



Rotary International

District 6360

Dana Tousley

District Treasurer 2007-2009

4648 Margaret Dr., Charlotte, MI 48813

dtousleysr@msn.com

H & F: 517-541-2262, C: 517-667-0039



By email 4/13/2008

To: District Officers and Assistant Governors

Re: Club Treasurer

To prevent or ameliorate situations like what happened to the Rotary Club of Niles/Buchanan, all clubs should have and strictly enforce the following three provisions in their bylaws.

1. **INSURANCE PROTECTION** - The bylaws must contain the requirement that the club protect itself from theft by its officers. This may be a personal bond or a crime coverage rider to a liability policy paid for by the club, check with your local insurance agent. Remember that RI already carries general liability insurance on every club, paid for by your dues. In my club, a crime coverage rider covers each position authorized to sign checks for \$100,000 each; cost is \$75/year for each position.
2. **REPORTING REQUIREMENT** - The bylaws must require that the Treasurer report financial results to the Board of Directors monthly. This may be as simple as the checkbook balance or as complicated as an income statement and balance sheet, depending upon the club's circumstances.
3. **FINANCIAL REVIEW REQUIREMENT** – The bylaws must mandate an annual review of the Treasurer's records by the Board of Directors or an outside expert. This is not an audit. An audit requires a CPA and usually a fee. This can be as simple as a review of the check register or as complicated as a full audit, depending upon the club's circumstances.

Enforcement usually falls on the Treasurer or the Board of Directors, due to the constant turnover in the President's office. Someone has to take the responsibility to hold the Treasurer accountable to the other members of the club. The rigorous enforcement of these three items will protect the integrity of the Treasurer and the club.