

ROTARY CLUB OF REDONDO  
BEACH COMMUNITY  
FOUNDATION OPERATING  
PROCEDURES  
Revision 4  
Revised 11/18/2022

## Table of Contents

Purpose .....	2
Scope .....	2
Procedures .....	2
Procedure Modification .....	2
Budgeting Procedure .....	2
Budget Carry Forward .....	3
Provisions for Dispersing Areas of Service Funds .....	3
General.....	3
Payment Requests form.....	3
Reallocation of Budgeted Funds .....	4
Check Signing Rules.....	4
Contractual Obligations .....	4
Wire Transfer Rules.....	4
Flow of Financial Information .....	5
Special Circumstances.....	5
Foundation as a Conduit.....	5
Targeted Fund Raising.....	5
Donation Acknowledgements.....	5
Quarterly Internal Review of Disbursements and Transfers .....	6
Foundation Board of Directors Responsibilities .....	7
Voting Directors General Responsibilities .....	7
President .....	7
Secretary .....	7
Treasurer .....	8
Finance Committee .....	8
Ad Hoc Committees .....	8
Ad Hoc Assignments .....	9
Exhibit 1: Foundation Payment Request Form .....	10

## Purpose

The Rotary Club of Redondo Beach Community Foundation is a 501C3 Public Charity. These procedures define how the Foundation's Board of Directors intends to operate in normal circumstances.

## Scope

The policies defined in this document include budgeting, funds dispersal, funds flows, special circumstances related to funds flows, fund raising, donor acknowledgments and Foundation Board of Director responsibilities.

## Procedures

### Procedure Modification

These procedures may be modified, or in special circumstances overridden, by a simple majority of the Board of Directors at any time.

### Budgeting Procedure

By May 31 or earlier, the Rotary Club of Redondo Beach Community Foundation (Foundation) shall notify the Rotary Club of Redondo Beach (Club) of the amount of money raised in support of service projects for the upcoming Rotary year.

At the first Club Board of Directors meeting in July the Club Board of Directors is expected to approve a proposed Area of Service (AoS) charitable projects budget and submit it to the Foundation for approval.

The proposed balanced budget shall be by project within Area of Service and by President's Project. A line item for discretionary funds may be included in these Areas of Service:

- Community
- International
- Vocational
- Youth
- President's Project

The proposed budget must be balanced, no deficit is allowed.

The Foundation Board of Directors shall consider the proposed Club budget at their first Foundation Board of Directors meeting after receiving the Club Board of Directors proposed budget.

The proposed budget shall be evaluated based on its alignment with the Foundation Bylaws, Articles of Incorporation, Rotary Four Way Test, and Object of Rotary. It shall also be evaluated on clarity of the project descriptions, budget break out by Area of Service, by project, discretionary funds, or President's fund. Carry forward projects shall be clearly identified. The budgeted expenses shall balance with the amount of funds raised in support of service projects, as identified by the RCRBCF, funds carried forward and grant or partnership funds expected throughout the year.

Any project requiring funding before the approval of the budget shall be handled by the Foundation Board of Directors on an individual Board of Directors approval basis.

### Budget Carry Forward

In the event that, at the end of a Rotary year, the Club Board of Directors determines some budgeted project funds apply to viable projects that have not been completed, the Club Board of Directors may elect to recommend to the incoming Club Board of Directors (starting service on 1 July) that those projects and funds be carried forward in the next year's proposed budget. If the incoming RCRB Board of Directors chooses to honor these carry forward requests, and take responsibility for managing these programs, the newly constituted RCRB shall include these funds, in separate project line items, in the proposed budget that they submit to the Foundation Board of Directors.

As the year progresses, if the Club Board of Directors judges that the carry forward project no longer is viable, these funds will revert to Foundation reserve funds and be subject to Foundation Financial Policy procedures.

### Provisions for Dispersing Areas of Service Funds

#### General

Once the budget is approved, each Club area of service chair may submit payment requests to the Foundation.

Budgeted funds from grants or partnership shall not be spent until funds are received.

Any project requiring funding before the approval of the budget shall be handled by the Foundation Board of Directors on an individual approval basis.

#### Payment Requests form

Payment requests shall be made on-line using the Foundation Payment Request Form accessed from the Club Runner foundation web page. Given that the payment request is filled out completely, falls within the scope and budget of the area of service and is identified with a line item in the approved budget and, given that all back-up documentation has been supplied to

the Treasurer, a payment or bank transfer will be made as defined on the payment request form.

Copies of each payment request will automatically be sent to the Foundation Treasurer with copies to the rest of the Foundation Board of Directors as well as the Club President, Vice President and President-Elect.

Follow this link to access the payment request form  
<https://redondobeachrotary.org/page/rbrccf-payment-request/>

An example of the completed payment request format is shown in exhibit 1.

### Reallocation of Budgeted Funds

As the year progresses, Area of Service Chairs may move fund allocations among currently defined projects as long as the new allocation is within the Area of Service budget and the Area of Service Committee has approved the change, and notified the Club President, or the Club Board of Directors has approved the change.

Addition or deletion of projects requires the approval of the RCRB Board of Directors. The Secretary of the RCRB will communicate the change(s) to the Treasurer of the RCRBCF, defining where funds are coming from and going to.

As the year progresses, the Club Board of Directors may make a request to the Foundation that Area of Service Funds be reallocated among the five Areas of Service. As long as the Club Board of Directors has approved the reallocation request, and identified where the allocated funds are coming from, and where they are going to, and the reallocation maintains a balanced budget, the Secretary of the RCRB will communicate the change(s) to the Treasurer of the RCRBCF.

### Check Signing Rules

All elected Foundation Board of Directors members shall have check signing privileges. The checkbook shall be controlled by the Treasurer, or in special circumstances, the Treasurer's designee. Checks for over one thousand dollars require two signatures.

### Contractual Obligations

Foundation contractual obligations require the signature of the Foundation President or the President's designee. Contractual obligation related to fund raising requires the review of the Fundraiser manager prior to submittal for signature.

### Wire Transfer Rules

Wire transfers shall require two signatures.

### Flow of Financial Information

At each Club Board of Directors meeting the Foundation shall provide a financial summary of funds disbursed against each budget line item and the overall status of performance to approved Area of Service budgets.

At each Foundation Board of Directors meeting a report on performance to the charitable budget will be presented, the Club President is invited to report on projected future changes to the budget.

### Special Circumstances

The normal operating procedure is that Club recommends a list of projects to be funded that is less than or equal to the funds raised in the Foundation for the upcoming year. If, because of special circumstances, the Club's Board of Directors elects to request funds in excess of the funds raised, approval will require the consent of the Foundation's Board of Directors. In doing so the Foundation Board of Directors shall look at both the compelling need for the funding and the measures put in place to remedy the deficit avoiding future requests.

Special circumstances may include an unanticipated fund-raising short fall, or a short-term compelling need, or both.

### Foundation as a Conduit

In the event that a donor expresses a desire to have the Foundation work as a conduit for a tax-free donation to a worthy cause, and the donation is \$1,000 or greater, the Foundation may elect to accept the donation. To do so the Foundation Board of Directors shall determine that the purpose is clearly defined, results can be documented, the project falls within the purpose of the Foundation and the Club Board of Directors is aware of the project. Given these conditions are met and Foundation elects to accept the project, it shall operate in a pass-through mode, acknowledging the donation to our tax-exempt Foundation and handling funds at no cost to the donor.

### Targeted Fund Raising

If the Club determines that there is a charitable need where raising funds outside of the current budget of the Club is desirable, the Club President shall make a request to the Foundation to sponsor a targeted appeal.

The Club shall define the need and prepare the fund-raising materials and a budget. The Club shall provide donor friendly ways to make donations, track progress and disperse funds as defined by the project.

### Donation Acknowledgements

Within 2 weeks following a donation to the Foundation an acknowledgement communication shall be sent to the donor acknowledging the contribution, thanking the donor, and noting the

Foundation's 501(c)3 status. The Treasure shall notify the Secretary of all donations received. The Secretary is responsible for the communications being sent in a timely manner.

#### Quarterly Internal Review of Disbursements and Transfers

In order to ensure that book keeping procedures are followed and that the documentation of disbursements is accurate and complete and to ensure that funds are being used for appropriate purposes, the President, and one other member will perform a review of disbursements with the assistance of the Treasurer.

Using the Bank Statements as a source document each disbursement will be reviewed to determine that the disbursement is supported by one or more of the following:

- A Foundation Payment Request
- A Vendor Invoice
- A Vendor Signed Contract
- Or another initiating document

Using the Bank Statements as a source document all transfers will be reviewed to ensure that funds were disbursed and received between the RCRBCF accounts.

A report of the review results will be submitted to the Board of Directors at the meeting following the Internal Review by the President.

## Foundation Board of Directors Responsibilities

### Voting Directors General Responsibilities

Attend Board of Directors meetings, in person, or by electronic link  
Review payment requests and notify the Board of Directors if something looks out of line  
Be available to vote on issues put before the Board of Directors, either in person or by email  
Review and approve Board of Directors meeting minutes  
Manage special tasks that are from time to time assigned

### President

Set Board of Directors meeting dates and agenda  
Facilitate Board of Directors meetings  
Consistent with its Bylaws and Articles of Incorporation, manage the activities of the foundation  
Manage the Foundation Operating Procedures  
Report Foundation status to the Board of Directors of the Club  
Schedule and facilitate the quarterly Internal Review of Disbursements and Transfers and report the results to the Board of Directors  
Work with other Board of Directors members to track progress and assist in meeting responsibilities

### Secretary

Document Board of Directors Meetings  
Send out announcement and agenda  
Publish minutes  
Maintain, update, and post to web site Foundation Documents:

- Articles of Incorporation
- By-Laws
- W-9 forms
- IRS Determination Letters
- Board of Directors Meeting Minutes
- Financial Statements
- Operating Procedures
- Accounting Procedures
- Financial Policy
- Compensation Policy
- Conflict of Interest Policy
- Record Retention Policy
- Whistle Blower Policy
- Annual Report

Each year send the Conflict of Interest Policy to all Foundation Board Members for their review and report of any conflict of interest



Send each New Foundation Board member all Foundation Governance Documents for review  
Manage Foundation Correspondence:

- State Statement of Information form SI-100
- 501 (c)3 donation thank-you correspondence

### Treasurer

Maintain Foundation bank account and check book.

Manage deposits and payments.

Receive and review Payment Requests to ensure they are complete and within area of service budgets.

Log and manage Payment Requests, acknowledging their payment.

Provide month end statements for the Bookkeeper to reconcile the accounts and prepare journal entries for investment accounts.

Provide monthly budget statements to be incorporated into Foundation reports to the Club Board of Directors.

Shall work with the CPA firm designated by the Foundation to prepare and submit State and Federal filings.

Provide monthly financial statements to the Foundation Board of Directors.

Serve as Lead of the Finance Committee, responsible for the management of the Endowment Investment Policy

Manage and measure Endowment Fund portfolio trades consistent with the Foundation Financial Policy.

### Finance Committee

Led by the Treasurer, the purpose of the Finance Committee is to review and maintain financial policy documentation related to the management of foundation general funds, reserve funds and endowment funds, and to help develop a strategy to grow the Endowment Funds.

### Ad Hoc Committees

The Foundation Board may form Ad Hoc Committees for responsibilities and projects not previously covered.

- Such as a review of Foundation Governance Documents to assure that they are current. If in this review it is found that any of the governance documents required an update, that modification shall be proposed to the full board for their action.

.

### Ad Hoc Assignments

Ad Hoc tasks assigned to Board of Directors members shall include but not be limited to:

Manage Foundation GuideStar listing, Benevity Causes Portal and other public rating service listing.

Manage Amazon Smile donation program and any similar programs

Edit and update Foundation Club Runner Information

## Exhibit 1: Foundation Payment Request Form

The form may be accessed by following this link:

<https://redondobeachrotary.org/page/rbrccf-payment-request/>

<b>Email address</b>	nbw222@gmail.com
<b>Date of Request</b>	Apr 30, 2020
<b>Requested By:</b>	Nancy Weisel
<b>Check to be made payable to:</b>	Redondo Beach Police Department
<b>Purpose (as noted on the check). TEXT ONLY - NO PUNCTUATION MARKS</b>	Domestic violence
<b>Budget Line Item (to be debited)</b>	RBPD Domestic Violence Program
<b>Amount (Total):</b>	500.00
<b>Mail to (Street Address):</b>	Redondo Beach Police Department 401 Diamond St.
<b>Mail to (City):</b>	Redondo Beach
<b>Mail to (State):</b>	CA
<b>Mail To (Zip Code):</b>	90277
<b>Delivery</b>	Paid in Full? (YES)
<b>ITEMS INCLUDED IN REQUEST</b>	
<b>ITEM 1 Description:</b>	RBPD Domestic Violence Program
<b>ITEM 1 Purpose:</b>	Support the local police department
<b>ITEM 1 Amount:</b>	500.00
<b>APPLICATION</b>	
	Community Service (CHECK ONE)