

How to Survive a Rotary Foundation Audit

By Eileen Rau, District 7890 Foundation Chair

“On behalf of The Rotary Foundation Trustees, the Stewardship Department conducts operational audits of districts as they implement the District Memorandum of Understanding (MOU).”

Our District was selected last year to go through this process. I will say it was unnervingly similar to knowing the Internal Revenue Service was auditing ones tax returns. It was also uncomfortable, since they were auditing the 2014-15 District Grant. I was not the District Foundation Chair that year and had literally just assumed those duties when I received the notice.

Questions came to my mind: What documents did I need to unearth? What were they looking for? Did we do something wrong? Would they find my body in a ditch?

About four weeks before the auditor’s visit, I received a list of documents I needed to provide. These included:

- ◆ The District’s Financial Management Plan in place for 2014-15.
- ◆ The annual financial assessment.
- ◆ A copy of the District Governor’s final monthly letter outlining how the District Designated Funds were used.
- ◆ The clubs’ qualification documents.
- ◆ Grant management training materials, dates of training, seminars/webinars and attendance sheets.
- ◆ Individual grant files.

The auditor was in our District for three days. One of our club members provided his conference room for our use. I met with



the auditor for 2½ hours the first day and 2 hours the last day. He went line by line through the District Memorandum of Understanding which all District Governors, District Governors-elect and District Foundation Chairs have to complete on line. He was looking for two things:

- ◆ That our Financial Management Plan followed the provisions of the District MOU, and.
- ◆ That we implemented those items.



Here are some suggestions for your District Grant Committee.

- ◆ Retain all pertinent documents. Ensure receipts and public image outcomes are included with every district grant project and that receipts match up with what was actually spent. The auditor chose four district grant projects out of 29 to examine. He made sure the club was qualified by noting whether it was on the qualified club list we maintained; that the application was complete as well as the final report and that all receipts, cancelled checks and statements were included in the documentation.
- ◆ Ensure that your district includes a report on the use of District Designated Funds (DDF) in the District Governor’s last communication of the year (for most districts, the June District newsletter). The auditor emphasized how important this written report is. Providing a report at a district meeting to which all clubs are invited and eligible to attend is also required.
- ◆ The District MOU is very extensive. If no one in your district has reviewed it recently, this would be a good time to go through it line by line. (It is in section 6 of the Rotary Foundation Committee Manual.) Then compare it with your District’s financial management plan – they should be in sync with one another. Finally, implement your plan.

We did not find anyone in a ditch. We did not do anything wrong despite the fact there were two other district audits going on at the same time: one on an incoming global grant and another on an outgoing global grant. Our district survived. Yours can, too!