**Rotary District 7770**

**Rotary Foundation Financial Management Plan**

**2013-14**

District 7770 has established the following financial management plan to assure proper stewardship of TRF funds, facilitation of club projects, and the fulfillment of the TRF mission.

**Bank Account Requirements**

1. The district shall maintain a district account to be used only for TRF grant funds in accordance with applicable laws.
2. The account shall be low or noninterest-bearing, and any interest earned must be documented and used on eligible, approved grant activities or returned to the Foundation.
3. A separate account will be maintained for each Foundation grant. Bank statements need to be available to support the statement of income and expenses.
4. Bank statements will be reconciled monthly.
5. Two Rotarian signatories are required on checks and withdrawals. Authorized signatories shall be the District Treasurer and the District Finance Committee Chair. Disbursement of grant funds requires the written approval of the DG, DRFC, or District Grants Chair.

**Accounting Records and Practices**

The District shall maintain (at a minimum) the following accounting records and practices:

1. Maintain a standard set of accounts, including a complete record of all receipts and disbursements, and maintain receipts for all expenditures equal to or over US$75 or more (or those of any amount required by applicable law). Copies of all receipts and disbursements will be scanned and electronically maintained for future access and availability to all District leadership through a secure file in the district database.
2. Disburse grant funds, as appropriate, directly to clubs, Rotarians, vendors, and beneficiaries as approved in the grant application. Grant funds not immediately disbursed must be kept in the established project account without diversion, except for direct payment for grant activities or to return funds to TRF.
3. Maintain separate statements of income and expenses, noting interest earned and recoveries if applicable.
4. Maintain a general ledger that separates funds according to each project.
5. Establish an inventory system for the control of equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities.
6. Ensure all grant activities, including the conversion of funds, are in accordance with local law.
7. Adhere to all bank account requirements as above.
8. Perform monthly bank reconciliations.
9. Maintain a plan for transferring the custody of the bank accounts in the event of a change in leadership.

**Financial Management Plan and Performance Review and Oversight**

The financial management plan and its implementation shall be assessed annually by the DG, DRFC, and the District Stewardship Committee Chair. It shall also be reviewed by the District’s independent accounting firm.

***Annual Financial Assessment***

The District’s independent accounting firm shall complete an annual financial assessment. An independent financial assessment is an evaluation of financial controls and compliance conducted by an independent, financially literate person or entity that has no direct links to the funds being examined or relationship with the club or district. The assessment is substantially smaller in scope than an audit or review and does not express an opinion on the financial statements taken as a whole.

This financial assessment must include:

1. An examination of expenditures to ensure that funds were used for the intended purpose, proper records were maintained, and a system of controls over expenditure has been in place. This examination shall include:
2. The selection of a sample of disbursements and reconciliation to supporting documentation
3. A review of the full listing of expenditures to ensure funds were expended in a manner consistent with the terms and conditions of the grant award
4. Identification of the purchasing procedure used
5. A review of bank reconciliations to confirm that they were prepared correctly and that opening balances match the financial records of the grant activities and bank statements
6. A report of the findings given to the district’s member clubs within three months of the completion of each Rotary year.
7. Confirmation of adherence to TRF document retention requirements

**Document Retention**

Retaining information allows transparency in grant management and assist in the preparation for audits or independent financial assessments.

***The Document Maintenance System***

All original documents shall be maintained for a minimum of seven years or longer if required by applicable law. Original documents shall be maintained in the office of the District 7770 Executive Secretary for continuity of record-keeping.

An electronic copy of all documents shall be maintained in a secure file on the district database to be easily available to Rotarians; district and club officers of project sponsors, including board of directors of participating clubs; and the district Rotary Foundation grants subcommittee.

***Documents to be Maintained***

Documents that must be maintained and available to TRF for an audit include but are not limited to

1. Bank information
2. All bank account information and copies of past statements
3. Documentation of changes in payee signatories (if relevant)
4. Documented plans and procedures including:
5. Terms and procedures of financial management plan
6. General ledger explaining and itemizing deposits and withdrawals
7. Procedure for storing documents and archives
8. A succession plan for the district Rotary Foundation grants subcommittee System to receive and investigate allegations
9. Annual report from the District’s independent accounting firm
10. Legal documents
11. Copy of liability insurance if necessary
12. Copy of traveler’s insurance policies
13. District qualification documents
14. Club qualification documents
15. Documentation of grant management and qualification training for qualified clubs
16. Copies of qualified club MOUs showing date on which club received qualification status
17. District grant and district-sponsored global grant information
18. Copies of proposals and applications
19. Copies of grant agreements
20. Copies of reports submitted to TRF and information collected from clubs and entities receiving district grant funds; including receipts and invoices for all purchases made with grant funds
21. Written or electronic correspondence

**Report on Use of Grant Funds**

1. Grant reporting is a key aspect of grant management and stewardship. Grant reporting also provides education for clubs to consider projects and applying for future TRF grants. The District shall report on the use of all district designated funds (DDF) to their member clubs by
2. Providing a report annually at the District Foundation Seminar. The report shall include a breakdown of expenditures for each project that received funding, a description of the project and the names of the districts, clubs, and individuals to which grant funds were distributed. The report shall also include the yearly findings of the District’s independent accounting firm review and financial assessment.
3. Including financial information of such grants in the governor’s monthly letter
4. Making these reports available to all Rotarians via the district website and/or district database.
5. The District must adhere to all TRF grant reporting requirements and cooperate with all TRF grant audits.

**Method for Reporting and Resolving Misuse of Grant Funds**

1. Reports of misuse of grant funds must be tracked, investigated, and resolved.
2. Any report or allegation of misuse of grant funds will be referred immediately to the District Stewardship Chair for review, investigation and report of recommended action/resolution
3. A record of any such investigation shall be maintained by the District. The District shall maintain a log to facilitate and track reports of misuse of grant funds received from Rotarians, beneficiaries, cooperating organizations, and any other individuals involved in or aware of grant activities.
4. All such reviews shall include any recommended procedural changes to prevent reoccurrence.
5. After investigating and determining consequences, report any potential misuse of irregularities in grant-related activity to TRF and indicate how the district will act to resolve the situation.