

**MINUTES OF THE THIRD ANNUAL MEETING OF
ROTARY INTERNATIONAL DISTRICT 6360, INC.
SATURDAY, JUNE 4, 2011
LEXINGTON LANSING HOTEL, LANSING, MI**

The meeting was **called to order** by Secretary, PDG Ed Foster, at 8:35 a.m. There were approximately 54 in attendance.

The **invocation** was given by DGE Paul McNamara.

A roll call was conducted by Secretary Ed and a **quorum** established as representatives from 28 clubs were present: Albion, Allegan, Benton Harbor Sunrise, Berrien Springs/Eau Claire, Bronson, Charlotte, Climax, Delta/Waverly, East Lansing, Eaton Rapids, Grand Ledge, Gull Lake Area, Haslett/Okemos, Jackson, Jackson Breakfast, Jonesville, Kalamazoo, Kalamazoo Sunrise, Lakeshore, Lansing/DeWitt Sunrise, Marcellus, Marshall, Mason, Paw Paw Area, Portage, St. Johns, Three Rivers, and Union City.

PDG Dick Rosenfeld moved to **approve the minutes** of the 2010 Business Meeting as printed and summarized by District Administrator, Linda Foster. She will send the 2011 minutes to the presidents of the clubs and they will be placed on the website for reference.

DG Don Frohm made a few remarks. He said that Ann Marie accompanied him to 55/58 club visits. He pointed out that we are now incorporated and the DG doesn't make sole decisions. He has provided a list of what the District does for clubs and it has been published in the newsletter since February. RLI has been very successful, and he wants to establish a Crises Management Committee.

Dana Tousley, District Treasurer, gave the Financial Review Committee Report prepared by Barbara James, Chair. (Attached) PDG Karl Sandelin moved that the report be accepted. Second. Approved.

Dana moved that the treasurer's report be accepted as printed. Second. Approved. (Attached)

PDG Dick Rosenfeld, Chair of the Nominating Committee proposed a two-part Resolution:

Resolved, that Rotary International District 6360, Inc., at its Annual Meeting on June 4, 2011, elects Terrence J. Allen, a member and past president of the Rotary Club of Lakeshore (Baroda-Stevensville-Bridgman), Michigan, as District Governor of the District for Rotary year 2013-14.

Resolved Further, that any and all irregularities in the process of nominating and selecting Terrence J. Allen as District Governor, including, but not limited to, any and all such irregularities relating to non-compliance with the provisions of the District Manual of Procedure governing the time schedule for selection of a governor-nominee and publication of the selection to the clubs of the District, are hereby waived. Support. Approved.

Dana presented several proposed amendments to the District Manual of Procedure:

PDG Kathleen Tosco moved to approve the amendment to **rename the Division and committee in paragraph C. in Article IV, Section 7 to read, "New Generations Division, and Rotary Youth Leadership Academy (RYLA) Committee."** Support. Approved. (attached)

PDG Kathleen Tosco moved to approve the amendment to add a **Crisis Management Committee**. This involves **revising Article IV Committees, Section A and adding Section C. (see attached)** Support. Approved.

Bob Small moved to approve the **revision of Article V, Section 2, Paragraph C** to read: "Any club that is more than 30 days in arrears (invoice due in 30 days plus 30 day grace period) in payment of its District dues shall owe a late penalty fee of 15% of the amount due. Clubs will be notified on their bill that a late fee will apply after 60 days. Late penalty fees are billed on the next semi-annual invoice." (attached)

DGE Paul McNamara moved to approve the **revision of Article V, Section 3, Paragraph A, Subsection 4 to set the fidelity bond at \$100,000. (attached)**

Tammy Lemmer moved that wherever **the term "spouse"** appeared in Article V, Section 3, Paragraph A, it **be replaced with "spouse/partner."** Support. Approved.

Tammy Lemmer moved that **Article V, Section 3, Paragraph A. h. 2 and the addition of 3.** be revised to include **reimbursement for the cost of the spouse/partner of the DGE and DGN when attending the Zone Institute with the DGE and DGN respectively.** (attached) Support. Approved.

PDG Dick Rosenfeld **moved to accept all Resolutions of Appreciation** to: Ray Klinginsmith, Michael Johns, Don Frohm, Jackson and Lansing Area Clubs who helped with the District Conference.

DG Don mentioned that he took the idea from PDG Kathleen Tosco's conference of recognizing Rotary Heroes to RI President Ray Klinginsmith who used the idea in his own district, and they had the largest attendance in history at their conference.

There being no further business, the meeting was adjourned at 9:37 a.m.

Linda Foster, District Administrator for

PDG Ed Foster, District Secretary

Report to District 6360 - Financial Review Committee For year 2009-2010

Report on Committee action on August 24, 2010

The committee was comprised of the following individuals:

District Governor Donald Frohm (ex-officio) (non-voting)
Member William (Bill) Stirling (**three year term**) (**2nd year of term**)
Member Robert Kent, Sr. (**three year term**) (**3rd year of term**)
Member Jerry Jenkins (**three year term**) (**1st year of term**)
Chair Barbara L. James

Also present and non-voting was:

District Treasurer (2007-2008, 2008-2009, 2009-2010) Dana Tousley

Goal of our meeting was the testing of the financial procedures and records of the 2009-2010 year end and the preparation of this report.

The committee did successfully perform procedures to assess the appropriateness of the dues recognition and collection.

The committee did successfully perform procedures to assess the appropriateness of the documentation of expenditures.

Finally, the committee unanimously adopted the recommendation to present the financial statements at the district meeting. In addition, the committee unanimously agreed to provide the following comments to District 6360 board of directors:

The items of concern noted on the 2008-2009 were considered and acted upon by the District 6360 board of directors.

It was noted that the 990-EZ *Return of Organization Exempt from Income Tax* was prepared and filed.

The District should continue to limit the number of outstanding credit cards.

The 2009-2010 revenues were \$4,936.12 under budget - a 3.03% variance. The 2009-2010 expenses were \$11,640.60 under budget - a 7.11% variance. The largest revenue variance was the district dues with 3.52% under budget. The largest expense variances were the district conference with 12.55% under budget and youth leadership with 14.66% under budget. The 2009-2010 total increase in the net assets was \$5,604.48. The net assets at June 30, 2009 are \$103,641.28.

This concludes our report.

Barbara L. James

August 24, 2010

Report to District 6360 on Required Annual Accounting

As chair of the review committee and on behalf of the members of the committee, I am pleased to recommend the approval and acceptance of the Statement of Financial Position and Statement of Activities for the year ended June 30, 2010.

The information provided meets the district's requirements for a complete and accurate accounting. That information includes the Statement of Financial Position, the Statement of Activities (Actual, Budget and Variance) and report on the activities of the committee.

This information is limited to use by Rotary District 6360.

Respectfully submitted on behalf of Rotary District 6360.

Barbara L. James
Chair

ROTARY DISTRICT 6360 Balance Sheet As of

May 31, 2011 May 31, 11

ASSETS

Current Assets

Checking/Savings	
D6360 Checking - Comerica Bank	48,218.13
RYLA Checking - Comerica Bank	4,022.50
EFSB CD-RYLA 6/29/11 @ 1.1%	22,337.49
EFSB CD 2/19/12 @ 0.85%	58,065.21
Total Checking/Savings	132,643.33
Accounts Receivable	
Accounts Receivable-Clubs	268.00
Total Accounts Receivable	268.00
Other Current Assets	
Prepaid Expense	6,649.00
RI Allocation Receivable	640.00
Total Other Current Assets	7,289.00
Total Current Assets	140,200.33

Other Assets

TRF/DSG Funds Disbursed	16,628.00
TRF/DSG Funds Received	(16,628.00)
Total Other Assets	0.00

TOTAL ASSETS 140,200.33

LIABILITIES & EQUITY

Liabilities

Current Liabilities	
Accounts Payable	
Accounts Payable	485.55
Total Accounts Payable	485.55
Other Current Liabilities	
Accrued Expense	1,350.00
Total Other Current Liabilities	1,350.00
Total Current Liabilities	1,835.55
Total Liabilities	1,835.55

Equity

Retained Earnings	103,641.28
Net Income	34,723.50
Total Equity	138,364.78
TOTAL LIABILITIES & EQUITY	140,200.33

**ROTARY DISTRICT
6360 Income
Statement - Budget**

**vs. Actual July 2010
through May 2011 Jul '10 - May
11**

Income

		Budget	\$ Over Budget
Dues - Per Capita	69,384	71,340	(1,956)
Dues - District	16,923	17,400	(477)
Conference			
RI Allocation	9,971	10,000	(29)
Interest	722	1,000	(278)
Miscellaneous	280	1,000	(720)
PETS Conference	10,545	10,730	(185)
Receipts			
District Conference	9,157	17,400	(8,243)
Receipts			
RYLA Camp Income	13,522	11,200	2,322
RYLA Adv Training	5,360	6,960	(1,600)
Income			
RYLA College Mentor	12,450	14,100	(1,650)
Income			
Total Income	148,314	161,130	(12,816)
Gross Profit	148,314	161,130	(12,816)

Expense

Governor (Frohm)			
DG Postge	589	1,000	(411)
DG Printing & Supplies	1,656	1,200	456
DG Telephone & Fax	1,178	1,200	(22)
DG Travel & Meals	6,412	6,800	(388)
DG Conf Registration & Lodging	3,221	3,000	221
DG Other	814	900	(86)
Total Governor (Frohm)	13,870	14,100	(230)
Governor Elect (McNamara)			
DGE International	840	3,000	(2,160)
Conference			
DGE Supplies, Phone & Postage	2,292	2,100	192
DGE Travel & Meals	1,864	2,100	(236)
DGE Conf Registration & Lodging	2,110	3,000	(890)
DGE Other	188	200	(12)
Total Governor Elect (McNamara)	7,294	10,400	(3,106)
Governor Nominee (Henne)			
DGN Travel & Meals	0	1,100	(1,100)
DGN Conf Registration & Lodging	575	1,900	(1,325)
Total Governor Nominee (Henne)	575	3,000	(2,425)
Governor Nom Nominee (Allen)			
DGNN Travel & Meals	0	500	(500)
Total Governor Nom	0	500	(500)

Nominee (Allen)			
Assistant Governors			
AG Travel	1,212	1,200	12
AG Training & Conference	1,788	1,800	(12)
Total Assistant Governors	3,000	3,000	0
District Trainer			
Trainer Conference & Other	1,526	3,000	(1,474)
Total District Trainer	1,526	3,000	(1,474)

AMMENDMENTS PASSED AT THE ANNUAL MEETING

Amend District 6360 Manual of Procedures Article IV, as follows;

- **Section 7 - Rename division**
- **Section 7, Paragraph C - Rename committee**
- **Section 7, Paragraph C - Remove restricted fund**

Section 7. New Generations Youth Division. The purpose of this division is to assist in the ongoing programs for youth in the District and promote the development of new ones.

- A. The Interact Committee. The Interact Committee promotes Interact clubs sponsored locally by Rotary clubs in the District. Interact clubs may be established in middle schools or high schools in the District or may be community based. Interact clubs are organized to foster Rotary principles and events.
- B. The Rotaract Committee. The Rotaract Committee promotes Rotaract clubs sponsored locally by Rotary Clubs in the District. Rotaract clubs are established in order to foster Rotary principles and events and consist of young adults who live, work, or study in the vicinity of the sponsoring club. These clubs may be either community based or may be associated with institutions of higher learning.
- C. The Rotary Youth Leadership Awards Academy (RYLA) Committee. This committee enables clubs to offer youth the opportunities for development of leadership, good citizenship, and personal development by organizing appropriate camp, student mentoring, and other experiences. Each year, this committee shall provide a list of all participants and their sponsoring clubs each year for the district records. Funds for this program are included as a restricted fund within the district fund and shall be subject to the budget requirements, reporting, and control procedures described in Article V. All surplus funds resulting from RYLA activities shall be used exclusively for the RYLA program.

Amend Article V of District Manual of Procedure as follows:

- **Section 2, Paragraph C – change late penalty fee**
- **Section 3, Paragraph A, Subsection 4 – set Fidelity Bond at \$100,000**
- **Section 3, Paragraph A, Subsection 6h(2) - allow DGE and DGN spouse reimbursement for Zone Institute**

ARTICLE V

DISTRICT FUNDS

Section 1. Definitions.

- A. District funds consist of all funds received in connection with activities administered by the District.
- B. District dues include all charges billed to District clubs based on the number of club members. These charges normally consist of per capita dues and district conference dues.
- C. The District Financial Statements consist of a monthly Balance Sheet, a monthly Statement of Cash Receipts and Disbursements (budget compared to actual), and a monthly Report of Dues Payable.

Section 2 District Dues and Club Statements.

- A. District dues shall be billed on January 1st and July 1st in equal installments, pursuant to Article II, Paragraph B of the Bylaws of Rotary International District 6360, Inc. District dues shall be paid by July 31st and January 31st every year. The payment of the dues is mandatory for all clubs in the District.
- B. The amount of the annual district dues shall be set by the annual budget, as described below in Article V, Section 4 and shall be set so as to retain a balance in district funds at the end of the Rotary year equal to not less than 70% nor more than 110% of the per capita portion of district dues for the year.
- C. Any club that is more than 30 days in arrears (invoice due in 30 days plus 30 day grace period) in payment of its district dues shall owe a late penalty fee of 15% of the amount due. ~~interest at 7% per annum on any unpaid dues, calculated from the due date.~~ Clubs will be notified on their bill that a late fee will apply after 60 days. Late penalty fees are billed on the next semiannual invoice.

- D. Club statements will be sent to each club semi-annually on January 1st and July 1st each year. Invoices for other District programs (PETS, RYLA camp, college mentoring program, etc.) may be sent periodically at the discretion of the district treasurer. All invoices to and all receipts from each club are summarized on the semi-annual statement. Clubs are expected to pay the balance due on any invoice or statement within thirty (30) days.

Section 3 Accounting, Reporting and Budgeting Procedures.

- A. The following accounting and reporting procedures are established to provide adequate internal control over the receipt and disbursement of District Funds:
1. The district treasurer shall prepare financial statements using a chart of accounts established by the budget for assets, liabilities, equity, income and expenditures.
 2. The financial statements of the District are to be prepared on the accrual basis of accounting and distributed to the district governor, the Budget and Finance Committee and other interested district officers monthly, on or before the tenth (10th) day of the following calendar month.
 3. District funds shall not be committed in any manner without prior approval, in writing, from the district governor.
 4. The District shall provide a fidelity bond for the district governor and the district treasurer in an amount equal to \$100,000 ~~or exceeding the budget~~.
 5. The District shall provide credit cards with appropriate credit limits set by the district governor, paid directly by the District, for use by the district governor, district governor-elect, district governor-nominee, district secretary and the district administrator. The documentation and substantiation requirements for credit card purchases are the same as enumerated below for reimbursed expenses. Purchases made by credit card must be included in the approved budget.
 6. The District may reimburse reasonable expenses incurred by district officers and other authorized personnel while working or traveling on District business.
 - a. Any expense reimbursed must be included in the approved budget.
 - b. Reasonable expenses include, but are not limited to, conference registration, lodging, meals, mileage (reimbursed at the current IRS standard mileage rate or a reasonable percentage thereof as determined by

the Board), supplies used, phone and fax costs, copying costs, and other miscellaneous costs incurred while working or traveling on district business.

- c. The person incurring the expense must substantiate the business purpose for any reimbursed expense. All requests for reimbursement must include original documentation showing the cost and nature of the expense and the budget line item to be charged.
- d. Expenses must be documented by original receipts with proof of payment and approved by the person requesting reimbursement.
- e. Requests for reimbursement must be summarized and submitted (monthly or at least quarterly) to the district treasurer using the Master Check Request form or the Mileage Check Request form located in the Treasurers download section on the district website.
- f. All requests for reimbursement will be reviewed by the district treasurer to determine that the substantiation and documentation submitted is sufficient to validate payment and that the expense is included in the approved budget.
- g. The district governor must approve any payment pursuant to Article V, Section 3, Subsection A(3). In the event that a question should arise, the district governor, aided by the financial review committee, shall make the final decision on the reimbursement request.
- h. Special circumstances, limited to amounts included in the district budget.
 - (1) The cost of the district governor's spouse/**partner** attending district events attended by the district governor may be reimbursed.
 - (2) The cost of the district governor-elect's spouse/**partner** attending the RI International Conference **and Zone Institute** with the district governor-elect, in the year prior to becoming district governor, may be reimbursed.
 - (3) The cost of the district governor-nominee's spouse attending the Zone Institute with the district governor-nominee, may be reimbursed.
 - (4) The district governor is responsible for the management of the district conference and the associated budget. Any costs associated with planning or conducting the district conference may be reimbursed.

- (5) The cost of attending the PETS may be reimbursed to the district governor, district governor-elect, district governor-nominee and district secretary, their spouses/**partners**, and district administrator.

There are no changes to the remainder of Article V.

CRISIS MANAGEMENT RESOLUTION

RESOLUTION TO APPROVE REVISIONS TO THE DISTRICT MANUAL OF PROCEDURE ROTARY INTERNATIONAL DISTRICT 6360, INC TO INCLUDE CRISIS MANAGEMENT

Whereas, either a manmade crisis or a natural disaster that requires a quick response by Rotary International District 6360, Inc can occur at any time, and

Whereas, a crisis involving Youth Exchange and Group Study Exchange has potential international implications, and

Whereas, it is difficult to form an effective crisis management team after the crisis has occurred, and

Whereas, there is no set procedure to manage a crisis within the current *Manual of Procedures and District Leadership Plan for Rotary International District 6360, Inc*, therefore be it

Resolved, that the *Manual of Procedures and District Leadership Plan for Rotary International District 6360, Inc* be revised to add a Crisis Management Committee. Be it further

Resolved, that to accomplish this task, the Board of Directors of District 6360, Inc hereby approves and submits the following changes to *Manual of Procedures and District Leadership Plan for Rotary International District 6360*, to the qualified voters at the forthcoming Annual Meeting of Rotary International District 6360, Inc for final approval:

1. Revise to Section 6A, to read as follows (changes in bold):
 - A. District Public Relations Committee. Promoting Rotary, both to Rotary clubs and the general public, is the responsibility of the District Public Relations Committee. This includes promotion through radio, television and printed media and working with Rotary International public relations. Any major public relations campaigns require prior approval of the Board of Directors and shall be subject to such policies and procedures as this board may determine. **The District Public Relations Committee is charged with dealing with the media for any crisis that is the responsibility of the Crisis Management Committee. In this event, only the person designated by the Chairperson of the District Public Relations Committee, or their alternate, shall be the District Spokesperson. Rotarians should refer all press inquires to this spokesperson. The District Public Relations Committee shall prepare all press releases or other statements that accurately state the facts, and expresses the Rotary's position on the matter. All written press releases and**

other documents released to the public shall be approved by the District Governor.

2. Add Section 6C as follows:

- C. **Crisis Management Committee.** This committee shall be a team of Rotarians with specific skill sets who will convene in an appropriate manner at the call of the District Governor to advise the District Governor should a crisis develop that is deemed by leadership to be of sufficient degree as to warrant calling the team. Its primary purpose is to deal with manmade crises within the District, however the committee may also provide assistance during natural disasters, if requested by the District Governor.
1. The guideline for makeup of the committee may include but neither be required or limited to Rotarians who are active or retired police officers, lawyers, psychologists, medical personnel, state and federal agents.
 2. The Chairperson of the committee (team) shall be the District Governor and the committee reports directly to the District Governor; however, the District Governor shall appoint a “Managing Chair” to administer functions related to the team when there is not a crisis.
 3. Members who agree to be a part of the team agree to provide contact information so that within practical terms they can be immediately available to and be immediately contacted by District leadership.
 4. In some circumstances a member may need to recuse themselves from a specific crisis.
 5. One member of the committee shall be a member of the District Public Relations committee there to serve as a liaison with the Public Relations team.
 6. The committee shall convene to gather facts and to advise the District Governor.
 7. Should the elements of a crisis begin to develop in an area of the district or involving district activities in any location, Rotarians on scene are to immediately notify either the District Governor, any member of the Board of Directors, or the Assistant Governor in their area. Once notified that person shall immediately contact members of senior leadership available who shall determine to degree of crisis and elect to notify the crisis management team and the District Public Relations Chair or their alternate.
 8. Any activity or lack of activity intended to cover up or otherwise hide an emerging crisis from District Leadership shall be referred to the Board of Directors for review.
 9. All policies and procedures established by Rotary International, specifically but not limited to those involving Youth Exchange, shall be followed.
 10. While members of the team may be asked from time to time by the District Governor, the Board of Directors or some other member/entity in District Leadership to review policy documents, this committee shall be advisory only and is not a policy making committee.