans for fundraising activities involving the solicitation of funds or in-kind material with the avenues of service directors and service project committee chair.

Differences of opinion relating to the acceptance or refusal of donations shall be resolved in favor of the RCHR Foundation.

PROCEDURE FOR FINANCIAL DONATIONS

This procedure only covers financial donations and does not include gift cards and other in-kind donations. For in-kind donations, see Procedure for In-kind Donations, below.

Financial Fundraising Authorization

The RCHR board shall approve all RCHR projects wishing to raise funds. RCHR Foundation unrestricted revenue or support funds for fundraising activities may be allocated for fundraising purposes based on a return of the funds at the conclusion of the project. All of these fundraising efforts shall adhere to RCHR and RCHR Foundation approved policies and guidelines.

No individual, group, or RCHR activity shall solicit funds in the name of or on behalf of RCHR unless they have organized and coordinated such activities with the RCHR board. Such coordination shall begin before making formal contact with a funding source or sources. This coordination shall continue until the specific fundraising event or series of events are concluded. Once an event is concluded, it shall not be used to initiate another fundraising effort without pursuing approval of the RCHR and RCHR Foundation boards.

Financial Fundraising Procedures

RCHR projects shall coordinate all of their fundraising activities with the RCHR Service Project Committee Chair and all requests to plan and execute fundraising activities shall be presented to the Service Project Committee Chair for RCHR board approval.

- a. Each request shall include sufficient detail to adequately define the scope of the initiative and contain the following elements:
 1. Purpose of the fundraising activity to be conducted.
 2. Timelines involved including the start and end dates.
 3. Capabilities and limitations of the fundraising project.
 4. Number and identity of volunteers.
 5. Identification of donor groups for targeting the fundraising effort.
 6. List the fundraising methods to be employed.
 7. Specify the public relations program and advertising/marketing plan associated with the fundraising effort.
 8. Provide an estimate of fundraising costs detailed by function.
 9. Provide an estimate of expected revenue to include milestones to achieve objectives.
 10. Specify the support required from RCHR membership.
 11. Procedures for assuring accountability of funds collected.
 12. Procedures for assuring donor satisfaction.
 13. Implementation agenda.
- b. For currently approved, on-going RCHR fundraising activities, latitude shall be considered in applying this requirement.
- c. Requests shall contain acknowledgement that the event sponsor generating multiple donations from many individuals shall meet the stewardship requirement of acknowledging the individual gifts with receipts and thank-you letters.
- d. Donors wishing to give unsolicited gifts in support of RCHR and its programs and services shall be referred to the RCHR Service Projects Committee Chair.

Considerations for Requesting Contributions

Requesting financial donations shall be based on their proposed use because donors and sponsors have the right to expect that their contributions will be used as wished and in accordance with established fundraising procedures and the law. The primary consideration shall be the use of the funds. Consider the following requirements for expenditure of donor funds:

- a. **Administrative Expenses:** This measure reflects what percentage of its total budget a charitable activity spends on overhead, administrative and financial staff and associated costs, and organizational meetings. Donors' funds shall not be used for these expenses unless expressly approved by the donor or is included in the donation request.
- b. **Fundraising Expenses:** This measure reflects what a charitable activity spends to raise money. Fundraising expenses can include campaign printing, publicity, mailing, and staffing and costs incurred in soliciting donations, memberships, and grants. Donors' funds shall not be used for these expenses unless expressly approved by the donor or is included in the donation request.
- c. **Program Expenses:** This measure reflects what percent of its total budget the charitable activity spends on the programs and services it exists to deliver (e.g., to activities that support children, families, or other entities (i.e., St. Mary's), either directly or indirectly).

Funds raised for a program shall not be used for fundraising or administrative expenses unless expressly included in the donation request. Should the RCHR or RCHR Foundation raise funds for a project for use as a program expense (e.g., Area Education Excellence, Food Bank, etc.) and wish to use part of the donations for fundraising for the current or future projects or administrative expenses of the project or the RCHR Foundation, the request or solicitation for donations shall state that a certain percent (usually under 10%) of the funds shall be used for those purposes versus program purposes.

Investments are not donor expenses but are categorized as distributions of donor funds.

Sponsor Contributions. The use of funds contributed by sponsors as business expenses are not subject to the above limitations, but the above expenses should be covered in the purpose of the request by the fundraiser.

Procedures for Accepting Financial Donations

Financial donations normally take the form of: (1) cash; (2) bank check or money order; or (3) bank card transaction by an on-line donation as indicated on the VSF Website (e.g., PayPal, Venmo, etc.). Bank checks/money orders may be received in person or by mail with mail being the primary means of receipt for most donations. This policy primarily covers cash and bank checks/money orders received in person or by mail.

- a. Members of RCHR and the RCHR Treasurer may accept financial donations on behalf of the Foundation. It is preferred that the RCHR Treasurer is the primary recipient of donations, but as a practical matter, it is understood that any RCHR member may accept a donation which they shall immediately turn over the donation to the RCHR Treasurer.
- b. *The individual receiving the donation shall request the name, address, phone number, and email address of the donor to comply with Internal Revenue Service requirements for records and receipts for donations, or the donation shall not be accepted. RCHR and RCHR Foundation trustees shall respect the privacy of the donor and if the donor requests anonymity and shall maintain the confidence of the donor, as permitted by law.*
- c. A copy of the donation shall be scanned and retained for the RCHR financial records and a copy furnished to the RCHR Foundation board of trustees Chair. Cash donations shall not be scanned.
- d. Anonymous donations collected by cups or drop boxes are exceptions to acceptance procedures. At the end of each meeting when cups are used, the project sponsor and RCHR Treasurer shall collect the cups and verify the funds received. The Treasurer shall deposit on the day received or the next banking day the funds in the appropriate restricted account for the project.

PROCEDURES FOR IN-KIND DONATIONS

An in-kind donation is one where goods, services, property or something of value is offered for free or at less than the usual and normal charge, or payments by a third party for goods and services. This type of contribution does not include financial donations, i.e. cash, checks, or bank card contributions.

In-kind goods include, but are not limited to food, equipment, furniture, supplies, computer software and hardware, and office space. Types of in-kind services donations include, but are not limited to, voluntary contributions of advertising materials, printing, entertainment, catering, lodging, and transportation.

Uncompensated professional services contributed are in-kind donations, but uncompensated volunteer labor is not. For additional information on in-kind contributions, see applicable U.S. Internal Revenue Service Publications and Instructions.

In-kind donations have value; therefore, the RCHR and the RCHR Foundation shall receive, record, manage, and account for in-kind donations as required by applicable U.S. Internal Revenue Service Publications and Instructions. This will ensure that an accurate and complete record of donations – whether financial or in-kind – is maintained and accountability established.

The value of an in-kind donation is set by the donor, not by the RCHR Foundation or RCHR. In-kind donations may be tax-deductible under state and federal law. Since it is the donor who will be claiming the tax deduction for the in-kind donation, it is imperative that the donor determine its value. An exception to this exists when a donor contributes a bank card or gift card. Other such gifts such as theater tickets and other negotiable items may be comparable. They are considered cash contributions except that they are not recorded as income to RCHR or RCHR Foundation accounts. Bank cards and gift cards are the responsibility of the project sponsor who shall be accountable for them. On completion of the project, unused gift cards shall be provided to the RCHR Foundation Treasurer for recording as in-kind donations in a separate ledger, not associated with financial accounts, for accountability by the Foundation Treasurer. Should gift cards and theater tickets be used as raffle or auction items, the revenue received shall be treated as financial income.

PROCEDURES FOR ACKNOWLEDGING RECEIPT OF DONATIONS

- a. RCHR members when receiving donations shall take the following steps, except in the case of anonymous donations received by cups or drop boxes:
 1. Thank the donor for the generous gift and give the donor the recipient's personal business card.
 2. Coordinate with the donor or fundraising event sponsor so that they know that any check or money order presented must be made out to the "Rotary Club of Hampton Roads Foundation" or "RCHR Foundation" with a notation in the "For" section of the check regarding the purpose of the contribution for donations that are restricted in their use for a particular purpose or project. If this section is blank, it will be assumed that the donation is for unrestricted purposes.
 3. Provide a receipt for the donation or get contact information so that a thank-you letter can be sent to the donor. All contributions of \$250.00 or more shall require a thank-you letter.
 3. On the same day received, forward the check, along with the donor's name, address, and instructions regarding the disposition and use of the donation to the RCHR Treasurer.
 4. All RCHR bank deposits shall be made by the Treasurer on the day received or next banking day.
 5. A personal thank-you call to the donor shall be made for donations of \$1,000 or over on receipt of the donation by the project staff.

6. All acknowledgement letters shall be sent from RCHR or the RCHR Foundation shall be kept on file, either electronically or by other means.

b. Receipts or Thank-you Letters

1. Receipts or thank-you letters must be prepared for all contributions. In the case of fundraising events where multiple donors are involved, individual thank-you letters shall be prepared, signed, and sent to donors by the event sponsors. A copy of each thank-you letter or receipt shall be retained in the RCHR and RCHR Foundation files.
2. The RCHR member responsible for preparing thank-you letters shall ensure that a thank-you letter is sent to the donor within 10 working days of the donation's deposit.
3. The Internal Revenue Code requires that donations valued at \$250.00 and over be acknowledged in a receipt or thank-you letter with the following statement: "No goods or services were provided to you in return for your donation. Therefore, the full amount of your contribution is tax-deductible to the extent allowed by law." If goods and services were provided, they must be deducted from the amount of the contribution received and so noted in the statement. A statement certifying that the RCHR Foundation is a certified 501 (c) (3) organization shall be used in all thank-you letters regardless of the amount received.
4. Normally, thank-you letters only require a single letter to the donor that also acts as a receipt. Consideration may be given to consolidating several donations in a thank-you letter covering regular, periodic donations over a specific period (e.g., who make donations once a week or month). Donations in Honor or in Memory of someone may require a second or more letters to relatives or next of kin.
5. No monetary value will be indicated on thank-you letters or receipts for in-kind goods and services.
6. If the in-kind donation is a cash value bank or gift card, its value will be noted in the appropriate receipt or thank-you letter.
7. ***All receipts and thank-you letters for donations shall state:*** "The donation to the RCHR Foundation is tax exempt under section 501 (c) (3) of the Internal Revenue Code to the extent authorized for federal taxes. The Foundation did not provide any goods or services in return for your contribution. "(If goods or services were provided, state the amount which shall be deducted from the donation.)"

The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III. To have access to the organization's most recent financial statements.

IV. To be assured their gifts will be used for the purposes for which they were given.

V. To receive appropriate acknowledgement and recognition.

VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.

VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations. Association of Fundraising Professionals (AFP), all rights reserved.

RCHR & RCHR Foundation Joint Policy J4

Management and Distribution of Donated Funds

Adopted: March 28, 2023

Amended:

BACKGROUND

This policy sets forth the procedures to be followed when recording, responding, accounting, reporting donations and generally managing financial donations made to the RCHR Foundation Fund.

This policy also pertains to that distribution and expenditure of donations as governed by Code of Virginia § 64.2-1103 and 64.2- 1194 as follows:

§ 64.2-1103. Delegation of management and investment functions.

- A. Subject to any specific limitation set forth in a gift instrument or in law other than this chapter, an institution may delegate to an external agent the management and investment of an institutional fund to the extent that an institution could prudently delegate under the circumstances. An institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:
 - 1. Selecting an agent;
 - 2. Establishing the scope and terms of the delegation, consistent with the purposes of the institution and the institutional fund; and
 - 3. Periodically reviewing the agent's actions to monitor the agent's performance and compliance with the scope and terms of the delegation.
- B. In performing a designated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and terms of the delegation.
- C. An institution that complies with subsection A is not liable for the decisions or actions of an agent to which the function was delegated.
- D. By accepting delegation of a management or investment function from an institution that is subject to the laws of the Commonwealth, an agent submits to the jurisdiction of the courts of the Commonwealth in all proceedings arising from or related to the delegation or the performance of the delegated function.
- E. An institution may delegate management and investment functions to its committees, officers, or employees as authorized by law of the Commonwealth other than this chapter.

§ 64.2-1104. Release or modification of restrictions on management, investment, or purpose.

- A. If the donor consents in a record, an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund. A release or modification may not allow a fund to be used for a purpose other than a charitable purpose of the institution.
- B. The court, upon application of an institution, may modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or wasteful, if it impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund.

- C. If a particular charitable purpose or restriction contained in a gift instrument on the use of an institutional fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the court, upon application of an institution, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purposes expressed in the gift instrument. ...
- D. If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, without application to the court but with the consent of the Attorney General, ... if the fund subject to the restriction has a total value of less than \$250,000.
- E. If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, 60 days after notification to the Attorney General, may release or modify the restriction, in whole or part, if:
 - 1. The institutional fund subject to the restriction has a total value of less than \$50,000;
 - 2. More than 20 years have elapsed since the fund was established; and
 - 3. The institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.

End of Citations from the Code of Virginia

This policy covers the final step in the requirements for sustaining the continuing cycle from budgeting, collecting, management, and distribution or expenditure of resources. Expenditure usually results in additional funding needs that are to be met through fundraising. RCHR and RCHR Foundation budgeting and fundraising or appropriation of revenue are the subject of separate RCHR Policies.

Consideration should be given to scheduling fundraising events so that the proceeds can be on file at District 7600 by 30 April on the Rotary Year to be considered for District Awards and to The Rotary Foundation 9TRF) by 15 June of the Rotary Year for TRF recognition for that year. Getting funds recognized in My Rotary and Rotary Club Central takes time; therefore, annual fund and Polio funds should be sent to TRI within two weeks of receipt or two weeks prior to 30 April and 15 June.

The definitions contained in RCHR and RCHR Foundation Joint Policy J2 apply to this and all other RCHR and RCHR Foundation financial policies.

POLICY

RCHR and RCHR Foundation, in coordination with the RCHR Administration-Finance Committee, shall oversee and ensure that revenue collected are properly deposited, managed, and distributed.

RCHR Foundation shall provide RCHR Foundation fund oversight to ensure internal controls are effective.

RCHR shall provide financial management and accounting necessary to ensure compliance with receipt and accounting requirements set forth by generally accepted accounting practices in a manner that segregates RCHR Foundation from RCHR accounts.

RCHR shall ensure that the RCHR operating account and the RCHR Foundation account are separate, though both may be in the same QuickBooks accounting software package.

RCHR Treasurer, who also is the RCHR Foundation Treasurer, shall provide monthly financial and quarterly detailed statements to RCHR Foundation for internal and external use, including the preparation of the monthly financial reports required by the Bylaws of each activity.

Upon receipt of a financial donation, the RCHR Treasurer shall record the donation on the Fund spreadsheet in the account for which the donation is intended by the donor.

RCHR and RCHR Foundation shall oversee and ensure that funds and material collected are properly expended unless they are held for nonrecurring expenses or emergencies.

RCHR and RCHR Foundation shall ensure that to ensure proper credit for the Rotary Year from The Rotary Foundation (TRI) and District 7600, all donations, including pass-through donations, are received by TRI by 15 June of the Rotary Year. For District 7600 recognition to be included and counted in the annual awards submissions, these funds must be received by TRI not later Than 30 April.

The charitable distribution of funds shall be by check via personal contact or registered mail and a receipt shall be obtained from the recipient.

The RCHR president and RCHR Foundation chair shall be notified of any discrepancies or misuse of RCHR Foundation funds as soon as they are identified. The RCHR Foundation board of trustees shall cooperate with the RCHR leadership to resolve issues.

PROCEDURES FOR DONATIONS

Financial donations shall be managed as follows:

- a. All contributions shall be considered donations contributed for unrestricted purposes or restricted for a specific project, program, or activity.
- b. All contributions, except those received by collection box, shall include the name, address, phone number, and email address of the donor to comply with Internal Revenue Service requirements for records and receipts for donations, or the donation shall not be accepted. RCHR and RCHR Foundation trustees shall respect the privacy of the donor and if the donor requests anonymity and shall maintain the confidence of the donor, as permitted by law.
- c. All balances in the RCHR Foundation fund shall be maintained in an interest-bearing account. Interest income generated by the fund shall accrue to the RCHR Foundation Unrestricted Revenue Fund, unless otherwise directed by the Trustees.
- d. Upon completion of the activity for which funds were donated, the unspent portion of donations made for a specific activity shall be transferred to a related project fund or the RCHR Foundation Unrestricted Revenue Fund at the discretion of the Trustees in accordance with the distribution procedures that follow this management section.
- e. At the end of each fiscal year, RCHR Foundation Board of Trustees shall review remaining activity account balances to determine their continuing need. RCHR projects, programs, or activities shall justify retention or recommend redistribution of excess funds within the program. At the discretion of the Trustees, unused amounts shall be reallocated in accordance with the distribution procedures that follow this management section.

- f. The RCHR Foundation fund structure is presented in the Foundation Chart of Accounts. See Annex A. The Chart of Accounts shall be used for the monthly and quarterly reports.
- g. The RCHR Foundation Treasurer and others involved shall ensure that the Foundation internal controls for maintenance of accountability and transparency listed in Annex B are followed.

In-kind donations shall be managed and distributed as follows:

- a. The RCHR Executive Secretary shall ensure that in-kind donations of durable goods (e.g., computers, video, and sound systems) recorded on spreadsheets in a property record to account for property received and on hand. Tangible goods that are donated and passed on to a service project, shall be noted on separate project records for control of goods received and expended or disposed of through raffles, auction, and other fundraising initiatives.
- b. In-kind donations of a non-tangible nature are generally consumable goods or pro-bono professional services and shall be considered expended when received.
- c. If RCHR accepts in-kind donations for which it finds that it does not have a need, RCHR may notify other Rotary Clubs to determine if the item(s) can be used and will transfer said
- d. items as appropriate. A record will be made of the item's disposition, and neither shall the monetary value of the in-kind contribution be recorded, nor shall the item be entered on a property account.
- e. The RCHR Treasurer shall report on a quarterly basis the status of all in-kind donations.

Financial distributions and expenses shall be managed as follows:

RCHR Foundation may delegate distribution and expenditure authority to the RCHR Treasurer subject to limitations imposed by the Foundation trustees, but the Treasurer shall ensure that the distributions and expenditures are made from the proper foundation accounts.

To provide mutual RCHR and RCHR Foundation integrated controls, RCHR shall provide to the Foundation Chair monthly report, by the 15th day of the following month, containing a list of distributions and expenditures that are requested as reimbursements from Foundation funds.

The RCHR Treasurer shall ensure that funds held for: (1) nonrecurring expenses shall not exceed the estimated cost of the nonrecurring expense; and (2) funds held for contingency or emergency purposes shall not exceed the total of three year's expenditures unless an exemption has been approved by the RCHR Foundation Board of Trustees such as exists in The Rotary Foundation RCHR Donor Advised Fund.

RCHR and RCHR Foundation shall strive to see those funds, other than those in the Donor Advised Fund, that have not been used for over three years shall be transferred to an account "Other Donations Restricted for use at _____ (insert the name of the program or project in question). If balances in the fund continue to grow, then the Foundation may allocate such funds for use – providing the funds were donated without a specific purpose designated. For those donations with a purpose designated, the contributions received will be used as specified by the donor. However, if the purpose of the donation has been met or no longer exists, the remaining funds may be used at the discretion of the RCHR Foundation Board of Trustees to provide other support to RCHR programs or projects.

Donors expect that their contributions will be used as they have specified in a prompt and timely manner by RCHR Foundation and RCHR programs and projects in the current or next Rotary Year. If donations are not so used, then RCHR Foundation, RCHR, and Rotary can be exposed to criticism because they hold the public trust, which cannot be violated.

There are two possible exceptions to prompt and timely distribution or expenditure of funds: (1) donations that are held for nonrecurring expenses such as construction, technology, and others that transcend one year's operations; and (2) those funds held for contingency or emergency purposes because revenues in any one given year may not be sufficient to fund recurring annual expenses.

As stated earlier, there is difference between distribution of funds to other charitable activities and expenditure of funds by RCHR or RCHR Foundation. Distribution goes to recipients of charitable distributions in the form of grants. Distributions are not expenditures to RCHR or RCHR Foundation but are made to the intended recipients of charitable funds for their use to support their charitable purpose. Expenditures are the use of funds for direct goods and services by RCHR and the RCHR Foundation.

Funding Guidelines. The following are the basic guidelines for funding from the RCHR Foundation with the exception of special circumstances that will require the approval of the Board of Trustees:

- All donations will honor donor restrictions as to purpose.
- The RCHR Foundation Board shall adopt an annual budget for operational expenses.
- Budgeting for each fundraising project shall be the responsibility of the project committee. Those funds shall be entered into an appropriate foundation account as listed in the chart of accounts displayed in Annex A. Additional accounts shall be active in the chart for new projects. Donations received in support of a fundraising project shall be handled as restricted or unrestricted as requested by the donor for the project. It is anticipated that the adopted budget may be revised from time to time to reflect needed funding and available funds.
- RCHR Foundation shall implement project budgets for distribution of funds to each charitable activity based on requests from RCHR in accordance with the purpose of each RCHR project supported.
- All distributions of donated funds will be attributed to the Foundation. In the case where major donors (\$10,000 and above) are involved, they also will be identified as a funding source.

Expenditure Guidelines. Guidelines for expenditures will be incorporated into each allocation of funds and will include the following general guidelines:

- All expenditures of Foundation funds are required to be approved by RCHR Foundation Board, if not provided in a grant to the RCHR.
- All expenditures shall be documented with an invoice or register receipt with the issuing activity, date of the transaction, the items purchased, costs, and other relevant information and these records maintained by the RCHR Treasurer in such detail and manner to promote approval and support review or audit requirements.
- If a question exists regarding the propriety of a purchase, it shall be referred to the RCHR Foundation Board Chair or Foundation Secretary.

Allocations, Distribution and Expenses

- A. The allocation and distribution procedures include requests for funds and assume that donated funds are on hand to be expended. If funds are not available, they cannot be allocated or distributed. The exception to this process occurs when a new project is introduced, and a fundraising goal is set. There are no exceptions to spending funds that are not available.
- B. RCHR Foundation has the authority to delegate certain functions to agents, such as the RCHR Treasurer, but retains the duty to monitor how donor funds are distributed or expended as governed by Code of Virginia § 64.2-1103.A. 3. and B.
- C. The formal budgeting, appropriation, allotment, and allocation process, which cannot be abridged, follows:
 - 1. The RCHR project committee determines the fundraising goal and a budget for reaching the goal along with proposed use of funds;
 - 2. The RCHR Avenue of Service Chair and Service Projects Committee Chair approve/modify/disapprove the need;
 - 3. The RCHR board approve/modify/disapprove the need and recommend a fund appropriation;
 - 4. The RCHR Treasurer forwards the appropriation request to RCHR Foundation board of trustees for analysis and approval/modification/disapproval;
 - 5. The RCHR Foundation board of trustees approves/modifies/disapproves the appropriation;
 - 6. If approved by the RCHR Foundation board, the appropriation allotment is placed in the annual RCHR and RCHR Foundation budgets;
 - 7. When funds are received by the RCHR Foundation, the Foundation makes the allotted funds available to RCHR for use during the fundraising phase of the project, usually in the form of grants;
 - 8. RCHR monitors expenditures on a monthly basis to ensure they are in accordance with the donor's wishes and publishes them in its monthly financial reports;
 - 9. On conclusion of the service project, funds shall be distributed to the designated recipients by the RCHR Foundation by grants through the RCHR.
- D. Budget adjustments during the fiscal year are made through the following process. If the RCHR needs additional funds, they forward that need request with justification to the RCHR Foundation as follows:
 - 1. RCHR board approves/modifies/disapproves the request;
 - 2. RCHR Foundation Trustees approve/modify/disapprove the need and recommend a fund reallocation;
 - 3. RCHR Foundation board makes the funds available to RCHR for expenditure before the end of the project;
 - 4. RCHR treasurer monitors expenditures monthly to ensure they are in accordance with donor's wishes and reports the expenditures in the RCHR monthly finance reports.

Charitable contributions and expenses for goods and services in the amount of \$600 and above require an IRS Form 1099 to be submitted by the distributing or expending activity to the recipient.

Each Charitable organization that receives a charitable contribution shall be required to submit to the RCHR Foundation a:

- A. Receipt on receipt of funds, which may take the form of a thank-you letter;

- B. Letter to the RCHR Foundation on the utilization of donor funds to meet the need for compliance with IRS 501 (c) (3) requirements for oversight of distributions. A sample letter is at Annex C to this policy.

Reimbursement for RCHR Expenditures

RCHR may advance funds in the form of a grant to cover initial fundraising expenses for a particular project, subject to the funds being returned at the end of the project.

RCHR Foundation Board reimburses funds expended by RCHR based upon a “Request for Reimbursement” for expenditures after they have been made. The Request for Reimbursement shall be provided by RCHR accompanied by complete documentation needed to fully support the request.

The RCHR Foundation may advance funds to RCHR in the form of a grant to cover initial fundraising expenses for a particular project, subject to the funds being returned at the end of the project.

The Request for Reimbursement procedure requires RCHR adherence to RCHR and Foundation Expense Reimbursement Policy J7.

Reports

- A. The RCHR Treasurer shall submit a monthly report to the RCHR Foundation chair and secretary and the RCHR board of officers and directors. These reports shall be compiled with the assistance of the RCHR accountant and contain statements and schedules set forth in the next section, as appropriate to identify the status of all monies deposited and expended in the Foundation fund. Reports may be required more frequently as circumstances dictate. These reports will form the basis of the Foundation annual report.
- B. The monthly and quarterly finance reports prepared by the RCHR Foundation treasurer shall contain: (1) a balance sheet; (2) a profit and loss statement; and (4) a Schedule of Receipts, Expenditures and Budget by Activity.
- C. The monthly reports on income and expenditure shall include under- funded or unfunded needs, if any.
- D. The quarterly and annual reports shall be available in the board of trustees meeting minutes posted on the RCHR website.

ANNEX A

DRAFT RCHR Foundation Chart of Accounts

<u>Number</u>	<u>Account</u>	<u>Type</u>	<u>Detail Non-Profit Type</u>
4000	Foundation Operations Total		
4001	Directors Response Fund	Income	
4002	Major Fundraiser Receipts	Income	
4003	PPG/Education Awards Receipts	Income	
4004	SH/Food Bank Receipts	Income	
4010	Other Unrestricted Revenue	Income	
4100	Donations Total		
4101	TRF Donations	Pass Thru	To TRF
4102	DAF Donations	Pass Thru	To TRF DAF
4110	Other Donations	Income	
4200	Major Fundraiser Total		
4201	Corporate Donations	Income	
4202	Personal Donations	Income	
4203	Team Donations	Income	
4204	Raffle/Auction Revenue	Income	
4210	Other Major Revenue	Income	
4400	PPG/Education Awards Total		
4401	Sponsor Donations	Income	
4402	Golfer Entry Fees	Income	
4403	Raffle/Auction Revenue	Income	
4410	Other PPG Revenue	Income	
4500	SH/Food Bank Total		
4501	Sponsor Donations	Income	
4502	Driver Entry Fee	Income	
4503	Raffle/Auction Revenue	Income	
4510	Other SH/FB Revenue	Income	
4600	Polio-Plus Total		
4601	Club Meeting Collections	Income	Pass Thru?
4602	Other Revenue	Income	Pass Thru?
4800	Miscellaneous Revenue	Income	
XXXX	Other Restricted	Income	
	Total Income		
5000	Foundation Operations Total		
5001	Office Supplies	Expense	
5002	Quickbooks Fee	Expense	
5003	VA Corporation & Bank Fees	Expense	
5010	Other Operations Fees	Expense	
5100	Member Donations Total		
5101	DAF Donation	Expense	Pass Thru?
5102	The Rotary Foundation	Expense	Pass Thru?
5110	Other Donations	Expense	Pass Thru?
5200	Major Fundraiser Total		
5202	DAF	Expense	Pass Thru?
5203	Directors Response Fund	Expense	
5204	Donations to Local Charities	Expense	
5205	Corporate Sponsor Banners	Expense	
5210	Other Major Fundraiser Expenses	Expense	
5300	Major Fundraiser Venue Fees	Expense	

<u>Number</u>	<u>Account</u>	<u>Type</u>	<u>Detail Non-Profit Type</u>
5400	PPG/Education Awards Total		
5401	Educator Awards	Expense	
5410	Other PPG Expenses	Expense	
5500	SH/Food Bank Total		
5501	Donation to Food Bank	Expense	
5503	Prizes	Expense	
5510	Other SH Expenses	Expense	
5600	Polio-Plus Events Total		
5601	Club Meeting Donations	Expense	Pass Thru?
5602	Other Disbursements	Expense	Pass Thru?
5800	Miscellaneous Expenses	Expense	
	Total Expenses		
Other Income			
7000	DAF Total Income		
7010	DAF Donations	Income	Pass Thru?
7020	DAF Net Earnings	Income	Not true income until received?
Total Other Income			
Other Expenses			
8000	DAF Total Expense		
8010	Fees for Investment	Expense	Not Expense to the RCHR Foundation?
8020	DAF Distributions	Expense	??
Total Other Expenses			
Net Other Income			

RCHR Foundation Balance Sheet Accounts

ASSETS		LIABILITIES	
1100	Cash in Bank	2200	Accounts Payable
1131	DAF	2300	Deferred Revenue
	Total Cash in Bank		Total Current Liabilities
1140	Accounts Receivable	EQUITY	
1150	Un-deposited Funds	3301	DAF Designated
1151	Prepaid Expenses	3310	Net Assets
	Total Current Assets		Operating Balance Equity
			Net Income
			Total Equity
			Total Equity & Liabilities

ANNEX B

RCHR Foundation Financial Controls Summary

The RCHR Treasurer shall serve as the RCHR Foundation Treasurer, as assisted by the RCHR accountant and others as appointed by the Foundation Chair.

1. The RCHR Foundation Treasurer shall perform the following:
 - a. Maintain a bank account for the RCHR Foundation. The name on the RCHR Foundation account will be “The Rotary Club of Hampton Roads Foundation”.
 - b. Maintain records for items that are purchased, produced, or distributed.
 - c. Ensure bank signature cards are completed at the bank. Signatories as required shall be:
 - i. Foundation Chair
 - ii. Foundation Treasurer
 - iii. Foundation Secretary
 - d. When a signatory position changes, ensure the new signature card is completed at the bank within 15 days of the change.
 - e. Maintain a standard chart of accounts as recommended by the RCHR Board Administration-Finance Committee and approved by the Foundation and the RCHR board.
 - f. The RCHR Foundation board of trustees shall be kept informed of the credit card processing as it pertains to the Club Foundation’s financial transactions.
 - g. Compile and prepare monies for bank deposits.
 - h. Deposit funds received on the same day received or the next working day.
 - i. Maintain deposit slips, invoices, receipts, and check requests for all expenditures for a period of five years.
 - j. Maintain payment reports, credit card payment reports, deposit slips, and copies of checks for a period of five years.
 - i. Requests for payment to a vendor must include proper documentation, such as an invoice or detailed statement, as well as a packing slip if merchandise was received. A summary statement is not an acceptable invoice.
 - ii. Requests for payment of a refund or reimbursement must include a copy of the original paperwork showing proof of receipt.
 - k. Ensure all Club Foundation banking activities conform to applicable bank and other federal regulations as well as to Rotary International requirements.
 - l. Input and post payments and receivables into the financial database within 15 days of the end of the month.
 - m. Perform monthly bank reconciliations upon receipt of the monthly bank statement and retain bank statement by paper or electronically. Input and post payments and receivables into the financial database within 15 days of the end of the month.

- n. Monthly, within 15 days after the end of each month, make available to the RCHR Foundation Chair, Foundation Secretary, RCHR President, and others that the Foundation Chair designates, the profit and loss statement, balance sheet and bank statement for the prior month for the year-to-date to the end of the prior month and the balance sheet as of the last day of the prior month.
 - i. Books of entry (general ledger) are closed, and financial statements prepared for the Foundation Chair for presenting to the Foundation Trustees.
 - ii. The profit and loss statement and balance sheet for year-to-date to the end (last day) of the prior month shall be presented to the board of directors before the board meeting.
 - o. Within 30 days after June 30, the end of each Rotary accounting year, shall make available to the Club President, Foundation chair and others that the Foundation Chair designates. The Income Statement and Balance Sheet and the last month's bank statement for the prior year will be presented to the board of directors and Foundation Trustees not later than 30 July.
 - p. Within a month after June 30, the end of the Rotary and accounting year, make available to the Foundation chair and others he or she designates the income and expense statement for the year just ended and the balance sheet as of the last day of the year for presentation to the Foundation Trustees.
3. All disbursements from the Club Foundation bank account shall be approved by the Club Foundation chair or a Foundation trustee.
 4. To ensure proper credit for the Rotary Year from The Rotary Foundation (TRI) and District 7600, all donations, including pass-through donations, must be received by TRI by 15 June of the Rotary Year. For District 7600 recognition to be included and counted in the annual awards submissions, these funds must be received by TRI not later Than 30 April.
 5. Charitable contributions and expenses for goods and services of \$600 and above shall require an IRS Form 1099 to be submitted by the treasurer to the recipient.
 6. All payments and withdrawals more than \$1,000 shall require two authorized signatures.
 7. Credit Card merchant/portal payments shall not be processed through the Foundation bank account.
 8. If a check is returned from the bank marked "Nonsufficient (or no) Funds", the Club Foundation Treasurer shall perform the following:
 - a. Make a copy of the check for Club Foundation records.
 - b. Reverse or delete the check from the individual's payment record in the accounting database.
 - c. Return the original check with a letter of explanation.
 - d. Contact the check-writer by phone or email. The check-writer will need to respond and make arrangements for payment of the check and the bank charges incurred by the Foundation bank account. The bank charges the Club Foundation bank account a \$20 fee for each deposited item that is returned unpaid. This will be the responsibility of the original check-writer.
 9. Filing annual returns (Forms 990, 990-EZ, or 990-N) to the IRS:
 - a. An annual return is due every year by 15 November (the 15th day of the 5th month after the close of RI's tax year, 30 June).

- b. The Club/Foundation Treasurer shall ensure IRS filing requirements are met by November 15.
10. The Foundation chair shall present the financial statements to the Foundation Trustees before the Foundation Trustee meetings.

ANNEX C

RCHR Foundation Request for use of Distributed Funds

[On RCHR Foundation Stationary with Rotary logo]

Date

**Addressee
Charitable Organization
Address
City and state**

Dear xxxx,

The Rotary Club of Hampton Roads Foundation is pleased to provide the [name of organization] with a donation of \$0,000 in [year] to support your programs. The gift was made possible by our [name of fund drive project].

Please provide the Rotary Club of Hampton Roads at the below address a report on the utilization of this donation in your program to us by [date].

Thank you,

Sincerely,

**[name of RCHR Foundation Chair]
Chair, Foundation Board of Trustees**

P.O. Box 66123, Virginia Beach, VA 23466-6123

RCHR & RCHR Foundation Joint Policy J5

THE RCHR Donor Advised Fund

Adopted: December 16, 2022

Amended:

BACKGROUND

The RCHR Bylaws Article IX Section 9 states that the RCHR Donor Advised Fund (Club DAF) is the Rotary Foundation's Donor Advised Fund #271, a sub-account of The Rotary Foundation (TRF). It is a group account with assets held by an investment management firm under contract to RI. The club DAF advisor board recommends allocation of donated funds among four portfolios offered by the investment manager to ensure a legacy from RCHR members to provide service in the future for difficult times.

POLICY

DAF funds are available on request from the RCHR board to the DAF advisor board.

PROCEDURES

The club DAF advisor board consists of four advisors, which are active RCHR members and include the club treasurer, who serve three-year staggered terms which may be renewed. New members are nominated and approved by the RCHR DAF advisor board. The advisor board meets at least twice a year to monitor and adjust portfolio allocations, receives requests from the RCHR board for fund distribution, and recommends any grant proposals for RCHR board approval as described in the section titled RCHR REQUIREMENTS FOR REQUESTING A DAF DISTRIBUTION towards the end of the policy. The RCHR advisor board chair shall ensure that Thank-you letters for donations are prepared, signed, and sent to donors.

THE ROTARY FOUNDATION DONOR ADVISORY FUND GUIDELINES

The Rotary Foundation DAF Guidelines state that the Donor Advised Fund is a separately held fund of The Rotary Foundation ("TRF"), a public charity under the U.S. Internal Revenue Code. For more information about TRF please visit www.rotary.org.

TRF Donor Advised Fund allows individuals and Rotary-affiliated groups to make tax-deductible contributions and then recommend how and when the funds are distributed to benefit U.S.-based charities such as the RCHR Foundation. Account assets are invested, potentially increasing the charitable dollars available for distribution. Features of the DAF include:

- All contributions are irrevocable. Assets in Donor Advised Fund accounts are property of TRF and can only be used for charitable purposes.
- A distribution from an account can be made to an IRS-approved public charity. Distributions cannot be made to individuals or for scholarships earmarked for an individual that the donors have selected.
- Administrative and investment management fees currently total up to 1% annually and are subject to change.
- In July, each Group Account transfers 1% of the value of the account to TRF's Annual Fund to support TRF's humanitarian work.

- All contributions and distribution recommendations are subject to review and approval of TRF and its Trustees.
- Investments may gain or lose value.

RECOMMENDING A DISTRIBUTION – GROUP ACCOUNTS

- Online: sign on to your account to make a Recommendation for a distribution.
- Or complete and sign a grant recommendation form and mail it to:
 Rotary DAF
 c/o NRS
 12 Gill Street, Suite 2600
 Woburn, MA 01801
- Or you may fax the form to (781) 658-2497 or email it to RotaryDAF@nrstpa.com*

All recommendations for distributions are subject to approval by TRF. Once approved, the check will generally be sent out within 3-5 business days. TRF will notify you if a recommendation is not approved. For Group Accounts, 1% of the July 1st fair market value in the July transfer goes to the TRF.

ANNUAL AGGREGATE DISTRIBUTION TARGET – GROUP ACCOUNTS

TRF DAF has an annual aggregate minimum grant target of 4.25% of the DAF program’s average net assets on a fiscal five-year rolling basis.

If the routine DAF grant activity does not meet this target, requests for grants may be made of accounts that have less than 4.25% of grant activity during the relevant time period. If recommendations are not made within 60 days, TRF may transfer funds to the Annual or other program Fund.

MINIMUM BALANCE

Group Accounts no minimum balance is required. However, it is intended that the accounts target a \$10,000 Minimum.

RESTRICTIONS – ALL ACCOUNTS

U.S. Public Charities: Distributions can be made to IRS-qualified charitable organizations described in Section 170(b)(1)(A) of the Internal Revenue Code, which includes 501(c)(3) organizations, and qualified religious, educational, hospital or medical research and governmental entities. Distributions cannot be made to individuals or private foundations.

Pledges & Private Benefit: Distributions may not be used to satisfy a pre-existing pledge or to pay for any goods or services, including dues, membership fees, benefit tickets, or goods bought at charitable auctions. Distributions may not be used for lobbying, political contributions, or to support political campaign activities.

Scholarships: Scholarship distributions may be made to an educational institution generally and then applied, by the institution, toward a student’s education. The account advisors may not choose the individual who receives the scholarship.

TRF will reject any distribution recommendation for improper purposes and will take remedial action if TRF determines that improper Donor Advised Fund distributions have been made.

CONTRIBUTION DATE

For federal income tax purposes, a gift is made when it is delivered to TRF, which generally means the point at which you no longer have control over the asset contributed.

For additional information, please contact TRF Planned Giving at (847) 866-3100 or planned.giving@rotary.org. Information concerning TRF Donor Advised Fund, including financial or charitable purposes may be obtained, without cost, by writing to its principal place of business at the following address: Planned Giving/Donor Advised Fund, 1560 Sherman Avenue, Evanston, IL 60201.

RCHR REQUIREMENTS FOR REQUESTING A DAF DISTRIBUTION

The RCHR board of officers and directors determines a need for funds for contingency purposes and the amount needed and submits it to the RCHR membership for comment. After receiving comments, the RCHR board forwards a written, formal request to the RCHR DAF chair stating the charitable purpose and timing of funding use.

Within one week of receipt of the RCHR board request, the RCHR DAF advisor board chair shall convene a meeting of the RCHR DAF advisor board to consider and approve or disapprove the request or return the request to the RCHR board for additional information.

Upon majority approval by the DAF advisor board, the DAF Chair shall notify the RCHR board of the advisor board's approval and submit the funding request to The Rotary Foundation for appropriate funding. In accordance with Robert's Rules of Order, a measure fails on a tie vote.

On receipt of the TRF DAF distribution, the RCHR Foundation treasurer shall deposit the funds in the RCHR Foundation account pending further distribution for the purposes intended.

RCHR Policy J6

RCHR Board Response Fund

Adopted: December 16, 2022

Amended: August 22, 2023

BACKGROUND

The RCHR Board Response Fund, also called the RCHR Director's Emergency Response Fund and at times the President's Emergency Response Fund, was initiated in Rotary year 1995-96 and was a Bowl-a-Thon (BAT) core charity through 2015-16. As a RCHR former "Core Charity" this fund was among the several core charities to which the club gave funds annually from the club's major fundraiser for that year. The usual fund donation from BAT was \$1,000 per year. The fund has been financed through distributions from the annual RCHR fundraiser and may continue from future annual fundraisers.

The Fund was intended for charities that were identified during the year, sometimes as the result of a speaker, who represented a charity that the directors felt should be supported, or a natural disaster to which the club wanted to contribute; one example was contributions for emergency shelter boxes.

POLICY

The RCHR Board Response Fund is an account held by the RCHR Foundation and earmarked exclusively for charitable giving that provides the club the opportunity to make donations to international, national, and local charities. It supports causes the club membership believes in, and thereby an aid in fulfilling Rotary's standard: 'Service Above Self'. All distributions from this fund shall be approved by the RCHR Board of Officers and Directors prior to any funds being dispersed.

PROCEDURE

Requests for use of the RCHR Board Response Fund shall be submitted to the RCHR President, the RCHR Foundation Chair, and the Chair of the Service Projects Committee for consideration of validity of the request, alternative sources of funding, and funding levels available before forwarding to the RCHR Board of Officers and Directors for a decision.

Should the RCHR board approve the allocation, the RCHR Foundation Treasurer shall promptly ensure that the funds are disbursed as directed by the board.

The Treasurer shall report RCHR Board Response Fund balances to the RCHR Foundation and RCHR boards as part of regular financial reports.

RCHR and RCHR Foundation Joint Policy J7

RCHR And RCHR Foundation Expense Reimbursement

Adopted: April 23, 2024

Amended:

BACKGROUND

RCHR and RCHR Foundation business expenses may be reimbursed if an individual paid the expense from personal funds. However, both organizations prefer that business expenses are paid directly by the RCHR Treasurer through appropriate buying and paying methods. This policy establishes the three components required for reimbursement of allowable non-compensation business expenses:

- An allowable business expense.
- Substantiation of the expense with receipts and expense report.
- Approval of the expense.

This policy affects all RCHR and RCHR Foundation members seeking reimbursement for necessary and reasonable uncompensated business expenses and the RCHR Treasurer and Administration-Finance committee members who reviews, approves, or records financial transactions on behalf of RCHR and the RCHR Foundation.

Throughout this document, the term RCHR also includes the RCHR Foundation without specifically stating so. The following definitions apply:

Appropriate expense. An expense that is suitable or fitting for a particular valid RCHR business purpose.

Allowable expense. A necessary, reasonable, and appropriate expense incurred for the primary benefit of RCHR.

Necessary. Minimum purchase or service required to achieve a particular RCHR need.

Original Receipt. The original merchant receipt or invoice issued by the supplier or service provider to document and substantiate the business transaction.

Reasonable. An expense that is ordinary and reflects a prudent decision to incur the expense on behalf of RCHR that is not extreme or excessive.

Substantiation. Documentation to support an incurred RCHR business expense that includes the original receipt, documentation of purpose and appropriate expense report for the incurred cost.

This Policy is designed to ensure accountability and the efficient use of RCHR funds for expenditures, particularly travel, by RCHR members on essential official RCHR business and to maintain compliance with the requirements for reimbursement by RCHR. The following will provide guidance on anticipated and past expenditures and how to be reimbursed for reasonable and necessary expenses that are incurred on behalf of RCHR.

POLICY

RCHR will reimburse individuals for official RCHR business for reasonable and necessary expenses incurred as determined by the RCHR Administration-Finance Committee and RCHR Treasurer. When planning and paying for expenditures (particularly travel) economy, prudence, and necessity are of primary concern. The use of RCHR funds to accommodate personal comfort, convenience and taste shall not be permitted. RCHR's policy is to limit costs to only essential and necessary services to RCHR.

All authorized expenses must be limited to those approved in the current RCHR annual budget line-item expenses. Expenditures that exceed those contained in the RCHR annual budget shall be approved by the RCHR board, based on a recommendation by the Administration-Finance Committee.

All RCHR official travel expenditures shall be approved in advance by the RCHR Administration-Finance Committee unless all travel costs are paid by the host organization. Seminars, workshops, or training programs that are essential a RCHR members' development for club benefit for two or more members, shall be subject to evaluation by the Administration-Finance Committee to determine the practicality of fulfilling the requirement using virtual conferencing for a cost-effective alternative.

The traveling RCHR member shall not claim meal and incidental reimbursement for anyone other than themselves.

Advance payments shall not be authorized.

Written approval of one of the Board Administration-Finance Committee Co-chairs is required for all disbursements of funds and expenditures more than \$350.00 before the distribution or payment is made by the RCHR Treasurer.

In areas where no Expenditure Guidelines exist, RCHR must inquire of RCHR Foundation Board Chair regarding the propriety of the expenditure before expending the funds or risk not being reimbursed.

PROCEDURES

General

The requirement to authorize, record and control expense reimbursement transactions is mandatory for effective and efficient accountability of RCHR financial resources.

The reimbursement voucher or request must be presented by the RCHR member to the RCHR Treasurer within 10 working days after expenditure or completion of a trip.

Guidelines for Types of Expenses

Administrative and Incidental Expenses

Original receipts for all expenditures greater than or equal to \$20 are required. Receipts for expenditures less than \$20 should not be submitted. If a required receipt has been lost, a missing receipt affidavit must be submitted.

Reimbursable expenses for administration and incidental items can include the following: faxes, postage, printer toner, envelopes, paper, and miscellaneous office supplies.

Travel Expenses

Mileage

Auto expenses shall be reimbursed only for mileage as calculated by the official U.S. Government (GSA) rate for charitable activities. Members are permitted to use their personally owned automobile. Mileage shall not be reimbursed for car rentals.

The traveler must visit the website <https://dgs.virginia.gov/fleet/travel-planning/trip-calculator> and use the trip calculator to calculate the vehicle cost for their proposed trip to be reimbursed at the current IRS personal mileage rate. The trip printout shall be attached to the travel voucher.

Parking and toll expenses are reimbursable when paid for by the traveler while conducting official RCHR business and will be claimed as another expense on the travel reimbursement voucher. The location and name of the facility must be entered on the travel reimbursement voucher (name of bridge, tunnel, or turnpike). Receipt is required for claims greater than \$15. Claims under \$15 may be accompanied by a receipt, if available.

Car Rental

While on official business, car rental may be made through commercial rental agencies. Car rental must be reasonable and necessary. The traveler must justify the rental, instead of using an airport or hotel shuttle service, when they request approval for travel on the travel authorization form. Travelers will select the most economical contractor and type of vehicle available. The traveler will inquire about a commercial discount rate when a car is rented. If a discount rate is not available, the member will make all feasible attempts to find another car rental agency, which will provide a discount.

Commercial Plane

Rates will not exceed those charged for tourist or coach class. The lowest air rate will be sought. Direct billing by travel agencies is not acceptable. Receipts for expenses must be submitted. Boarding passes or ticket stub/airline confirmations are required for all air reimbursements. Reimbursement for business or first-class air travel is prohibited.

Train

Permitted in lieu of automobile or airline travel when cost beneficial. Boarding passes are required for all rail reimbursements. Reimbursement for first-class rail travel is prohibited.

Bus

Permitted in lieu of automobile, airline or train travel when cost beneficial. A receipt is required.

Taxis, Shuttles or Vans

For these or other forms of "for hire" transportation, receipts are required for claims exceeding \$25. A reason should be identified on the travel voucher explaining the necessity of reserved "for hire" transportation. On a day trip where no per diem is reimbursed, a maximum of 15 percent of the taxicab or shuttle service fare is reimbursable as a tip. For reimbursement, the Travel voucher must be divided into one amount for the fare and one amount for the tip. Receipts are not required for the tip reimbursement. Reimbursement for luxury transportation services (such as a limousine) is prohibited.

Lodging, Meals, and Incidental Expenses (M&IE)

Meals shall be at the member's expense except when included as part of the conference or training session fee.

Actual lodging costs, not to exceed the not to exceed the U.S. GSA rate for destination of travel, may be reimbursed when a member is traveling overnight on official business outside the Hampton Roads metropolitan area. The member's metropolitan area is defined as a 50-mile radius of a member's home. Lodging expenses vary with the destination traveled but all expenditures must be necessary and reasonable as contained in the GSA rates at the destination. Rates for destinations can be found at <http://www.gsa.gov/portal/content/104877> . Standard allowable lodging charge and exceptions for RCHR in Virginia to this standard can also be found at this website. Primary responsibility for the reasonableness of amounts charged rests with the RCHR treasurer approving travel vouchers.

Original hotel bills showing a zero balance/paid balance obtained at time of checkout and other supporting receipts for lodging expenses must be submitted with the travel reimbursement voucher and any unusual charges explained fully.

Reimbursement for incidental expenses shall be made to the traveler based on a fixed allowance according to <http://gsa.gov/portal/content/101518> where applicable. The M&IE per diem must correspond to the location specified for the overnight lodging.

Telephone

Calls, telegrams, internet service and facsimiles made on official business and paid for by the traveler may be reimbursed if they exceed \$10.

Non-Reimbursable Expenses

The following list includes, but is not limited to, items considered non-reimbursable while on RCHR official duties at authorized activities.

- ◆ Alcoholic beverages
- ◆ Babysitting
- ◆ Books for classes
- ◆ Cell phones and calls, unless authorized as noted above
- ◆ Clothing.
- ◆ Charitable contributions
- ◆ Damage to personal vehicles, clothing, or other items
- ◆ Entertainment expenses
- ◆ Expenses for children, spouses, and companions while on travel status
- ◆ First-class accommodations
- ◆ Gifts and flowers
- ◆ Holiday decorations
- ◆ Lost or stolen articles
- ◆ Memberships to clubs
- ◆ Movies charged to hotel bills
- ◆ Non-business-related newspapers or magazine subscriptions
- ◆ Personal articles lost or stolen
- ◆ Personal negligence expenses of the travelers, such as fines
- ◆ Personal phone calls or use of remote electronic devices
- ◆ Remote work cost to space and utilities
- ◆ Retirement parties or other parties
- ◆ Snacks or refreshments
- ◆ Sponsorship contributions
- ◆ Travel Insurance (personal injury or loss, trip interruption/cancellation, etc.)
- ◆ Towing charges
- ◆ Tuxedos or other formal wear

- ◆ Vehicle services, to enter a locked vehicle

Receipts and Documentation. Receipts are only required for expenses of \$10 or more. Valid receipts must be clear and legible, itemized whenever possible (especially for restaurant charges), and include the supplier's name and address, the date of purchase, quantity, and unit prices, and the grand total paid.

Requests for payment to a vendor must include proper documentation, such as an invoice or detailed statement, as well as a packing slip if merchandise was received. A summary statement is not an acceptable invoice. Requests for payment of a refund or reimbursement must include a copy of the original paperwork showing proof of receipt.

Members must keep receipts and accurate records of all expenses to ensure correct reporting and submission of reimbursements from bonified receipts. Reimbursements shall not be made from bank card statements.

Other supporting documentation may be required, such as:

- Emails containing essential information about the expense or pre-approvals for exceptions or unusual activity.
- Evidence of a comparison fare if you combined personal and business travel.
- Documents required by an external sponsor.

Approval and Reimbursement. For each business expense reimbursement being requested, the valid business purpose of the expense must be stated, and two approvals will be needed: the individual who has incurred the expense and is requesting the reimbursement and the appropriate RCHR approver.

Requests for reimbursement shall be submitted using the RCHR Expense Reimbursement Voucher attached to this policy as an Excel document for travel and multiple administrative and incidental expenses incurred that are not part of a travel reimbursement request. Reimbursement vouchers for single administrative and incidental expenses that are not part of a travel expense shall not require a voucher unless the RCHR Treasurer asks for one.

Upon receipt of the vouchers physically or via email, the RCHR Treasurer must either note the date received on the voucher or date-stamp the voucher and process it within five working days. All outstanding accounts must be settled in full at the close of each fiscal year (30 June), where practical. Exceptions to this procedure may be considered on a case-by-case basis by the Administration-Finance Committee.

Expense Reimbursement Deadlines. To be reimbursable, business expenses must be properly substantiated and submitted within certain time limits. These time limitations determine both whether the cost may be reimbursed by RCHR or treated as taxable income to the member.

In order that expenses are recorded on a timely basis, RCHR requires that reimbursable business expenses be substantiated within 10 days after the expense is incurred to the RCHR Treasurer.

All RCHR-related business expenses require clear, complete, and accurate supporting documentation. The collective documentation associated with your expenses should answer the who, what, where, when, and why of each transaction. Documentation must include:

- **Who** attended or received the benefit from the expenditure;

- **What** purpose the expenditure served, **why** the expense was necessary, or **how** it furthered RCHR goals; and
- **When** and **where** the expense took place.

All documentation should be written in a way that will be understood by anyone who reviews it, whether today or many years from now. This includes a person outside of RCHR who is unfamiliar with RCHR's specific practices or conventions.

The preferred methods of submission of reimbursement requests are via email to the RCHR Treasurer or by direct delivery in-person at a regular RCHR meeting by delivering it either to the RCHR Treasurer or Assistant Treasurer, or the RCHR Executive Secretary if the two Treasurers are not available.

Reimbursement shall be provided either electronically or by check.

Attached: RCHR Expense Reimbursement Voucher (Provided Separately)