

Rotaract District Committee (RID) 3292

Financial Guidelines

Adopted under Rotaract District 3292 Guideline Chapter 4, Clause 11(m) April 05, 2025

Article 1: Introduction & Definitions

1.1 Purpose

These guidelines aim to ensure the transparent, responsible, and efficient management of financial resources within the Rotaract District Committee (RID) 3292.

1.2 Definitions

- **Accrual Basis:** Accounting method where transactions are recorded when they occur, regardless of when cash is received or payments are made.
- **ADT:** Assistant District Treasurer for the current Rotary year.
- **Appropriation:** Legal authorization to spend a specific amount of money for a stated purpose.
- **Budget:** A financial plan for a defined period, estimating costs, revenues, and resources.
- **Cash Basis:** Accounting method where transactions are recorded when cash is received or paid.
- **Committee:** Finance Committee for the current Rotary year.
- **Contingent Liabilities:** Liabilities dependent on the outcome of an uncertain future event.
- **Country:** Federal Democratic Republic of Nepal.
- **DG:** District Governor for the current Rotary year.
- **District:** Rotaract District Committee.
- **Donor:** A person or organization providing financial resources to the Rotaract District Committee.
- **DRCC:** District Rotaract Committee Chair for the current Rotary year.
- **DRR:** District Rotaract Representative for the current Rotary year.
- **DT:** District Treasurer for the current Rotary year.
- **Guideline:** Financial guideline.
- **Officer:** A member of the Rotaract District Committee, RID 3292.
- **Petty Cash:** Small cash on hand for minor expenditures where cheque payments are impractical.
- **RDC:** Rotaract District Committee, RID 3292, for the current Rotary year.
- **RDF:** Rotaract District Fund.
- **Variance:** Difference between budgeted and actual amounts.

Article 2 - Finance Committee & Funds

2.1 The Finance Committee must include the following compulsory members: the District Rotaract Committee Chair (DRCC), District Rotaract Representative (DRR), Immediate Past District Rotaract Representative (IPDRR), District Treasurer (DT), and one representative from the Rotaract District Committee.

2.2 The finance committee works closely with the District Treasurer to supervise funds, manage the budget, approve financial statements, prepare annual statements, and anticipate financial complications. The committee is responsible for maintaining the transparency of finances and ensuring that proper records of income and expenditures are kept.

2.3 The finance committee meeting shall take place at least once every quarter of the Rotary year. Anyone appointed by the District Treasurer or DRR can call a meeting in his/her absence. A special meeting can be called by the Finance Committee chair, DRR, or if 1/4 of the total clubs in the district requests the meeting.

2.4 The meeting shall be open to any Rotaractors in good standing in the district.

2.5 Apart from the 'Rotaract District Committee (RDC) regular fund,' there shall be the 'Rotaract District Fund (RDF).

2.6 This guideline shall be the guiding rule to manage all district funds, including RDF; therefore, any previous guidelines executed for operating those funds shall cease to exist after this guideline has been adopted.

2.7 The RDC fund shall be used for the purpose of the district's administration and program purposes as planned in the yearly budget and shall be under the finance committee.

2.8 RDF's interest shall be used for emergency situations of district activity or club project support on a needy basis, subject to approval by the Rotaract District Committee. If the main fund needs to be used, the decision must be made jointly by the Rotary District and the Rotaract District Committee.

2.9 Signatory Authority: The DRR and DRCC must be the mandatory signatories on all district bank accounts to ensure proper financial oversight.

2.10 15% of the total membership dues paid by the clubs in the respective zone can be used by the ZRR for administration and events endorsed by the zone.

Article 3 - Budget, Finance & Appropriation

3.1 A budget should be prepared by the upcoming DT & DRR, in consultation with the upcoming Rotaract District Committee, and sent to the clubs addressing the upcoming president and get it approved as per the provision mentioned in the district guidelines. For this, DT should consider the previously presented budgets and the actual financial statements of the district.

3.2 The income & expense headings of the budget shall be determined by the committee but should be consistent with the previous budget headings.

3.3 District's financial management should be in line with the laws and banking regulations of the country.

3.4 The finance committee should present the financial report to the clubs in difference of

four (4) months through email and get the whole year's account approved by the clubs as per the provision in the district guidelines. The report prepared by the District Treasurer should be approved by the Finance Committee.

3.5 The finance committee should keep a record of any physical assets of the district and update it every year.

3.6 If variance occurs in any headings of the approved budget, then the amount may be appropriated from the account head where the amount is in excess. The treasurer can appropriate up to 10% of the approved budget head and will need approval from the RDC for the amount above 10% to 25%, and from the Finance Committee for the amount above 25% to 40%. However, DT needs to have approval from the Rotary District to appropriate an amount of more than 40%.

3.7 Lending activities are not allowed.

- 3.7.1 The district will not lend any amount under any circumstances. If the District has lent money to anyone before this guideline comes into effect, then that amount should be collected within two months.

- 3.7.2. If money has been lent, then the finance committee chair/DT or the responsible officer will be liable to pay the concerned amount and comparative interest to the account within one month from the date of being found guilty.

Article 4: Financial Oversight and Accountability

4.1 Bank Accounts and Transactions

All district funds are maintained within the following bank accounts:

I. Rotaract District Fund – Everest Bank

II. Rotaract District Current Account – NMB Bank; this is the current administration account of Rotaract District under Rotary District.

Since the Rotaract District is not officially registered, the authority to open bank accounts and manage funds lies with Rotary District 3292. The Rotary District holds full responsibility for overseeing and managing the accounts.

The DRR and DRCC must be the mandatory signatories on both accounts to ensure proper oversight of funds.

4.2 Audit and Reporting

I. Audit Process: The district's financial accounts will be audited by the Rotary District.

II. Financial Reporting: The district must submit detailed financial reports every four months, outlining income, expenses, and variances.

III. Approval: All financial reports, including income and expenses, must be approved by the finance committee and DRCC.

Article 5: Budgeting and Appropriation

5.1 Preparation of Budget

The DT and DRR, in consultation with the Finance Committee, will prepare the district budget for the upcoming year, ensuring alignment with strategic goals. The budget must be sent to the clubs for approval.

5.2 Appropriation of Funds

I. Any unanticipated expenditure changes or reallocations must be approved by the Finance Committee.

II. Variance Handling: If a variance occurs between the budgeted and actual amounts, it needs to follow 3.6.

Article 6: Procurement of Goods and Services

6.1 Vendor Selection

The Finance Committee is responsible for selecting vendors based on quality, service, and cost-effectiveness.

I. Purchases under NRs. 50,000: The DT may make purchases without formal quotations.

II. Purchases between NRs. 50,001 and NRs. 200,000: Approval from the Finance Committee is required.

6.2 Purchase Limitations

All purchases must be evaluated based on both price and quality, ensuring value for money.

Article 7: Financial Reporting and Review

7.1 Quarterly Financial Reporting

The District Treasurer will prepare and circulate detailed financial reports every four months, highlighting income, expenses, variances, and liabilities.

7.2 District Assembly Review

I. The final financial report will be presented at the District Assembly. If 70% of the clubs are in attendance, the report will pass. The report must be sent by the Finance Committee to the clubs 15 days before the District Assembly.

II. If clubs have concerns, they must submit an appeal within 10 days, after which the DRR and Finance Committee will meet to resolve the issue.

III. The financial report will be considered approved when the Rotary District accepts the Rotaract District Committee's financial report. The final check-out by the Rotary District is essential, as the Rotary District is responsible for auditing and maintaining the bank accounts of the Rotaract District.

IV. If clubs are unsatisfied, they can appeal to the Rotary District Committee DG through the DRCC for clarification.

V. If the district finance committee is found guilty of financial irregularities, the Rotary District will take action against the DRR and the Finance Committee.

7.3 Public Transparency

The financial report will be made available to all Rotaractors in good standing, ensuring full transparency.

Article 8: Handover & Accountability

8.1 Bank Account Handover

The signatures on all district bank accounts used by the previous RDC must be requested to change with the Rotary District, as only the Rotary District has the right to modify account details. A request for the change must be made within 15 days, and the changes must be completed within one month of the new Rotary year.

8.2 Submission of Records

All previous and present financial records, including statements, bills, vouchers, must be submitted to the Rotary District for audit and review.

8.3 Investigation of Irregularities

If any financial irregularities are found, a complaint should be lodged with the District Rotaract Committee. The DRR will form an investigation committee to resolve the matter and provide a decision within one month.

Article 9: Miscellaneous Provisions

9.1 Changes to Guidelines

Any amendments to these financial guidelines require a majority vote by the Finance Committee and RDC approval.

9.2 Confidentiality

Financial records and documents are confidential. District committee members must safeguard all financial information to prevent misuse or unauthorized disclosure.

9.3 Non-Compliance

Failure to comply with these guidelines may result in disciplinary actions, including termination of membership from the finance committee.