



Budget & Financial Guide for District 5950 Rotary/Rotaract Clubs

This guide is to help Rotary/Rotaract Clubs in the budget planning process. District 5950 recognizes that each club has their own budget and financial policies and procedures. District 5950 created this document at the request of clubs as a supplement and to outline recommendations and best practices. Please note that Rotary International Dues and District 5950 dues are REQUIRED to be paid by each club to keep its Club Charter active and in good standing.

(This document was adapted from The Financial & Reporting Responsibilities of a Rotary Club created by Rotary District 5490)

1. Club Budgets

- **Why:** Every Rotary club needs a budget. Without a plan for raising and spending money, a club may end up with conflicting agendas, wasted resources and shortages of funds for priority needs.
- **When:** The budget should be prepared and approved prior to the new Rotary fiscal year (which begins July 1). A club's goals should be reflected in its club budget. Otherwise, those goals may never be met.
- **Who:** The President-elect, in partnership with the board and committee chairs, should create the budget. Budgets should not be created without board and committee input. Past budgets and future visions also need to be considered when creating the club budget.
- **Where:** The budget should be stored in a location accessible to all members (i.e., the "Documents" section of Club Runner). Transparency and accessibility follow the Four Way Test.

2. Club Financial Reports

- **For the club's Board:** Club financial reports should be provided at every board meeting, with budget comparisons and analysis. The reports would ideally be provided monthly, but quarterly is acceptable.
- **For the club's membership:** Club financial reports should be provided to membership periodically with an explanation and time for questions.
- **Independent annual review:** Consider an annual review of club financial reports by a qualified person or committee — someone other than a current club officer.

3. Annual Club Dues

- Each club develops its own budget and dues by analyzing expenses, goals, and future visions.
- District 5950 has created a budget template with example expenses that can be modified to meet a club's needs. Note this document has three worksheet tabs: The "RI and District Costs" worksheet contains a breakdown of dues to help explain billing to members and track historical data.

4. Annual District Dues

- *How District dues are determined:* The District Governor Elect prepares a proposed budget (in partnership with the District leadership team and finance committee) based upon past budgets and future visions. The proposed budget is presented and voted on at the annual meeting by a quorum of District 5950 clubs. All club Presidents receive a copy of the proposed budget at least 30 days prior to the District's annual meeting. Dues are determined by projecting annual expenses and ensuring the annual dues allocation cover estimated expenses.
- *When due and payable:* Clubs are invoiced twice a year, in July and January. Invoices are sent from QuickBooks to club Presidents and Treasures via email.
 - Clubs should ensure their President's and Treasurer's email information is up to date in Club Runner or My.rotary.org
- *Membership numbers:* Membership numbers for invoices are obtained from the Rotary International website.
 - Invoices cannot be changed due to inaccurate membership numbers once invoices have been sent. Therefore, clubs should update membership information in Club Runner or my.rotary.org within 30 days of any changes, or by 1 January or 1 July, whichever is sooner.
- *Payment:* Payments must be done via credit card or ACH/wire transfer.
- *Dues: District dues for 2025-26*
 - \$35.00 per member billed semi-annually based on membership July 1 and January 1.
 - \$3.50 per member billed semi-annually for Youth Exchange.
 - \$5.00 per member billed semi-annually for 2028 RI Convention Host Assessment.
 - TOTAL: \$43.50 per member billed semi-annually (\$87.00 annually)

5. Annual Rotary International Dues

- *How does Rotary International use membership dues | Rotary International*
- *Most current information:* [Membership dues | My Rotary](#)
- *When due and payable:* Invoices will be issued to Rotary clubs by the end of July and January, and Rotaract clubs by the end of January. If a club has reported the email addresses of its club officers and/or the club's permanent email address, they will receive an electronic copy. Officers can view the invoice online by signing in to My Rotary and selecting **My Rotary** from the navigation menu before selecting your **club's name**. From there, select **Finance** and choose **Club Invoice** from the options to **View Current Invoice**.
 - Clubs should ensure their officers' email information is up to date in Club Runner or my.rotary.org.
- *Membership numbers:* Membership numbers for invoices are obtained from the Rotary International website.
 - Clubs should update membership information within 30 days of any changes, or by 1 January or 1 July, whichever is sooner.

- **Payment:** All club invoices are due and payable upon receipt, and the amount due is not adjustable. Rotary International emails a copy of the invoice to every club officer in January and July. To ensure that emails from Rotary are not rejected or filtered as spam, add ri.clubfinance@rotary.org to your approved email contacts.
 - The following Rotary and Rotaract club officers can pay the balance through My Rotary: president, secretary, treasurer, membership chair, Foundation chair, executive secretary/director (Rotary clubs only). Credit card online
 - The preferred method of payment for club dues is online. Officers can sign in to My Rotary, select **My Rotary** from the navigation menu before selecting your **club's name**. From there, select **Finance** and choose **Club Invoice** from the options. Then follow the prompts to make payment.
 - Although the preferred method of payment for clubs dues is via My Rotary, you can ask your district's [Financial Representative](#) if checks are an acceptable form of payment in your area.
 - If you have questions about the club invoice or where to send your payment, please contact your [financial representative](#). Or refer to the [Club Invoice FAQ document](#).
- **Rotary International dues 2025-2026**

Rotary club per capita dues per half year are as follows:

- 2024-2025: \$39.25
- 2025-2026: \$41.00

All Rotary clubs are billed \$1 per member on their July invoice to help defray the costs of the Council on Legislation.

Some invoices may include variable charges for Rotary magazine (other Rotary regional magazine subscriptions are billed separately) and variable fees for insurance (U.S. clubs only).

Rotaract club per capita dues per year are as follows:

- Community-based: \$8.00
- University-based: \$5.00

\$1.24 per member billed annually in July	- US Club Program – Directors & Officers insurance
\$5.19 per member billed annually in July	- US Club Program - General Liability insurance
\$1.00 per member billed annually in July	- Council on Legislation (COL)
\$18.00 per member billed bi- annually (\$9 in July & Jan.)	- Rotary magazine (digital or print)
<u>\$82.00 per member billed annually (\$41 in July & Jan.)</u>	<u>- Dues</u>
TOTAL: \$107.43 per member	

6. Liability Insurance for Clubs and Club Officers & Directors

[U.S. Rotary club and district liability insurance program | My Rotary](#)



- RI liability insurance for all Rotary clubs: The U.S. Rotary Club & District Liability Insurance Program provides all U.S. Rotary and Rotaract clubs and districts with general liability and directors & officers/employment practices liability coverage. Information regarding the insurance program is sent via email to club executives prior to the July 1 fiscal year start.
- How to obtain a Certificate of Insurance: To obtain a certificate of insurance, insurance policies and summaries, loss prevention strategies, and more, please visit the insurance Gallagher Insurance website. The Gallagher Insurance website can be accessed with a username and password that have been emailed to your club and district officers through annual insurance e-mailings or you can contact Rotary International Risk Management for additional information.
- If you have questions regarding coverage, please contact the insurance broker, Gallagher:
Email: rotary@ajg.com, Phone: 833-376-8279, Website: <https://rotary.ajg.com/>

7. IRS Guidelines for U.S. Rotary and Rotaract Clubs

From Rotary International: <https://my-cms.rotary.org/en/document/rotary-clubs-and-irs-frequently-asked-questions> - July 2024 CDS

**This information is not intended to give legal or tax advice.
Please consult professional advisors or contact the IRS directly at www.irs.gov**

- Does my club need to file an annual return with the IRS?
 - Yes, all clubs must file annually to maintain their tax-exempt status, reporting all receipts and disbursements to the IRS by 15 November (if using the Rotary year). Your club's gross receipts will determine what version of the IRS 990 form your club should use when filing. RI's group exemption does not include group filing. Your club is responsible for mandatory annual e-filing using its own club EIN. The IRS will revoke any club that fails to file for three years in a row.
- What is an Employer Identification Number (EIN)? Does my club need to apply for one?
 - Yes. An EIN is a nine-digit number used by the IRS to identify entities such as clubs. All clubs domiciled in the US and US territories must apply for an EIN when chartering and include RI's Group Exemption Number (GEN) 0573 if applying to be tax exempt under RI's 501(c)(4) group exemption. If you are applying for a bank account, make sure to use your own EIN, and not RI's.
- Do satellite clubs need an EIN?
 - No, satellite clubs do not need their own EIN as they do not have their own charter and operate under their parent club's EIN.
- Do university based Rotaract clubs need their own EIN?

- consult your university. Some university based Rotaract clubs operate under their school's 501(c)(3) status, as the school tracks funds for the club.
- What do the terms 501(c)(3) and 501(c)(4) mean?
 - These terms are federal tax classifications. 501(c)(3) refers to charitable organizations and 501(c)(4) refers to social welfare organizations. Clubs are entitled to 501(c)(4) tax-exempt status under RI's group exemption.

- What does my club have to do to be included in RI's 501(c)(4) group exemption?
 - 1. Apply for an EIN at www.irs.gov
 - 2. Within 60 days of being established, submit Form 8976 to the IRS, notifying them your club will operate as a 501(c)(4)
 - 3. Email your CDS Officer a copy of the IRS notice confirming your EIN. Your email must also include written confirmation that your club wants to be included in RI's 501(c)(4) group exemption.
 - 4. RI adds your club's EIN to its database
- Can my club/club foundation obtain 501(c)(3) tax-exempt status under The Rotary Foundation?
 - No, The Rotary Foundation does not have a 501(c)(3) group exemption. Clubs seeking 501(c)(3) status must obtain their own IRS exemption. Additionally, your club or club foundation must have and use its own EIN to receive contributions. You cannot use The Rotary Foundation's EIN to collect contributions. If your club obtains 501(c)(3) status, you must send written notice to CDS@rotary.org so RI can remove your EIN from their 501(c)(4) group exemption. If your club is considering seeking 501(c)(3) status, you might consider TRF's Donor Advised Fund (DAF), which has similar benefits to a club foundation.
- My club EIN was revoked, or my club has duplicate EINs. What do we do?
 - Work directly with the IRS to be reinstated. Rotary is not able to add clubs back to its group exemption once a club has been revoked. Upon reinstatement, the IRS will issue your club its own exemption. Being reinstated and having your own exemption does not impact your club's good standing with RI. Check your club's status at [Tax Exempt Organization Search](#) or learn more at [Revoked? Reinstated?](#)
- Does my club need to file a Beneficial Ownership Information (BOI) report? Does my club need to report to FinCEN? Does my club need to comply with the Corporate Transparency Act?
 - We believe that Rotary clubs do not need to submit Beneficial Ownership Information (BOI) reports to the US Treasury's Financial Crimes Enforcement Network (FinCEN). According to FinCEN, any entity that meets the following criteria does not need to submit a BOI report. This is referred to as Exemption #19: The entity is an organization that is described in section 501(c) of the Internal Revenue Code of 1986 (Code) (determined without regard to section 508(a) of the Code) and exempt from tax under section 501(a) of the Code. Any Rotary club that is listed on Rotary International's group exemption is registered as a 501(c)(4) entity. Therefore, such a Rotary club should meet the requirements of Exemption #19 and should not be required to file a BOI report.
 - If you still have questions or concerns of whether your club is required to submit a BOI report, you should consult your local legal adviser.