



Electronic Vote of the 2021-2022 Executive Committee

July 1, 2022

The 2021-2022 Toastmasters International Executive Committee, Acting International President and Immediate Past International President Richard E. Peck, DTM; International President-Elect Matt Kinsey, DTM; First Vice President Morag Mathieson, DTM; Second Vice President Radhi Spear, DTM; and International Director Roy Ganga, DTM by electronic consent culminating on July 1, 2022, recommends that the Board approve an exception to Policy 8.3: District Leader Expenses that would allow District leaders who expected to attend District Leader Training, but were unable to attend, to be reimbursed by the District for incurred travel expenses. The Committee also reviewed a recommended amendment to Protocol 8.4: District Fiscal Management that would allow Districts to request an exception to the limit of budgeted lodging expenses from the Chief Executive Officer. This amendment better supports Districts in attending the key training events that support them in achieving the District mission, as well as streamlining the exception approval process and aligning it with the travel exception approval process. The changes to Protocol 8.4: District Fiscal Management (attached) were adopted by the joint authority of the International President and Chief Executive Officer with the concurrence of the International President-Elect.

Pursuant to Protocol 11.3: Board of Directors Confidentiality, items contained in the minutes of this meeting were classified as "unrestricted" upon distribution of the minutes by World Headquarters, not to include any matters marked "restricted."

A handwritten signature in cursive script that reads "Kate Wingrove".

Kate Wingrove
Secretary

Distribution: Board of Directors
Nonprofit General Counsel
Chief Executive Officer
Past International Presidents
Past International Directors

Amendments in **blue** are approved, effective no sooner than July 1, 2022.

Text in **red** are proposed amendments.

Protocol 8.4

District Fiscal Management

1. District Funds

A. District funds are to be used to support the District mission. District officers are required to use funds effectively according to the District Success Plan, as well as Toastmasters Policy and Protocol. Expenses shall be incurred according to the following priorities:

- I. Education and Training
- II. Marketing outside Toastmasters
- III. Club growth and club retention
- IV. Membership growth and membership retention
- V. District communication and public relations

While the above five (5) categories are considered the highest priority, the following expense categories are also considered important to the District mission; however, the level of priority for the categories below is not strictly mandated and may be determined on an annual basis by the District:

- Recognition
- Travel and lodging
- Food and meals
- Speech contests conducted by the District
- Administration and District meetings

B. District funds may be used for the International Convention and Mid-year Training, but ~~shall~~**must** not be used for other events or meetings outside the District. District funds ~~will~~**must** not be used for membership payments, or club dues or fees. District funds ~~may~~**must** not be donated to any charitable fund, including the Ralph C. Smedley Memorial Fund®.

C. Any noncompliance with regard to District fund usage may result in possible disciplinary actions and/or the withholding of District funds and reimbursements.

2. District Financial Records

A. All District funds, bank statements, canceled checks, and other financial records are the property of the District and of Toastmasters International.

B. Such funds and records are delivered to the new District Finance Manager or new District Director no later than July 1 of the new District program year under Article XII, Section (b), of the District Administrative Bylaws.

C. The outgoing District Finance Manager and the outgoing District Director retain copies of any records necessary to complete the District year-end audit. Any funds, statements, or other financial documents received after July 1 are given immediately to the new District Finance Manager or new District Director.

3. District Reserve Account

- A. At the end of the program year, the District reserve account balance shall remain equal to or greater than 25% of that District's membership dues income for the prior year. This amount shall be referred to as the Required Retention. If the Required Retention is not met in a particular year, the deficit shall be included in the subsequent year's budget, or otherwise agreed upon with the Chief Executive Officer, to allow the District to regain compliance.
- B. If the District reserve exceeds 1.25 times the Required Retention at the end of the program year, 50% of that amount shall be reduced from the District reserve and reallocated to Toastmasters International for purposes related to the organization's mission.
- C. District reserve accounts are only available for funds requisitions or supply orders when the following requirements have been fulfilled:
 - I. A list of all elected and appointed District leaders (along with their signed Officer Agreement and Release Statements), the District signature form for withdrawal of District funds, a bank-provided list of authorized signers for all District accounts, a calendar of District events for the year, and the alignment of clubs into Areas and Divisions are received at World Headquarters by July 15.
 - II. The year-end audit for the preceding District year and financial records for January 1 through June 30 are received at World Headquarters by August 31.
 - III. The District budget is received at World Headquarters by September 30.
 - IV. The Profit and Loss Statement for the period of July 1 through September 30 is received at World Headquarters by October 31.
 - V. The mid-year audit and financial records for the period of July 1 through December 31 are received at World Headquarters by February 15.
 - VI. The Profit and Loss Statement for the period of July 1 through March 31 is received at World Headquarters by April 30.
 - VII. A list of assets ~~must be~~ signed by the Immediate Past District Director and current District Director ~~and is~~ submitted to World Headquarters by August 31 of each year.
 - VIII. Account reconciliations ~~must be~~ are completed in the online District accounting system within 30 days of each month end.

4. Financial Controls

- A. The financial duties of District officers and other financial controls are set forth in Articles III, VIII, IX, XI, and XII of the District Administrative Bylaws.
- B. The annual District Membership Dues Allocation shall be budgeted to equal the actual prior year's District Membership Dues Allocation, or an amount otherwise approved by the Chief Executive Officer.

- C. A budgeted loss, whereby budgeted expenses exceed budgeted revenues, is not permitted.
- D. District checks must be signed by the District Director and District Finance Manager. Checks made payable to the District Director or District Finance Manager must be signed or approved in advance in writing by the Program Quality Director or Club Growth Director. Alternate signers are permissible only if approved by the Toastmasters International Executive Committee.
- E. If District account signers are cohabitants, spouses, children, grandchildren, siblings, and/or spouses of their children, grandchildren, and siblings, their signatures or approvals must always be countersigned or approved by another approved signer who is not one (1) of the above.
- F. The District Profit and Loss Statement must be provided at each District Executive Committee and District Council meeting.
- G. Within 30 days of the relevant month end, the District Finance Manager must submit the District Profit and Loss Statement, with narrative explanations:
 - monthly, to the District Director, Program Quality Director, and Club Growth Director; and
 - quarterly, to World Headquarters.

On receipt of these documents, the aforementioned directors shall review them for accuracy and discuss any variance. Concerns or questions should be raised directly with the District Finance Manager within 30 days of receipt or as soon as the director becomes aware.

- H. All District expenses must be supported by receipts or documentation and be allocated to a budget line item at the time the expense is incurred.
- I. All expense reimbursement claims must be approved by the District Director, apart from those submitted by the District Director. The District Director's reimbursement claims must be approved by the Program Quality Director or Club Growth Director.
- J. A single expenditure in excess of \$500 USD must be authorized in advance in writing by both the District Director and the Program Quality Director or Club Growth Director.
- K. Itemized point-of-sale receipts are required for all reimbursements. Credit card statements and bank statements are not receipts. When no receipt is available, a detailed explanation of the expenditure is required to be considered for reimbursement. Mileage reimbursements require documentation consisting of the travel date, distance, and travel purpose.
- L. Reimbursement requests must be made within 60 days of incurring the expense and by July 31 for expenses incurred in June. Districts must reimburse requestors within 30 days after receipt of an authorized reimbursement request.
- M. Commingling of District funds with funds in personal accounts, club accounts, or any other accounts is prohibited.

- N. All District bank accounts and funds are included in the District budget, including any accounts held at the Division, Area, and conference level.

5. District Budget

- A. The District Director, Program Quality Director, Club Growth Director, and District Finance Manager prepare the District budget between June 1 and August 31.
- B. Before signing, the District Finance Manager will send the proposed budget to World Headquarters for initial review. The District Director, Program Quality Director, Club Growth Director, and District Finance Manager must sign the reviewed District budget by September 30, certifying that they have participated in the preparation of the budget.
- C. Under Article XI, Section (a), of the District Administrative Bylaws, the District Executive Committee gives preliminary approval to the District budget. The District Director submits the budget to World Headquarters between September 1 and September 30.
- D. The District Director must distribute copies of the budget prior to the District Council meeting.
- E. By September 30, at the District Council meeting, the District Finance Manager or another member of the District Executive Committee presents the District budget for approval.
- F. A District's budget must align with the District Success Plan.
- G. District budget expenses shall be limited as follows:

Category of Expenses	Nature of Expenses	Limit (% of District Membership Dues Allocation)
Education and Training	Training club officers Training District, Division, and Area Directors Training club sponsors, mentors, and coaches Educational workshops	max. 15%
Marketing outside Toastmasters	Marketing the Toastmasters program outside the organization	min. 5%, max. 10% (may be exceeded with prior approval from the Chief Executive Officer)
Club Growth	Building new clubs Rebuilding clubs Membership growth Membership retention Club coaching	max. 15%

Public Relations	Internal and external communications Public relations within the District	max. 10%
Recognition	Acknowledge and honor District, Division, Area, club, and member achievement	max. 20%
Travel	Reimbursement of travel-related expenses incurred by members of the District Executive Committee, keynote speakers, and members in the course of their District-approved duties	max. 25% (may be exceeded with prior approval from the Chief Executive Officer)
Lodging	Reimbursement of lodging-related expenses incurred by members of the District Executive Committee, keynote speakers, and members in the course of their District-approved duties	max. 15%
Food and Meals	Any food items purchased, as approved by the District	max. 15%
Speech Contests	Expenses incurred in support of District-, Division-, and Area-level speech contests	max. 5%
Administration	Items related to the general upkeep of the District and facilitation of District officers' duties	max. 10%

The following items must necessarily break even or turn a profit (revenue earned must be equal to or greater than expenses incurred):

- Annual Conference
- District Store
- Fundraising

Any shortfall or deficit in these three (3) items will be made up by the deduction of the loss from the following year's District Membership Dues Allocation, unless otherwise exempted by the Chief Executive Officer.

Districts may request a one-year increase in the maximum limit for the categories of travel, **lodging**, and marketing outside Toastmasters. The Chief Executive Officer will only approve the request if it is determined that the increase is the best solution to support the District mission.

6. District Audit

- A. The Audit Committee's composition, functions, and deadlines are described in Article XI, Section (c), of the District Administrative Bylaws.
- B. Between July 1 and November 1, the District Director appoints a District Audit Committee prior to the mid-year audit.

- C. The mid-year audit accounts for all District financial transactions between July 1 and December 31. Between January 1 and January 31, the District Finance Manager provides documents and financial records for the mid-year audit period to the District Audit Committee.
- D. The year-end audit accounts for all District financial transactions between July 1 and June 30. Between July 1 and August 15 of the new program year, the District Finance Manager provides documents and financial records for the year-end audit period to the District Audit Committee.
- E. The above-noted audit documents and financial records include:
 - I. The District Profit and Loss Statement, including all District income and expenses
 - II. All District bank statements and District reserve statements, including those held at the Division, Area, and conference levels
 - III. Statements of outstanding liabilities and obligations, accruals, and fixed assets
 - IV. Financial records and supporting documentation associated with District finances, including but not limited to cancelled checks, paid invoices, cash receipts, and disbursement journals.
- F. The District Audit Committee presents the mid-year audit report to the District Executive Committee by February 15. Once presented to the District Executive Committee, the mid-year audit report and financial records will be submitted by the District Audit Committee or District Finance Manager to World Headquarters by February 15. The District Audit Committee or the District Executive Committee then present the mid-year audit report at the District Council meeting, distributed four (4) weeks prior to the meeting.
- G. The District Audit Committee presents the year-end audit report to the District Executive Committee by August 31. Once presented to the District Executive Committee, the year-end audit report and financial records will be submitted by the District Audit Committee or District Finance Manager to World Headquarters by August 31. By September 30, the District Audit Committee or District Executive Committee present the year-end audit report at the District Council meeting, distributed prior to the meeting.

7. Electronic Payments, Cash Advances, and Debit Cards

- A. Checks, debit cards, electronic funds transfers or similar forms of payment are used for District obligations.
- B. Debit cards may be used as a method of payment for District obligations. Only the District Director or District Finance Manager may use such cards. Payments made by the District Director must be authorized in advance in writing by the District Finance Manager and Program Quality Director or Club Growth Director. Payments made by the District Finance Manager must be authorized in advance in writing by the District Director and Program Quality Director or Club Growth Director.

- C. Where payment by check or debit card is not possible, electronic funds transfer or other similar forms of payments may be used. These types of transactions may only be conducted when approved in advance by the Chief Executive Officer.
- D. Cash advances for budgeted District expenses (limit \$100 USD) may be extended so that members need not spend personal funds on behalf of the District.

All advances must have prior written approval from the District Director and District Finance Manager, or Program Quality Director or Club Growth Director and District Finance Manager if the advance is for the District Director. Receipts must be submitted to the District Finance Manager and the advance reconciled within five (5) business days.

8. Other District Expenses

Toastmasters International’s nonprofit, tax-exempt status depends upon devoting the organization’s resources to its educational and charitable mission. Districts periodically incur non-routine expenses that must be appropriately managed to preserve this status.

Expenses that are essentially personal gifts must provide no more than “incidental private benefit” and must have a reasonable relationship to activities that directly support the mission. Examples are tokens of appreciation, expressions of sympathy and modest incentives. These items are appropriate if they promote goodwill and a positive atmosphere for the delivery of the Toastmasters program, but must never be lavish or excessive. Cash and cash equivalents, including but not limited to non-Toastmasters gift certificates, gift cards, or any other stored-value products, are not permitted.

The following examples are representative of non-routine expenses, but are not all-inclusive.

Category	Examples
Tokens of Appreciation	<ul style="list-style-type: none"> • Thank You cards • Flowers up to \$25 USD • Toastmasters gift certificates • Toastmasters products • Gifts up to \$25 USD
Expressions of Sympathy	<ul style="list-style-type: none"> • Sympathy cards • Flowers up to \$25 USD
Incentives	<ul style="list-style-type: none"> • Toastmasters products • Toastmasters gift certificates • Registration (i.e., Conference, TLI)