

2007-2008

**DISTRICT SECRETARY-
TREASURER'S WORKSHOP**

WEDNESDAY, JULY 4, 2007

9:00 AM - 3:00 PM

MONTRÉAL, QUÉBEC

TABLE OF CONTENTS

Duties of the Secretary-Treasurer	
District Business	2
Responsibilities	3
Minutes	4
Correspondence	5
District Allotments	6
Reports	6
District Finance	8
Planning the Budget	11
Form 990	15
The Orderly Change of District Secretary-Treasurers	
The Orderly Change	15
Examples	
Definitions	A
Suggested Format for Meeting Minutes	B
District Chart of Accounts	C
Accountability Statement	D
Planning Guide for Budget Preparation	E
The Budget as a Finished Product	F
Format for Review Preparation	G
Dues	H
Programs	I
Forms and Reports	
Due Dates and Special Events Listing	
Club Roster Adjustment (CRA)	
Club Officer Elect Report	
President's Pride Report	
Annual Club Planning Conference (ACPC)	
Club Visitation Report	
Zone Meeting Report	
Annual Club Review	
Form 990	
District Expense Voucher	
Quarterly Statement of Cash Receipts and Disbursements	
Computer Listings From Optimist International	
Aging Report	
Member Maintenance Recap	
T-Shot	

CONGRATULATIONS

As the District's chosen Secretary-Treasurer, you are an extremely important part of your District's administration. Since you are appointed by the Governor, you have certain responsibilities to your District and to Optimist International. Bond in the amount of \$25,000 is provided by Optimist International to each District Secretary-Treasurer and others in the District.

DISTRICT BUSINESS

The function of the District administration, a subordinate administrative division of Optimist International, is to make effective the policies, programs and objectives of Optimist International. District administrations are created by authority of the International Bylaws and function as administrative components of Optimist International. They have only those functions, responsibilities and rights granted or assigned to them by the Bylaws and the International Board of Directors. The omission of any reference to a function, right or power of the District administration does not constitute permission but is, instead, a prohibition of such function, right or responsibility.

The International Bylaws assign the specific right and authority to District Boards of Directors to:

1. Act upon zoning or rezoning of District territory.
2. Plan and conduct District Conventions and Conferences
3. Budget and expend District funds.

The International Bylaws assign specific authority to Club representatives at District meetings and the District Convention to:

1. Elect District officers
2. Select District Convention cities and sites
3. Petition for changes in annual District dues payable by Clubs

The International Bylaws assign authority to Governors to appoint such Committees and Committee Chairs as are required by Optimist International and its Bylaws. In addition, Governors and other District administrative officers have certain other rights and responsibilities as may be established by Optimist International's Board of Directors from time to time such as conducting Oratorical Contests, Junior Golf Championship Tournaments, and the awards and recognition program.

As a District represents only a segment of the total membership of Optimist International, a District Board or Convention may not take any action that could involve or commit Optimist International in any way. District Boards, convention delegates, and District officers lack any authority to act independently on any subject or in any manner that would place an unauthorized or unacceptable responsibility on Optimist International.

As an example, a District administration may not enter into a contract with an airline or any public carrier for a tour or transportation of delegates to an International Convention. This act would place an unauthorized, unacceptable responsibility on Optimist International. A District administration or convention may not endorse individuals, products, causes or other organizations, as such endorsement would be attributed to Optimist International. The same applies to activities. Optimist International Bylaws and policy prohibit Districts and Zones from sponsoring or conducting projects unless specifically approved by the International Board of Directors.

Under Bylaws and policies, District administrations may not engage in the conduct or promotion of programs or activities other than those specifically authorized by Optimist International. This prohibition includes the accumulation and maintenance of unauthorized funds, not covered by policy or included in the Standard District Chart of Accounts.

Specifically stated, the Bylaws may be amended only by vote of Club delegates at International Conventions. This is based on the fact that it is the Clubs which comprise "members" of Optimist International. Districts are administrative divisions, components of Optimist International. District administrations do not represent the Clubs within their boundaries and cannot infringe on the rights or prerogatives of the Clubs which, through their own delegates, control the affairs of Optimist International. Clubs are represented only by their authorized delegates to International Conventions.

Proposals to amend the Bylaws of Optimist International must originate in the Clubs, the members of Optimist International, or in the International Board of Directors on behalf of the Clubs. The same applies to resolutions directed to the International Board of Directors. These rights are reserved to the Clubs and Optimist International's Board of Directors. Districts, being components of Optimist International, do not have authority to propose amendments or submit resolutions other than those specifically mentioned in the Bylaws. There is no objection to commendatory or appreciative resolutions of an internal nature.

RESPONSIBILITIES

In accordance with the Bylaws of Optimist International, the Secretary-Treasurer is responsible for:

1. The minutes of all Board meetings, Executive Committee meetings, and the annual Convention. The minutes must be sent to Optimist International within 30 days after the close of the meeting.
2. The collection, receipt and deposit of all money due to the District.
3. Financial records and statements of receipts and disbursements.

4. The collection of A.C.P.C. Reports, Club Visitation Reports and Zone Meeting Reports.
5. Review of financial records by an accountant must be forwarded to Optimist International.

The Secretary-Treasurer is also responsible for assisting with the preparation of the budget, coordinating meeting notices and the training of Club Secretary-Treasurers.

The most important duty of the District Secretary-Treasurer is often forgotten; that is being a “partner” with the District Governor. The Governor sets goals for the District and it requires teamwork from the entire administration to achieve these goals, especially the Secretary-Treasurer. The Secretary-Treasurer should be available for counsel, and most important, support. If the District is to achieve Honor or Distinguished status, it will take both officers working toward this objective.

In the next sections we will discuss each of the responsibilities noted above.

MINUTES

Good minutes of District meetings properly recorded and distributed form an indispensable record of the decisions and accomplishments of the meeting. It is not required to record everything that takes place at the meeting but should embody any decision made. See Example B for the suggested format for District Board meeting minutes.

The following information constitutes the essential points of good minutes:

1. Date, time and place of meeting
2. Attendance
3. Type of meeting (regular or called)
4. Record of the reports made and filed
5. Record of motions made, carried or lost
6. List of items referred to committee(s) or deferred.
7. List of any District appointments

The following actions are suggested:

1. Keep accurate minutes
2. Suggest the Governor restate the motion, as it is to appear in the minutes, to assure that everyone will understand what is being debated. (A motion is not debatable until it has been seconded.)
3. Put the subject of each item in caps against the left margin to provide a ready reference for finding a particular item of business.
4. Type the minutes and mail to all Board members and forward copies to Optimist International.

CORRESPONDENCE

The District Secretary-Treasurer is responsible for the following correspondence.

District Dues - The frequency of collection will depend upon your District's policies. You should mail out the first notice so as to provide a deadline of not more than thirty days and then follow up that notice with a second notice to those Clubs that have not paid. This second notice should be sent to both the Club President and the Club Secretary-Treasurer and be signed by the Governor. A copy should be forwarded to the respective Lieutenant Governor.

Notice of Meetings, Conferences and Convention - In accordance with your District policies you should attempt to assure that proper notification is accomplished at least thirty days prior to the event.

Notice of accounts receivable - If it is your District's policy to have Clubs reimburse the District for the complimentary supplies provided to new Clubs, sponsoring Clubs shall be billed in a timely manner.

Report Tracking - It is your responsibility to track that each Club's Club Officer Elect Report has been submitted to Optimist International by May 20. The following reports are submitted to you to track.

From Lieutenant Governor:
Annual Club Planning Conference (ACPC)
Club Visitation
Zone Meeting Report
Annual Club Review

DISTRICT ALLOTMENTS

To receive your May District allotment you must submit data to Optimist International (**Attn: Tom Owen, Senior Director, Finance & Administration**) by the dates indicated.

Due by January 31:

- First Quarter District Board Meeting minutes
- First Quarter Executive Committee Meeting minutes
- Budget for this administrative year.
- Accountant's Review of past year.

NOTE: The Review is the responsibility of the previous administration.

Due by February 15 to the IRS:

- IRS Form 990 for the previous administrative year.

NOTE: This is the responsibility of the previous administration by April 30 to Optimist International.

Due by March 30:

- Second Quarter District Board Meeting minutes
- Second Quarter Executive Committee Meeting minutes

NOTE: Zone meetings may be substituted for the second quarter District Conference. Copies of Zone meeting reports must be forwarded to Optimist International by April 30.

To receive your November District allotment you must submit data to Optimist International (**Attn: Tom Owen, Senior Director, Finance & Administration**) by the dates indicated.

Due by July 31:

- Financial Statement for 2nd quarter (October 1 - March 31)
- Third Quarter District Board Meeting minutes
- Third Quarter Executive Committee Meeting minutes

Due by October 31:

- District Convention Board Meeting minutes
- Fourth Quarter District Executive Committee Meeting minutes

REPORTS

Reports from Clubs

REPORT	SENT TO	DUE DATE
Club Roster Adjustment	Optimist International	As Required
Club Officer Elect Report	Optimist International	May 20
President's Pride Report	Optimist International	September 30

Exception Notices

Because of the differences between the records of the Clubs and those of Optimist International, some changes to the roster received on a Club Roster Adjustment form cannot be processed. Whenever this condition occurs, an Exception Notice will be prepared and sent to the Club Secretary-Treasurer and the Governor.

Reports from Lieutenant Governors

REPORT	SENT TO	DUE DATE
ACPC	District S/T	November 15
Club Visitation Report	District S/T	NLT August 1
Zone Meeting Report	District S/T	30 days after meeting

Clubs and Lieutenant Governors must be reminded of the necessity for legible, complete and accurate information. Forms must bear official Club name and Club number and member numbers where applicable. **TO AVOID INCORRECT SPELLING OF NAMES AND ADDRESSES, PLEASE WRITE CLEARLY OR TYPE.**

DISTRICT FINANCE

District Income

The District Chart of Accounts lists all sources of District income authorized by Optimist International Bylaws and Policies. Bylaws Article VII, Section 5 states that the conduct and administration of District business shall be financed by District dues, convention fees, and an allotment from Optimist International. Through the payment of District dues, Clubs pay their proportionate share of the expense of conducting District administration business. Use of such funds for other purposes would violate that trust. These methods are extended to embrace the collection of fees necessitated by the conduct of District meetings, conferences, Essay Contests, Oratorical Contests and Junior Golf Championships competition on a break-even, non-profit basis. No financial obligation, assessment or voluntary contributions of any kind, other than provided in the Bylaws, may be placed upon or requested of Clubs or their members by the District administration.

Despite tradition in a few areas, it is not a function or business of a District administration to engage in the conduct of other activities or events. For example, if a golf or bowling tournament is to be staged in conjunction with a District Convention and does not interface with the Convention program or business, it should be handled on an optional basis by a Club in the area rather than the District administration. Such extra curricular events are not embraced by any statement of the purposes of a District administration and financial involvement in such would result in unauthorized use of District funds.

Statement of Cash Receipts and Disbursements

This handbook contains a sample of the standard Statement of Cash Receipts and Disbursements form adopted for District use by Optimist International's Board of Directors and Finance Committee. As District administrations operate on a cash basis, the term "cash receipts and disbursements" is used rather than "income and expense," a term usually applied to operation on an accrual basis. This standard form is provided to all District Secretary-Treasurers by Optimist International and corresponds to the Standard District Chart of Accounts.

If the District administration employs sub-accounts in its accounting system, as suggested in this section, and includes sub-accounts in its statements of receipts and disbursements, the Secretary-Treasurer may prefer to reproduce statements by photocopy or similar process for distribution to the District Board of Directors which includes every Club President. If only the basic accounts are in such statements, eliminating the detail of sub-accounts, the form provided by Optimist International may be more convenient. It is not essential that the printed form supplied by Optimist International be used, only the format is required.

Accounts Receivable and Payable

Amounts due the District (accounts receivable) are usually unpaid District dues. Always include a list of the Clubs and amounts owed the District as a footnote whenever statements of cash receipts and disbursements are prepared. The detailed listing of these amounts (accounts receivable) must be prepared and furnished to the auditor at year-end.

As statements of cash receipts and disbursements are prepared, amounts owed by the District (accounts payable) should also be listed. At year-end all such amounts must be listed and furnished to the auditor.

In view of the urgent necessity for the transfer of records and responsibility from a Secretary-Treasurer to his or her successor at year-end, such transfer should not be delayed by attempts to eliminate either accounts receivable or accounts payable. The receivables, when collected, would become cash receipts to the new administration, and the payables, disbursements when paid. The Chart of Accounts provides for the classification of the payment of prior year's charges. However, the collections are not identified.

Annual Financial Examination

Bylaw Article VII, Section 5E and Optimist International Policy ID-13, require an annual review of the books as of September 30, by a chartered accountant in Canada or a certified public accountant in the United States. Submission of a copy of the review is required as a qualification for the District's allotment from Optimist International's general fund. The review serves as a protection for the Secretary-Treasurer and as insurance to Optimist International and the District administration. To facilitate the transfer of financial records to the new administration, and submission of the review at the first quarter meeting of the District Board of Directors, the review should be performed as soon as possible after September 30. **To satisfy the requirement for Honor District the review must be completed and received by the International Office no later than January 15.**

That the review may be as effective and helpful as possible, the auditor must be acquainted with certain facts and information. In August, Optimist International provides Secretary-Treasurers and Finance Chairs with information to be given to auditors when they are engaged to perform the examination. This information is included in the section entitled, "Information for Auditors."

Standard District Chart of Accounts

Herein is the Standard Chart of Accounts, numbers and accounting definitions, established by Optimist International and its Finance Committee for the use of all District administrations. These accounts and definitions accommodate the assigned responsibilities and functions of District administrations and should meet all accepted accounting requirements. Interruptions in the numbering of accounts permit additions to the series of account numbers. Sub-accounts are also permissible. Should additions become necessary and be within authorized receipts and expenditures, a complete

description of such additional accounts must accompany the statement or review. It is to be noted that accounts numbered 120, 130, 140, 143, 145 and 147, covering District Conventions, meetings and conferences, Oratorical Contests, Youth Clubs Conference, Junior Golf Championships and Essay Contest require supplementary supporting schedules of receipts and disbursements for each event.

As District administrations operate on a cash basis, there is no provision in the accounting system for depreciation of office equipment. Assets of this nature should be budgeted for and treated as an expense in the year purchased. A memo of office equipment owned by the District administration should be maintained from year to year in order for the administration to be able to locate and retain its property. The auditor should be furnished an inventory of these assets which he/she will record in a footnote in his/her report.

While uncollectible District dues are a fact of life, they have not been provided for in the Chart of Accounts. In order to keep the method simple, all receipts and disbursements are documented by either a bank deposit ticket or a canceled check. An expense account for uncollectible dues has been purposely omitted. This item should be presented as a footnote on the statements.

To implement necessary accounting procedures, the Secretary-Treasurer will need books of entry for cash receipts and disbursements. For a complete understanding of the Standard District Chart of Accounts, it is suggested that they be duplicated and copies furnished to all members of the District Board of Directors. This will aid them in reviewing statements of receipts and disbursements, the budget and annual review.

District Dues Billings

Determination of the dues to the District by Clubs is easily accomplished through the use of a loose-leaf system in which the statements for dues are prepared in triplicate. The original of the statement would be mailed to the Clubs, while the Secretary-Treasurer would retain the duplicate. As payments are received the statements for the paying Clubs would be placed in the paid file. Thus, at any time, an adding machine tape of the unpaid file would reflect the status of payments or collections. The third copy of the statement should be used for the first follow-up to delinquent Clubs. Subsequent follow-ups would require a letter.

District policies cover the amounts and due dates for the payment of District dues by newly organized Clubs. As losses from dues adjustments and charter revocations tend to offset dues revenue from newly organized Clubs, it is advisable to omit any estimate of receipts when planning the budget.

An accurate membership count for each Club is essential in billing Clubs for District dues. Listings, which are to be used as the basis of District dues calculation, will be provided to Secretary-Treasurers and Governors promptly after the first of each month. Prior to third quarter Board meetings and District Conventions listings showing-voting strength of the Clubs will be furnished by the International Office to District Secretary-Treasurers and Governors.

Districts should periodically examine the amount of their dues in relation to the costs of conducting District business. If an increase is necessary, it must be first approved by the delegates of the Clubs in the District at the District Convention (International Bylaws Article VII, Section 4) and the increase must be submitted for the approval of the Optimist International Board of Directors. Clubs must not be billed the increased amount until the increase has final approval.

PLANNING THE BUDGET

Arriving at a realistic budget is not an easy task. The format offered corresponds to the Standard District Chart of Accounts. It is not a printed form to be filled in by those drafting a budget, as some variation is inevitable.

When preparing a budget, those charged with the responsibility should obtain and study past budgets, financial statements and reviews. Bylaws provide for a District Finance Committee which, with the Governor, Governor-Designate, the Secretary-Treasurer and his or her successor should prepare the budget for the approval of Optimist International and the District. Since changing circumstances and growth affect the financial status of the District administration and its budget, differences between past operations and plans for the coming year should be shown and reviewed. Particular attention should be given the following:

1. Financial condition of Clubs owing delinquent District and Optimist International dues.
2. Increase or decrease in membership of Clubs in District.
3. Changes in number of Clubs, Zones and Lieutenant Governors.
4. Number of fully paid Life Members. (Shown on monthly computer print-outs)
5. Frequency and distribution of District Bulletin.
6. Location of District meetings and related travel costs.
7. Attendance pattern and costs of sending District officers to Optimist International Convention.
8. District administration's travel and reimbursement policies.
9. Convention budget (Schedule A) and past convention receipt and expenditure statements.
10. District meeting and conference budget (Schedule B) and past statements of conference receipts and expenditures.
11. Oratorical Contests budget (Schedule C) and past contest receipt and expenditure statements.
12. Junior Golf Championships budget (Schedule D).
13. Estimate of District's allotment from Optimist International's general fund.
14. Essay Contest (Schedule E).
15. Youth Clubs Conference (Schedule F).
16. In accordance with Optimist International Bylaws Article VII, Section 5D, the budget "shall not authorize the expenditure of any money in excess of income and surplus."

Sub-Accounts

The use of sub-accounts is permissible. For example, account 210, Lieutenant Governors, might be divided into sub-accounts such as 211, 212, 213, etc., one for each Lieutenant Governor. Such breakdown should accommodate all reimbursable expenses with the account definition. For simplicity, periodic statements of receipts and expenditures may omit sub-accounts, listing only the total charged to the basic account.

Supplementary Schedules or Exhibits

As indicated by the Chart of Accounts, certain accounts require detailed, supplementary schedules or exhibits for reasons discussed in the following. These are:

Account 120: Convention - Schedule A

Account 130: District Meetings and Conferences - Schedule B

Account 140: Oratorical Contests - Schedule C

Account 143: Youth Clubs - Schedule F

Account 145: Junior Golf Championships - Schedule D

Account 147: Essay Contest - Schedule E

A suggested format for these schedules, complete with account numbers, appears in this section. In each instance budgets should be established on the basis of past experience, for the applicable events and detailed statements of receipts and disbursements serve as guides to budgeting in future years. Total receipts and disbursements for each event then appear on the appropriate line on subsequent statements of District receipts and disbursements as well as on the annual review. Financial statements and review reports required by Optimist International must be accompanied by Schedules A, B, C, D, E and F.

District Convention Budgets and Statements

This handbook contains a suggested format for District Convention budgets based on the handbook, "Tips for Planning a District Convention," published by Optimist International and can be found at www.optimistleaders.org.

Content is based on the fact that a District Convention is the District administration's responsibility rather than that of a host Club or Clubs. Full control, authority and financial responsibility rests with the District administration and cannot be assigned.

Modern convention finance is based on the dues-allocation plan, providing for an allocation from District dues on a per capita basis. This is based on the simple but essential fact that all Clubs and members benefit from the conduct of a District Convention and its business. Those who attend should not be expected to be the sole support of a convention through registration fees. It is urgent that all District administrations adopt this modern method of convention finance as described in the handbook, "Tips for Planning a District Convention." The plan permits a logical reduction of registration fees and potential great attendance.

If the District administration allocates a portion of District dues to District Convention income, an estimate of the total amount of the allocation, (i.e., number of members

times the per member amount) should be deducted from dues income under Account 100 and added to convention income under Account 120 as shown on the planning guide for budget preparation.

District Conferences and Meetings

Schedule B deals with events conducted by and for the District administration in which moneys are collected and/or disbursed by the Secretary-Treasurer or someone responsible to him/her. Such events might include a District training conference, a visit of the International President, or a meeting of the District Board of Directors. If participants pay meal costs and gratuities directly to the hotel or motel providing the meals, District accounting and a budget is not required.

Most District events involve a sufficient number of participants to make the collection of meal costs, or the selling of meal tickets, a necessary convenience. Thus, the related revenues and disbursements become a District responsibility for which a budget must be prepared and transactions reported on an income and expense statement. Such income and expense statements from previous years will facilitate budget preparation. If a District allocates a portion of the District dues to District conferences and meetings income, such amount should be deducted from account 100 and included in account 130.

If the District administration collects or sells tickets for a meal function and gratuities it is bound to receive cash. If the host facility is then paid in cash, in full or in part, the Secretary-Treasurer must be certain to receive an itemized, paid invoice. It is to be noted that the reimbursable expense of District officers and chairs are chargeable to accounts 200 through 265. Therefore, their expenses and meals should not be charged to account 360, District Meetings and Conferences. Collections, or the sale of meal tickets, may include a small margin to cover meals of special guests and coffee breaks.

If the occasion of the International President's visit to a District is conducted under the auspices of the District administration, its financial aspects become a responsibility of the District administration and should be budgeted like other events discussed here.

District meetings, as well as the convention, are to "break even." While financial losses are to be avoided, the affairs are not to be operated as profit makers for the District. A well-planned budget will have receipts equal the disbursements.

If it is the custom of the District administration to conduct a District meal function for Club delegates at the International Convention, the financial arrangements, budget, etc., should be handled as described here and included in Schedule B.

In the conduct of all events discussed here caution is urged in agreements to the number to be served. Most facilities will ask for guarantees at least 24 hours prior to the meal. Caution is urged in making guarantees. Weather, distance, and location play a part in estimates of attendance. A rule of thumb suggests a guarantee about ten percent less than estimated attendance.

Budget - General

As the budget is a guide to comparison of expenditures against receipts, careful adjustments should be made if, at any time, it is determined that estimates are not in line with actual revenue or disbursements. The occasion of each monthly or quarterly report will be indicative of this need should it exist. It is better to adjust a budget than to "juggle" allocations, which will result in distortion of actual conditions.

Account 450 provides for gifts or mementos to special guests such as a visiting International Officer. Cost of such gifts is not necessarily a budgetary item. Costs may be shared by attendees through inclusion of a sum in meal ticket prices or through a fund created by voluntary contributions at the subject event.

Account 265 covers reimbursements to District Committee Chairs according to District administrative policy as to mileage, etc., and the occasions on which expense is authorized as reimbursable. It should be understood and stated in policy that reimbursement is authorized only when a chair is requested to appear and report or make a specific presentation. There should never be a blanket authorization for all chairs to be reimbursed for attendance at all meetings and conferences.

Upon completion of the District budget a copy must be sent to Optimist International for approval as required by Bylaws Article VII, Section 5D. To insure the acceptability of the budget, Optimist International approval should be obtained prior to submission of the budget to the District. A guide to budget preparation follows, depicting the format to be used.

The complete budget, including all schedules, is required for approval as one of the requirements to qualify for the District allotment.

Accountability Statement

As District administrations operate on a cash basis, rather than the accrual method, an Accountability Statement becomes necessary. An Accountability Statement reports the District administration's only asset -- cash, whether the cash is in a checking account or invested in interest-bearing accounts, for the period for which the statement is prepared. This method provides for simplicity in that the only assets of the District are cash and all entries in the accounts may be traced to either a bank deposit or canceled check. The procedure requires the preparation of periodic statements of cash receipts and disbursements, and an accountability statement, quarterly or semi-annually; preferably quarterly.

Entries on the statements of cash receipts and disbursements would be entered from the detailed records that the Secretary-Treasurer will establish and maintain. Preparation of the Accountability Statement will be the result of the summarization of the cash receipts and disbursements statements. This section contains samples of the standard Statement of Cash Receipts and Disbursements and the Accountability Statement. Free copies are available from the International Office.

FORM 990
(See Forms & Reports Section)

Each U.S. District must file a Form 990 with the Internal Revenue Service no later than February 15. **Even those Districts that do not have sufficient gross receipts (\$25,000) are required to file a Form 990.** These forms will be sent to the previous Secretary-Treasurer who completed the form. The four-digit group exemption number (GEN) (Block H) is 1334. Your employee identification number (EIN) (Block D) should be taken from the previous Form 990. This number is on file at Optimist International. The IRS will consider an incomplete form as though there was not a form submitted. Thus, it is imperative that an entry be made on every line of the return. If an amount is zero, enter zero. If there is a question on the form that does not apply to your District, enter **N/A**.

Optimist International was granted a group exemption from the payment of taxes under Section 501(c)(4) of the Internal Revenue Code. The IRS has assigned 1334 as the general reporting number for the organization. The District should have their employer identification number (EIN) on file. (You might start with last year's Form 990). If you are unable to locate this number, contact the Finance and Administration Department at extension 276.

ORDERLY CHANGE OF ADMINISTRATIONS

The efficient, orderly and prompt transfer of District records, funds and equipment, as well as administrative responsibilities, from the retiring Secretary-Treasurer to his/her successor, is important and urgent. It is recommended that the incumbent Governor and Secretary-Treasurer meet with their successors, as soon as their successors are known. By agreeing what each will do between the appointment of the incoming Secretary-Treasurer and October 1, when full responsibility of office is assumed, an efficient, expeditious transfer will be accomplished. It is also recommended that the District Finance Chair attend this meeting. Once a schedule, with responsibilities designated, has been agreed upon a record of the meeting and agreement should be distributed to participants.

The following is a minimum of the items to be discussed.

Decision as to which records, equipment, etc., can be transferred to the new Secretary-Treasurer prior to October 1 without handicapping the current administration.

Review of the Bylaws, policies and procedures to insure that new officers have a thorough understanding of them. Ensure that any newly adopted International Bylaws be discussed as to their impact upon the new administration.

Discuss procurement of new stationery and envelopes using the advice of the current administration as to quantities, distribution and cost.

Establish the date for the transfer of the correspondence and historical files. It is suggested that all transfers be made on October 1.

Discuss which permanent records should be retained. Minutes, financial statements, reviews and IRS Form 990s should be retained for a minimum of five (5) years.

If the retiring Secretary-Treasurer has maintained a calendar of things to be done, with dates, this should be provided to the new Secretary-Treasurer.

Decide when and where the necessary District officers and Finance Committee will prepare the budget for approval as required by the International Bylaws.

Review outstanding International and District dues with particular attention to delinquent Clubs and the number of dues billings for each that remain unpaid. Try to determine whether delinquent dues are collectible as they will affect preparation of the new budget and the amount of allocation from Optimist International's general fund.

Discuss accounts payable. Review all unpaid bills and expense accounts and attempt to estimate any obligations that may not have been billed.

Give attention to District dues billing dates including dues payments by new Clubs. (Review procedures for District dues increases if warranted. A copy of Board Policy D-4 can be obtained on www.optimistleaders.org.)

Review District policy on gifts to newly organized Clubs.

Review process and dates for announcing District Board meetings, conventions and conferences.

Discuss and plan the transfer of all District funds, preparation of bank signature cards (avoid single signature checks) and the printing of new checks. If necessary, cover all details relative to opening a new account and closing the old one. Do not neglect funds invested in interest-bearing accounts, time deposits, etc. All transfers must be covered by check. Cash transactions should never be permitted.

Discuss the use of Standard Statement of Cash Receipts and Disbursements as required and provided by Optimist International.

Review in detail the requirements to qualify for the District allotment. Reach an agreement as to which administration will provide Optimist International with the District Convention minutes, annual review and Form 990. It is preferable that the retiring administration accept this responsibility.

Discuss policies and procedures relative to proper handling of expense statements by authorized personnel and use of standardized expense vouchers. (See sample in FORMS.) Identify "authorized personnel and occasions on which expenses are reimbursable.

Reach a firm commitment on the date on which the retiring Secretary-Treasurer will submit the District administration's financial records to certified public accountant (chartered accountant in Canada) for the annual review. The current administration

should strive to collect all receivables but the review should not be delayed for that reason.

In order to qualify for Honor District, the review must be completed and received by the International office no later than January 15. It will be necessary to engage the services of an auditor during October in order to meet this deadline.

A new Secretary-Treasurer must become acquainted with the process of maintaining certain records necessary to the District achievement and awards program. Some of the larger Districts assign this responsibility to the Achievement & Awards Chair. Certain others appoint an Assistant Secretary-Treasurer for the purpose. With the use of computers, the District Secretary-Treasurer may want to keep the A & A records themselves. In any event, it is inevitable that certain information for the awards program will be based on the Secretary-Treasurer's records. The process should be thoroughly discussed and understood.