



# MANAGING DISTRICT FINANCES

**A Guide for District Leaders**



**WHERE LEADERS  
ARE MADE**

# MANAGING DISTRICT FINANCES

## A Guide for District Leaders



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ARE MADE**

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## Toastmasters International Mission

We empower individuals to become more effective communicators and leaders.

## District Mission

We build new clubs and support all clubs in achieving excellence.

## Club Mission

We provide a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth.

## Toastmasters International Values

- ▶ Integrity
- ▶ Respect
- ▶ Service
- ▶ Excellence

## Toastmasters International Envisioned Future

To be the first-choice provider of dynamic, high-value, experiential communication and leadership skills development.

## A Toastmaster's Promise

As a member of Toastmasters International and my club, I promise

- ▶ To attend club meetings regularly
- ▶ To prepare all of my speech and leadership projects to the best of my ability, basing them on projects in the *Competent Communication*, *Advanced Communication*, or *Competent Leadership* manuals
- ▶ To prepare for and fulfill meeting assignments
- ▶ To provide fellow members with helpful, constructive evaluations
- ▶ To help the club maintain the positive, friendly environment necessary for all members to learn and grow
- ▶ To serve my club as an officer when called upon to do so
- ▶ To treat my fellow club members and our guests with respect and courtesy
- ▶ To bring guests to club meetings so they can see the benefits Toastmasters membership offers
- ▶ To adhere to the guidelines and rules for all Toastmasters education and recognition programs
- ▶ To maintain honest and highly ethical standards during the conduct of all Toastmasters activities

# WELCOME TO MANAGING DISTRICT FINANCES

This guide was created to help finance managers manage district finances; the information in this guide can also be useful to district directors, program quality directors, and club growth directors. Toastmasters International recognizes the importance of your contributions as a district leader and values the partnership it has with you in the responsibility of managing district finances. After all, district funds are crucial to fulfilling the missions of the district and Toastmasters International.

*Managing District Finances: A Guide for District Leaders* (Item 1307) includes the following sections to assist you in learning everything you need to know to successfully handle the fiscal responsibilities of your district:

- ▶ **District Finance Calendar:** All the important deadlines and tasks to complete throughout the Toastmasters year are listed in an easy-to-read table.
- ▶ **Governing Documents Related to District Finance:** Many of the procedures used in district finance are guided by Toastmasters International policy and protocol. To aid you in referencing these documents, this list of topics by category is linked to the corresponding citations from Toastmasters governing documents.
- ▶ **District Budget Preparation:** Sometimes it's difficult to know where to begin when preparing the **district budget**. This section offers important pointers for you to consider before undertaking the job.
- ▶ **Inventory, Accrual, and Fixed Asset Templates:** These templates are essential to keeping district finances in order. You discover who completes them, how they're used, and where to find them in this section.
- ▶ **Mid-year and Year-end Audits:** Foresight and preparation go a long way toward making audits a stress-free experience. Learn about the audit committee's role and helpful suggestions for organizing your district's financial documents.
- ▶ **Smooth Transitions with the District Accounting System:** When the Toastmasters year ends, you transfer control of all funds to your successors, the incoming district director and finance manager. Knowing the procedures ensures the transition is a smooth one.
- ▶ **Dear District Finance Team:** This section features common queries the District Finance team receives and provides clear answers, suggestions, and resources.
- ▶ **Resources:** This guide covers a range of topics about district finance, but you may still have questions. If so, please refer to this list of resources by topic for further assistance.
- ▶ **Glossary:** Even if you have a background in accounting or money management, some district finance terminology is specific to Toastmasters. Commonly used terms throughout this guide are hyperlinked to their definitions in the glossary.

# DISTRICT FINANCE CALENDAR

Meeting the deadlines and completing the tasks below help you and the District Finance team at World Headquarters maintain an accurate, ongoing accounting of district finances and ensure your uninterrupted access to the **district reserve**. Deadlines are the dates that the items listed must be submitted to World Headquarters.

## JULY DEADLINES

- 15: District Signature Form**
- 15: Bank signatory card**
- 15:** List of district leaders
- 15:** Calendar of district events
- 15:** Changes in club assignments to areas and divisions

## JULY TASKS

The outgoing treasurer records all transactions with dates prior to July 1 in the **district accounting system**, and the incoming finance manager records all transactions with dates as of July 1.

The outgoing district governor or treasurer contacts the audit committee about the **Year-end Audit**.

The incoming district leadership team starts to work on the **budget**.

The incoming district director starts selecting an audit committee.

## AUGUST DEADLINES

- 31: Year-end Audit Report** with **certification page** and **narratives**
- 31: Supporting documents**
- 31: Accrual Template** and **Fixed Asset Template**

## AUGUST TASKS

The outgoing district governor or treasurer provides the audit committee with reports and supporting documents.

The outgoing treasurer presents the Year-end Audit Report to the outgoing district governor and lieutenant governors.

The incoming district leadership team finalizes the budget.

## SEPTEMBER DEADLINES

- 30:** District budget

## SEPTEMBER TASKS

The district executive committee approves the budget.

## OCTOBER DEADLINES

- 31: Quarter 1 profit and loss statement** with certification page and narratives

## OCTOBER TASKS

The finance manager presents the Quarter 1 profit and loss statement to the district director, program quality director, and club growth director.



## FEBRUARY DEADLINES

- 15:** **Mid-year Audit Report** with certification page and narratives
- 15:** Supporting documents
- 15:** Accrual Template and Inventory Template

## APRIL DEADLINES

- 30:** **Quarter 3 profit and loss statement** with certification page and narratives

## DECEMBER TASKS

The finance manager prepares the Accrual Template and **Inventory Template**.

## JANUARY TASKS

The finance manager prepares the Accrual Template and Inventory Template.

The district director or finance manager contacts the audit committee about the **Mid-year Audit**.

## FEBRUARY TASKS

The finance manager presents the Mid-year Audit Report to the district director, program quality director, and club growth director.

## APRIL TASKS

The finance manager presents the Quarter 3 profit and loss statement to the district director, program quality director, and club growth director.

## MAY TASKS

During the final months of the program year, the district reserve balance should equal at least 25 percent of the district's membership-dues revenue from the previous year.

## JUNE TASKS

The finance manager prepares the Accrual Template and Fixed Asset Template.

All remaining **vouchers for reimbursement** for the year are submitted to the district director or finance manager.

The district team is notified of the last day to order products and request funds.

The incoming district team starts to update the bank account **signatories** at the bank.

# GOVERNING DOCUMENTS RELATED TO DISTRICT FINANCE

This guide is meant to help you better understand district finance topics. For further information, you may find it helpful to refer directly to Toastmasters governing documents, such as Policy and Protocol. Here are links to those documents sorted by subject:

## USE OF TOASTMASTERS INTELLECTUAL PROPERTY

[Protocol 4.0: Intellectual Property, 1](#)

[Protocol 4.0: Intellectual Property, 2, A](#)

[Protocol 4.0: Intellectual Property, 2, C–D](#)

[Protocol 4.0: Intellectual Property, 2, J–K](#)

[Protocol 4.0: Intellectual Property, 2, N](#)

## CORPORATE AND COMMUNITY ACTIVITIES

[Protocol 5.0: Corporate and Community Activities](#)

## TRAINING, COUNCIL, AND COMMITTEE MEETINGS

[Protocol 7.1: District Events, 3, C–D](#)

[Protocol 7.1: District Events, 3, F](#)

[Protocol 7.1: District Events, 4, H, III–V](#)

[Protocol 7.1: District Events, 5, D, III–V](#)

## DISTRICT RECORDS

[Policy 7.2: District Management, 1](#)

## AVOIDING CONFLICTS OF INTEREST

[Policy 7.2: District Management, 2](#)

## DUES AND FEES

[Policy 8.0: Dues and Fees, 9](#)

## MANAGEMENT OF CLUB AND DISTRICT ASSETS

[Protocol 8.1: Club and District Assets](#)

## **DISTRICT FUNDRAISING GUIDELINES**

**Protocol 8.2: Fundraising**

## **DISTRICT LEADER EXPENSES**

**Policy 8.3: District Leader Expenses**

## **FISCAL MANAGEMENT**

**Policy 8.4: District Fiscal Management**

**Protocol 8.4: District Fiscal Management**

## **BOARD APPROVAL OF SIGNATORIES**

**Policy 11.4: Board of Directors Committees, 1, G**

## **ROLES OF DISTRICT LEADERS IN DISTRICT FINANCE**

### **District Director**

**District Administrative Bylaws, Article VIII: Duties of Officers, (b) District Governor**

**District Administrative Bylaws, Article XII: Finances and Records**

### **Finance Manager**

**District Administrative Bylaws, Article VIII: Duties of Officers, (i) District Treasurer**

### **District Executive Committee**

**District Administrative Bylaws, Article XI: Committees, (a) District Executive Committee**

**Protocol 7.1: District Events, 4, C**

### **District Council**

**Protocol 7.1: District Events, 5, D**

# DISTRICT BUDGET PREPARATION

Between June 1 and August 31, you prepare the **district budget**. It must be approved by the district executive committee in September and submitted to World Headquarters by September 30. Your district executive committee presents the budget at your first district council meeting of the Toastmasters year. Please submit any adjustments made at that time to World Headquarters within 30 days of the district council meeting.

The district budget provides a framework for your district's activities throughout the year. With preparation and careful consideration, your district can create a budget that enables it to meet its goals in accordance with the Toastmasters International and district missions. The following guidelines can help you prepare the district budget.

## Protocol 8.4: District Fiscal Management, 3, B

### THE DIFFERENCE BETWEEN BEGINNING BALANCE AND REVENUE

The district budget includes only revenue and expenses. Your district's cash balance on the preceding June 30 is taken into account after your district completes its budget with your district goals in mind. Then, you consider any money left over from the previous term minus your district's **year-end retention** and adjust the budget so that the cash balance at the end of the current year is as close to zero as possible.

If your district anticipates having a large balance at the end of the year, examine the budget and district goals. Is your district saving money for a big event at the beginning of the next term? Could the district meet one more goal than expected? Could a district goal be stretched to accomplish more than originally planned?

Any money that does not ultimately benefit clubs in your district is not serving its purpose.

### FUNDING DISTRICT GOALS

If your team finishes the budget and realizes your district won't have enough money to cover its goals, you must make adjustments. But where?

**Protocol 8.4** lists, in order of priority, the categories for which to use district funds, such as district and club leader training as well as club growth and retention. Speech contests conducted by the district are last on the list. Could less money be allocated for speech contests in the district budget? The second to last item on the priority list is district meetings. Could your district spend less on this?

Once your team reduces the district's planned spending as much as possible, consider how to bring in revenue. Could you charge more for conferences or speech contests? If meals are provided at training, could you request that attendees cover the costs of their own meals?

## Protocol 8.4: District Fiscal Management, 1, A

### MAXIMUM EXPENSE PERCENTAGES

When planning district spending, make sure your district's expenses won't exceed the maximum percentages allowed per Protocol 8.4.

Once your team creates the district budget, look on the Summary tab for the percentage of the total budget that each category represents. If any exceeds the maximum limit, your district may choose to either reduce expenses in that category or add expenses in another. When reducing expenses, refer to the priorities listed in Protocol 8.4. Remember that when you make adjustments, other categories are changed too. Check that all remain within maximum limits.

#### **Protocol 8.4: District Fiscal Management, 5, G**

## **ACCOUNTING LABELS AND REPORTING CODES**

**Reporting codes** within the budget are further divided into **accounting labels**, which represent specific accounts. Using these labels and codes correctly when recording transactions ensures that reports generated by the **district accounting system** accurately reflect your district's financial standing.

Remember that reporting codes represent categories, and categories have maximum percentages. Reassigning reporting codes would change the categories from what was approved. Therefore, it's important to carefully consider as many possibilities as possible when creating the district budget.

## **AREA, DIVISION, AND CONFERENCE BUDGETS**

Your district may decide to have area, division, or conference bank accounts for organizational purposes. You'll spend additional time and effort overseeing these multiple accounts, so carefully consider whether the organizational advantages outweigh the added accountability.

Even when the areas and divisions in your district have their own bank accounts, your district team must budget for both the expenses and the revenue from all these areas and divisions. The same is true of any bank accounts your district has for conferences.

The finance manager accounts for all area, division, and conference transactions in the district accounting system. The district director and finance manager sign all checks, and the district director approves all expenses.

# INVENTORY, ACCRUAL, AND FIXED ASSET TEMPLATES

	INVENTORY TEMPLATE	ACCRUAL TEMPLATE	FIXED ASSET TEMPLATE
What It Is	The <b>Inventory Template</b> is the document you use to record <b>inventory</b> on hand on December 31.	The <b>Accrual Template</b> is the document you use to record costs associated with services and merchandise obtained by December 31 and June 30, but not yet billed to the district or recorded in the <b>district accounting system</b> when <b>Mid-year</b> and <b>Year-end audit reports</b> are finalized.	The <b>Fixed Asset Template</b> is the document you use to record <b>fixed assets</b> on hand on June 30.
Why It's Needed	Good accounting practices require that inventory is classified as an asset in the district accounting system—instead of an expense—until it is either used or sold.	Good accounting practices require that services and merchandise obtained, but not yet billed, are recorded.	Good accounting practices require that fixed assets are classified as assets in the district accounting system—instead of an expense—and depreciated each month throughout their useful life.
Who Completes It	<p>If your district has inventory on hand on December 31, you complete the Inventory Template.</p> <p>Otherwise, contact the District Finance team at <a href="mailto:districtfinancialreports@toastmasters.org">districtfinancialreports@toastmasters.org</a> to confirm that you do not have inventory on hand on December 31. In this case, you do not complete the Inventory Template.</p>	<p>If your district obtained a service or merchandise by December 31, but hasn't been billed or hasn't recorded the bill in the district accounting system when the Mid-year Audit Report is finalized, you complete the Accrual Template.</p> <p>If your district obtained a service or merchandise by June 30 but hasn't been billed or hasn't recorded the bill in the district accounting system when the Year-end Audit Report is finalized, you complete the Accrual Template.</p> <p>Otherwise, contact the District Finance team at <a href="mailto:districtfinancialreports@toastmasters.org">districtfinancialreports@toastmasters.org</a> to confirm that you have received and recorded all bills for services or merchandise obtained during these time periods. In this case, you do not complete the Accrual Template.</p>	All districts—including those without assets—complete the Fixed Asset Template, which is signed by the incoming and outgoing district governors.

	INVENTORY TEMPLATE	ACCRUAL TEMPLATE	FIXED ASSET TEMPLATE
How It's Used	To comply with external audits, the District Finance team records inventory entries in the district accounting system in December and reverses them in January.	The District Finance team records accrual entries in the district accounting system for Mid-year Audit Reports and Year-end Audit Reports in December and June respectively, and then reverses these entries in January and July respectively.  As finance manager, when you receive bills that correspond to the accruals, you record them in the district accounting system as usual.	The Fixed Asset Template is used so that assets are accessible to your successors after you transition out of office.  The District Finance team confirms fixed asset records as of June in the district accounting system.
Where It's Found	Find the <b>Inventory Template in the District Finance section</b> of the Toastmasters International website.	Find the <b>Accrual Template in the District Finance section</b> of the Toastmasters International website.	Find the <b>Fixed Asset Template in the District Finance section</b> of the Toastmasters International website.
When It's Due to World Headquarters	With the information you provide on the Inventory Template, the District Finance team makes any necessary adjustments in the district accounting system so the December <b>profit and loss statement</b> is accurate.  The Inventory Template is due to World Headquarters as soon as you, the finance manager, have recorded all December transactions in the district accounting system.	With the information on the Accrual Template, the District Finance team makes any necessary adjustments in the district accounting system so the December and June profit and loss statements are accurate.  The Accrual Template is due to World Headquarters twice: as soon as you, the finance manager, have recorded all December and June transactions in the district accounting system.	World Headquarters needs the information on the Fixed Asset Template to make appropriate adjustments in the district accounting system so the June profit and loss statement is accurate.  The Fixed Asset Template is due to World Headquarters as soon as the finance manager has recorded all June transactions in the district accounting system.  Since this template requires signatures from the incoming and outgoing district governors, the signed hard copy is submitted to World Headquarters by August 31.
Where It's Sent	Email the completed Inventory Template to <b>districtfinancialreports@toastmasters.org</b> .	Email the completed Accrual Template to <b>districtfinancialreports@toastmasters.org</b> .	Email the completed Fixed Asset Template to <b>districtfinancialreports@toastmasters.org</b> .

# MID-YEAR AND YEAR-END AUDITS

## OVERVIEW

Areas, divisions, and districts are legal entities of Toastmasters International. Therefore, regardless of the source, district funds are considered funds of Toastmasters International. Members of the audit committee have a fiduciary responsibility to determine if district funds have been spent in accordance with the Toastmasters mission, policies, and protocol.

Much like all aspects of district finance, the audits require teamwork. While the district audit committee is responsible for conducting the actual audits, the finance manager can take steps to make the process much easier for the committee. Likewise, the District Finance team at World Headquarters is always available to answer questions.

## THE DISTRICT AUDIT COMMITTEE

The district audit committee includes at least three Toastmasters members, appointed annually by the district director. It is helpful if these members are trained in basic accounting or have accounting experience. Audit committee members may not be part of the district executive committee (i.e., district director, immediate past district governor, program quality director, club growth director, administration manager, finance manager, public relations manager, division director, or area director).

### **District Administrative Bylaws, Article XI, (c)**

The audit committee's role is to provide an independent and objective assessment of the reliability of the data contained in the district reports by applying the guidelines outlined below twice a year: during the **Mid-year Audit** and the **Year-end Audit**. Additionally, the audit committee is responsible for assessing the district's compliance with Toastmasters International financial policies and protocol.

The audit committee has a fiduciary duty to ensure that the **Mid-year Audit Report** and **Year-end Audit Report** accurately reflect district revenue and expenses. Both reports are included in tax information filed with the U.S. Internal Revenue Service every year. Incorrect or inappropriate expenses may jeopardize Toastmasters International's tax-exempt status.

Unauthorized use of district funds inconsistent with the district's mission is a violation of the California Charitable Trust Act and is illegal. A diversion of charitable trust funds puts the organization at risk because districts worldwide are administrative arms of Toastmasters International and are subject to the same laws and guidelines.

If the audit committee becomes aware of any financial irregularity or a diversion of funds that is unauthorized or doesn't serve a business purpose consistent with the district mission, the district audit committee is legally obligated to report the matter to the District Finance team immediately.

## ORGANIZING FOR THE AUDIT: STEPS FOR THE FINANCE MANAGER

By following the steps below, you, as finance manager, help the audit committee in its review.

1. Give the audit committee all **profit and loss statements** and **supporting documents** (such as bank statements and receipts) that correspond to the audit.



2. Organize profit and loss statement reports, bank statements, and **district reserve** statements in chronological order.
3. Gather supporting documents appearing on the **Receipt Register** and those appearing on the **Payment Register**, organized as they appear on the registers and with each register on top of its respective set of documents.

To make these steps more manageable, you can print the Receipt Register and Payment Register each month and sort the documentation one month at a time.

## CONDUCTING THE AUDIT: STEPS FOR THE COMMITTEE

1. The audit committee confirms that all transactions appearing on the Receipt Register or Payment Register are accompanied by supporting documents. Committee members review the Receipt Register and Payment Register and place a check mark next to each transaction.

To be more organized, committee members or the finance manager may find it helpful to number each item on the registers and write the corresponding number on each supporting document.

All transactions should have supporting documents. If a transaction doesn't, the audit committee contacts the finance manager to ask if supporting documents exist and request copies.

2. The committee reviews all cancelled checks, verifying that they were signed by both the district director and finance manager. Many banks automatically return canceled checks; otherwise, the finance manager can request copies. If the bank charges a fee for copies, it can be paid with district funds.

### Protocol 8.4: District Fiscal Management, 4, B

3. Committee members review all **vouchers for reimbursement**, verifying that they were approved by the district director and ensuring that all expenses on the vouchers have adequate supporting documents, such as receipts.

### Protocol 8.4: District Fiscal Management, 4, F

4. The audit committee identifies all payments in excess of US\$500 and verifies that each expense was properly approved by the district director and at least the program quality director or the club growth director. Any individual expense in excess of US\$500 must be authorized in advance. Supporting documents should include approval and indication of when approval was granted. (An email approving the expense is acceptable.)

### Protocol 8.4: District Fiscal Management, 4, G

5. Once these procedures are completed, audit committee members sign the **Audit Committee Guidelines** and the **certification page** of the Mid-year Audit Report or Year-end Audit Report and mail these documents to World Headquarters:

Toastmasters International  
 District Finance  
 23182 Arroyo Vista  
 Rancho Santa Margarita, CA 92688  
 USA

## SMOOTH TRANSITIONS WITH THE DISTRICT ACCOUNTING SYSTEM

On July 1, the outgoing district governor and treasurer transfer control of all funds—including cash on hand and assets—to the incoming district director and finance manager. To ensure the transition is handled properly in the **district accounting system**, it is important to know your role in the procedure. If questions do arise, the District Finance team at World Headquarters is available to help.

The incoming district director and incoming finance manager may access the district accounting system once the finance manager views the district accounting system training webinars. When access is granted, the finance manager and the district director are emailed requests to reset their passwords.

Beginning the first Monday in July, the outgoing district governor does not have access to the district accounting system. However, the outgoing treasurer continues to have access until he or she has recorded all district transactions made during his or her term in office. All bills for the outgoing term are submitted by July 31 to the outgoing treasurer, who continues to record bills with dates through June 30 in the district accounting system.

After July 31, the outgoing treasurer completes the **Accrual Template** and submits it to [districtfinancialreports@toastmasters.org](mailto:districtfinancialreports@toastmasters.org). The information from the district's completed template must be recorded by World Headquarters before the **Year-end Audit Report** is completed. The resulting transactions affect the **budget** of the outgoing term, not that of the incoming term.

Upon receipt of the district's completed Accrual Template, the District Finance team records the **accruals** with the date of June 30. As the actual bills are submitted to the incoming finance manager—who is responsible for **reconciling** all district bank accounts in the district accounting system as of July 1—he or she pays bills within policy guidelines, records bills and payments in the district accounting system, and notifies the District Finance team to adjust the accrual in the same month.

Bank accounts in the district accounting system correspond with the **District Signature Form** on file at World Headquarters; therefore, these bank accounts cannot be updated until the new term's District Signature Form is submitted.

As soon as all transactions are submitted, all bank accounts are reconciled through June 30, and the district's completed Accrual Template is submitted, the outgoing treasurer notifies the District Finance team.

The District Finance team makes any necessary adjustments to complete the accounting through the month of June and notifies the outgoing treasurer to print any needed reports (for the audit committee, for example) from the district accounting system within seven days.

Seven days after the June accounting is complete, the outgoing treasurer no longer has access to the district accounting system but may work with the incoming finance manager to gather any necessary information from the district accounting system.

By August 31, the Year-end Audit Report is due to the District Finance team. At that time, any outgoing treasurer who still has access to the district accounting system loses that access.

# DEAR DISTRICT FINANCE TEAM

The “Dear District Finance Team” letters that follow are fictional but are based on real questions. They serve as examples of situations that you may encounter during your term of office. Each response answers the question, and most list resources for more information about the topic in question. The letters and responses may answer some of the questions you have now and be a reference for you in the future. These are the topics covered:

<b>Paying for Website Help</b>	18
<b>Conducting Speechcraft</b>	18
<b>District Training Open to the Public</b>	19
<b>District Executive Committee Budget Approval</b>	20
<b>Payments: Conflicts of Interest</b>	20
<b>Storing District Equipment</b>	21
<b>Fundraising</b>	21
<b>District Leader Training Reimbursements</b>	22
<b>Dining at the International Convention</b>	22
<b>International Speech Contestant Reimbursement</b>	23
<b>Division, Area, and Conference Bank Accounts</b>	23
<b>When Actual Revenue Does Not Reach Budgeted Revenue</b>	24
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<b>Selecting an Audit Committee</b>	27
<b>Bank Account Signatories</b>	27
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## PAYING FOR WEBSITE HELP

*Dear District Finance Team,*

*District Director George from my district is really good with websites and maintaining them. He has created a website for his division and has offered to create one for the district. Can the district pay George for his time rather than hiring someone else?*

*Sincerely,  
Finance Manager Trisha*

Dear Finance Manager Trisha,

Thank you for asking. The district cannot pay George for his work, but it can reimburse him for normal and reasonable maintenance costs. Keep in mind that George's division website should be linked to the district's site. If George donates his time creating a district website, you can recognize that donation on the district site.

Sincerely,  
The District Finance Team

### **Protocol 4.0: Intellectual Property, 2, N**

## CONDUCTING SPEECHCRAFT

*Dear District Finance Team,*

*Area Director Anita has asked for district funds in order to conduct a Speechcraft. Can district funds be used for this?*

*Cordially,  
Program Quality Director Edith*

Dear Program Quality Director Edith,

This question comes up frequently. Anita may not be given district funds to conduct a Speechcraft because areas, divisions, and districts may not conduct Speechcrafts. Only clubs can conduct them.

Sincerely,  
The District Finance Team

### **Protocol 5.0: Corporate and Community Activities, 1–2**

## DISTRICT TRAINING OPEN TO THE PUBLIC

*Dear District Finance Team,*

*Program Quality Director Eduardo wants to hold district-sponsored club officer training. Costs have been included in the budget. However, Eduardo wants to open it to the public. He has already created promotional fliers and certificates. Is this allowed?*

*Regards,  
District Director Dixon*

Dear District Director Dixon,

Your question is appreciated. Because the district training event costs were included in your district's **budget**, it can be held. However, district-sponsored club officer training is open only to members and their guests, so Program Quality Director Eduardo is not allowed to invite the general public. While it's okay to have a promotional flier to invite club officers, districts are not allowed to create their own certificates.

Sincerely,  
The District Finance Team

**Protocol 7.1: District Events, 3, D, Protocol 7.1: District Events, 3, F**

## DISTRICT EXECUTIVE COMMITTEE BUDGET APPROVAL

*Dear District Finance Team,*

*Our district executive committee meeting is in two weeks. The district director, program quality director, and club growth director have not begun creating the budget. As finance manager, must I present it?*

*Cheers,*

*Finance Manager Trinidad*

Dear Finance Manager Trinidad,

Your concern is understandable. If the district director, program quality director, and club growth director have not started work on the **budget**, you may want to make them aware of the budget approval process per policy. If the district executive committee (DEC) meeting takes place, and the district does not have a budget, you, as finance manager, must report this information to the DEC. In that case, the district director, program quality director, and club growth director must finish the budget and find another way to get the DEC's approval. Unfortunately, this may prove to be more difficult than if the budget had been ready for the DEC meeting.

Sincerely,

The District Finance Team

**Protocol 7.1: District Events, 4, H, III, Protocol 7.1: District Events, 4, H, V**

**Protocol 7.1: District Events, 5, D, IV–V**

## PAYMENTS: CONFLICTS OF INTEREST

*Dear District Finance Team,*

*One of our district leaders is the sole owner of a café and wants to provide catering for district events. Is this a conflict of interest? Is it allowed?*

*Respectfully,*

*Club Growth Director Maalik*

Dear Club Growth Director Maalik,

That's a good question! The answer is that it depends. If the catering costs would be less than US\$100, there's no problem. If they total more, however, it's a potential conflict of interest. Therefore, the district executive committee (excluding the district leader involved) must review the case and decide if it is fair and reasonable. The district leader involved must abstain from voting or participating in any decisions about the transaction.

Sincerely,

The District Finance Team

**Policy 7.2: District Management, 2**

## STORING DISTRICT EQUIPMENT

*Dear District Finance Team,*

*Our district has so much equipment! Can we put it in storage? What equipment is the district permitted? As finance manager, what are my responsibilities regarding the equipment?*

*Kind thoughts,  
Finance Manager Trang*

Dear Finance Manager Trang,

Thank you for your question. Districts can rent storage space only for district assets. Examples of assets that can be stored are lecterns, banners, and other educational materials. As finance manager, you are responsible for maintaining an accurate list of all district assets and making sure they are properly transferred to the next term's finance manager.

Sincerely,  
The District Finance Team

### **Protocol 8.1: Club and District Assets, 2–4**

## FUNDRAISING

*Dear District Finance Team,*

*What fundraising is my district allowed to do?*

*Good wishes,  
District Director Goro*

Dear District Director Goro,

This is a common question. There are many things the district can do to raise funds as long as certain guidelines are followed. Two of these important guidelines are that no individual can make money from the activity, and that the fundraising must be done infrequently and irregularly. For example, the district may not conduct a fundraising activity every month nor can it conduct the same activity every year.

If the events you're considering meet these two criteria, review Protocol 8.2 for additional information.

Sincerely,  
The District Finance Team

### **Protocol 8.2: Fundraising, 1–2**

## DISTRICT LEADER TRAINING REIMBURSEMENTS

*Dear District Finance Team,*

*For participants of District Leader Training, which expenses are covered by World Headquarters and which by the district?*

*Sincerely,*

*Program Quality Director Eivor*

Dear Program Quality Director Eivor,

World Headquarters reimburses the district director, program quality director, and club growth director either for round-trip public transportation at the lowest rate available between the passenger terminal closest to the training site and the district leader's home, or motor vehicle transportation at the standard mileage rate used by the US Internal Revenue Service. World Headquarters reimburses any other form of transportation not exceeding the lowest airfare rate.

The district can reimburse certain expenses for District Leader Training if they were included in the **district budget**. Those expenses are registration, lodging, and transportation costs not paid by World Headquarters. Districts may also reimburse district directors, program quality directors, and club growth directors with valid receipts as much as US\$30 per day for meals.

Sincerely,

The District Finance Team

### Policy 8.3: District Leader Expenses, 1–2

## DINING AT THE INTERNATIONAL CONVENTION

*Dear District Finance Team,*

*District leaders went out to dinner during the Toastmasters International Convention. They submitted a Voucher for Reimbursement for the cost of dinner. Can district funds pay for that?*

*Warm regards,*

*Finance Manager Tamika*

Dear Finance Manager Tamika,

Thank you for your question. District directors who attend Candidates' Corner, Candidate Showcases, and the Annual Business Meeting are provided a US\$30 per diem from World Headquarters at the convention. Program quality directors and club growth directors may be reimbursed, by the district, as much as US\$30 per day for meals. The district should anticipate these reimbursements and budget for them.

Sincerely,

The District Finance Team

### Policy 8.3: District Leader Expenses, 2, D



## INTERNATIONAL SPEECH CONTESTANT REIMBURSEMENT

*Dear District Finance Team,*

*I'm helping our district speech contestant, Candace, prepare for the international convention. Can she submit a reimbursement request to the district for her travel and hotel? If not, can she submit the request to her club?*

*Attentively,  
Program Quality Director Ernest*

Dear Program Quality Director Ernest,

Your question is appreciated. Candace may not submit a **Voucher for Reimbursement** to the district for travel or hotel expenses. Districts may not reimburse speech contestants for any type of travel. However, nothing prohibits Candace's club from paying her expenses—provided the club members agree. Keep in mind that World Headquarters pays for Candace's round-trip transportation costs.

Sincerely,  
The District Finance Team

### Policy 8.3: District Leader Expenses, 3, E

## DIVISION, AREA, AND CONFERENCE BANK ACCOUNTS

*Dear District Finance Team,*

*The divisions in my district want bank accounts. I've found that some divisions already have bank accounts, but I don't know if the past district finance manager knew about them. Do I need to include these bank accounts in the district accounting system?*

*All the best,  
Finance Manager Thierry*

Dear Finance Manager Thierry,

Great question! Yes, all division, area, and conference accounts are owned by the district and must be included in the **profit and loss statement reports**. They are subject to the same policies as the main district account. So, for example, the district director must approve all expenses, all checks must be signed by you and the district director, all expenses must be supported by receipts, and all transactions recorded in the **district accounting system**.

Be aware that, while districts may have multiple bank accounts, this requires some extra effort—especially on the part of you and the district director—to organize and maintain them.

Sincerely,  
The District Finance Team

### Policy 8.4: District Fiscal Management 2–4

## WHEN ACTUAL REVENUE DOES NOT REACH BUDGETED REVENUE

*Dear District Finance Team,*

*We created our budget at the beginning of the year. Now we are finding we don't have money for what we want to do. Where should we cut back first?*

*Fond regards,*

*District Director Govert*

Dear District Director Govert,

A great trick for figuring out where to cut back is to look at the priority list of how district funds should be spent (per protocol), and read it backward! So, starting at the bottom of the list, you'll discover that the first areas to cut back are speech contest expenses, meetings, and travel. If you cannot reduce spending in these areas, keep reading up the priority list.

Don't forget to consider how the district might be able to bring in more revenue such as increasing conference ticket prices, charging a small fee for training events, or planning a simple fundraising event.

Sincerely,

The District Finance Team

### Protocol 8.4: District Fiscal Management, 1, A

## TRANSFERRING FINANCIAL DOCUMENTS TO THE NEXT TERM

*Dear District Finance Team,*

*As district treasurer, how do I transfer documents to the next administrative term?*

*Cordially,*

*Finance Manager Tracy*

Dear Finance Manager Tracy,

Thank you for this question. Knowing the proper procedure is the best way to make a smooth transition from one administrative term to the next. You must give the incoming finance manager or district director all funds and documents by July 1. This includes transferring funds from any account that will be closed to the new account. As the outgoing finance manager, you may keep copies of any documents you need in order to finish the **Year-end Audit Report**.

Sincerely,

The District Finance Team

### Protocol 8.4: District Fiscal Management, 2, B-C

## CHECK SIGNING

*Dear District Finance Team,*

*The director of my district, District Director Gasha, is going out of town. I need to write a check for conference expenses. If Gasha leaves before she signs it, can I ask Conference Chair Connie to sign it in her place? Connie has been in charge of the conference budget.*

*Regards,  
Finance Manager Trygg*

Dear Finance Manager Trygg,

Thanks for asking. All district checks must be signed by the district director and finance manager; so Connie may not sign in place of Gasha. While your district may assign a committee to help with conference expenses and revenue, the funds and associated bank accounts belong to the district and are the responsibility of the district director. District Director Gasha must sign the check before she leaves town, or you may wait until she returns to write and sign the check.

Sincerely,  
The District Finance Team

### Protocol 8.4: District Fiscal Management, 4

## EXPENSES WITHOUT RECEIPTS

*Dear District Finance Team,*

*I want to be reimbursed for travel expenses and for some certificates I purchased. However, I don't have receipts. Can my district still reimburse me?*

*Best wishes,  
Program Quality Director Edom*

Dear Program Quality Director Edom,

This is a common question. Receipts are required with any **Voucher for Reimbursement**. For travel expenses, you must submit documentation consisting of the travel date, distance, and purpose of the trip. As for your certificate purchase, if you cannot find a receipt or get a duplicate, you must submit a detailed explanation of the expenditure with your Voucher for Reimbursement for it to be considered for reimbursement.

Sincerely,  
The District Finance Team

### Protocol 8.4: District Fiscal Management, 4

## EXPENSES OLDER THAN 60 DAYS

*Dear District Finance Team,*

*I found a receipt the other day for something I purchased for the district. It was dated three months ago. Can I still get reimbursed for it?*

*Sincerely,*  
*Club Growth Director Marek*

Dear Club Growth Director Marek,

Unfortunately, no. Any **Voucher for Reimbursement** must be submitted within 60 days of purchase (or by July 31 for expenses made in June).

Sincerely,  
The District Finance Team

### Protocol 8.4: District Fiscal Management, 4

## ADJUSTING AN APPROVED BUDGET

*Dear District Finance Team,*

*The district executive committee approved our budget, and we submitted it to World Headquarters. However, at the district council meeting, we decided to change a few lines in the budget. Can we do that?*

*Confidently yours,*  
*District Director Gus*

Dear District Director Gus,

Yes, you can. Since you have already submitted the **district budget** to World Headquarters, you have 30 days from the date of your district council meeting to make adjustments and resubmit it to World Headquarters. The district council must approve the budget by December 1.

Sincerely,  
The District Finance Team

### Protocol 8.4: District Fiscal Management, 5

## SELECTING AN AUDIT COMMITTEE

*Dear District Finance Team,*

*When should our district have an audit committee selected?*

*Warm regards,*  
*District Director Gauri*

Dear District Director Gauri,

Thank you for your question. Districts should appoint an audit committee between July 1 and November 1. The audit committee is responsible for both **Mid-year** and **Year-end audits**.

Sincerely,  
The District Finance Team

**Protocol 8.4: District Fiscal Management, 6**

## BANK ACCOUNT SIGNATORIES

*Dear District Finance Team,*

*Why do I have to send World Headquarters signatories for all of our district's bank accounts?*

*Respectfully,*  
*District Director Gabriel*

Dear District Director Gabriel,

This is a good question. All district bank accounts are the property of Toastmasters International. Therefore, all district signatories must be approved by the Toastmasters International Executive Committee. Through this process, the Toastmasters Board of Directors authorizes district leaders to spend organizational funds as approved in the **district budget**.

Sincerely,  
The District Finance Team

**Policy 11.4: Board of Directors Committees, 1, G, III**

## KEYNOTE SPEAKER REIMBURSEMENTS

*Dear District Finance Team,*

*Our district conference is coming up, and our keynote speaker, Kelly, has asked for reimbursement for travel. What can we do? She also wants to sell her books at the event. Is that allowed?*

*Sincerely,*

*Finance Manager Tomás*

Dear Finance Manager Tomás,

Your question is appreciated. Any excess funds earned by your district conference (such as from registration fees) may be allocated to offset Kelly's expenses provided the **district budget** forecasts positive results. The excess funds may be used only for her travel costs associated with lodging, the lowest-rate round-trip airfare or mileage reimbursement, and related meals. Kelly is responsible for all other expenses. Your district may use donated airfare or hotel vouchers for travel costs associated with Kelly's appearance or use money from a sponsor to offset those costs.

While Kelly may not promote her book during her keynote speech, she may do so afterward. Provided Kelly's book supports your district conference goals and objectives and the Toastmasters mission, Kelly may sell her book for as long as two hours after her presentation ends if the time doesn't conflict with the district council meeting or business meeting. Kelly is responsible for set-up, staffing, labor, and related expenses.

Reference your *District Leader Handbook* (Item 222) for more information.

Sincerely,

The District Finance Team

## MEMBERSHIP REVENUE

*Dear District Finance Team,*

*I'm logged into the district accounting system trying to reconcile the district reserve. I see an entry that I didn't make that is the same amount of money for this month's membership revenue. Where did this entry come from?*

*Cheers,*

*Finance Manager Tumo*

Dear Finance Manager Tumo,

Thank you for your question. World Headquarters records membership revenue for each district when the **district reserve** statements are sent. Therefore, the finance managers only have to record district orders in the **district accounting system** and **reconcile** the account.

Sincerely,

The District Finance Team

## RECORDING DISTRICT ORDERS

*Dear District Finance Team,*

*If World Headquarters staff records membership revenue for my district in the district accounting system, why don't they record district orders?*

*Regards,*  
*Finance Manager Taban*

Dear Finance Manager Taban,

Districts assign codes to their expenses according to their **budgets**, resulting in the use of a variety of **accounting labels**. So each order is uniquely applied to each district's budget. Alternatively, because membership revenue can only be recorded under one accounting label, World Headquarters staff is able to record it.

Sincerely,  
The District Finance Team

## DISCOUNT VOUCHERS TO MEMBERS FROM DISTRICTS

*Dear District Finance Team,*

*My district awards "district dollars" that can be used for conference registration. How do I record these in our district budget?*

*Regards,*  
*Finance Manager Ted*

Dear Finance Manager Ted,

Great question! District dollars should not be recorded as revenue in the **budget**. If your district plans to award a certain amount of district dollars, then reduce the budgeted revenue for the conference by that amount. Since district dollars cost your district nothing, there is no expense associated with awarding them to members. And since your district does not actually receive funds when collecting the district dollars, there is no revenue recognized. It is simply the district receiving less budgeted conference revenue than if the district dollars were not given to members.

Sincerely,  
The District Finance Team

## TOKENS OF APPRECIATION

*Dear District Finance Team,*

*Now that we're at the end of the year, I'd like to give our district conference committee some tokens of appreciation. Is that okay?*

*Attentively,*

*District Director Gavin*

Dear District Director Gavin,

Thank you for your question. Be careful that your tokens of appreciation are a reasonable expense to ensure the organization's tax-exempt status is not jeopardized. Toastmasters gift certificates and products are a nice idea because they promote the missions of the district and of Toastmasters International. It's best to limit the value of other gifts to US\$25.

Sincerely,

The District Finance Team

## INCENTIVES AND DISCOUNTS

*Dear District Finance Team,*

*I want to launch an incentive program encouraging our members to bring guests to club meetings. I'd like to offer discounts on the registration costs of our second district conference. How do we include such discounts in the district budget?*

*Regards,*

*Club Growth Director Mary*

Dear Club Growth Director Mary,

Thanks for your question. Incentives and discounts are reductions in conference revenue. Since no revenue is received, no revenue should be budgeted. Similarly, these incentives and discounts don't cost the district anything extra, so no expenses should be recorded for the discount in the **district budget**.

For example, if you expect to have 100 people at your conference and charge \$100 per person, you would budget \$10,000 of conference revenue. If you expect to offer 10 people a 50-percent discount, you would budget \$9,500 of conference revenue. Furthermore, if the conference costs the district \$75 per person, you should budget \$7,500 of conference expense, regardless of any discounts.

Sincerely,

The District Finance Team



## CASH ADVANCES

*Dear District Finance Team,*

*The program quality director of my district has asked for a cash advance for training material. Can I give it to her?*

*Sincerely,  
Finance Manager Tocho*

Dear Finance Manager Tocho,

Thanks for asking. Yes, cash advances for budgeted district expenses—for no more than US\$100—are allowed.

Sincerely,  
The District Finance Team

## INCIDENTAL MEALS

*Dear District Finance Team,*

*The program quality director and club growth director of my district want to be reimbursed for their meals while traveling on district business. Is this permissible?*

*Sincerely,  
Finance Manager Tiombe*

Dear Finance Manager Tiombe,

This is a common question. While district directors, program quality directors, and club growth directors who submit valid receipts may be reimbursed as much as US\$30 per day for meals during District Leader Training and Mid-year Training, no other meals may be reimbursed. Therefore, you may want to schedule district business outside of mealtimes.

Sincerely,  
The District Finance Team

### **Policy 8.3: District Leader Expense**

## REGION ADVISOR AND BOARD MEMBER VISIT REIMBURSEMENTS

*Dear District Finance Team,*

*Our district is expecting a visit from Region Advisor Addison. Should I budget for her airfare and hotel stay? Can the district executive committee take her out to dinner to discuss district business?*

*Respectfully,  
District Director Gail*

Dear District Director Gail,

Thank you for your question. You do not need to budget for any of Addison's travel costs because World Headquarters pays them. While you're welcome to all go out to dinner, the district may not pay for the meal.

Sincerely,  
The District Finance Team

# RESOURCES

## DISTRICT FINANCE QUESTIONS, EXCLUDING TAX QUESTIONS

**Email:** [DistrictFinancialQuestions@toastmasters.org](mailto:DistrictFinancialQuestions@toastmasters.org)

**Website:** District Finance section: [www.toastmasters.org/DistrictFinance](http://www.toastmasters.org/DistrictFinance)

**Phone:** District Finance: 949-858-8255 extension 410

## TAX QUESTIONS

**Email:** [IRSQuestions@toastmasters.org](mailto:IRSQuestions@toastmasters.org)

**Website:** Financial Resources: [www.toastmasters.org/FinancialResources](http://www.toastmasters.org/FinancialResources)

**Phone:** Tax and Regulations: 949-858-8255 extension 408

## DISTRICT REPORTS, CERTIFICATION AND NARRATIVES, AND ACCOUNTING SYSTEM QUESTIONS OR SUBMISSIONS

**Email:** [DistrictFinancialReports@toastmasters.org](mailto:DistrictFinancialReports@toastmasters.org)

**Website:** District Accounting System Training Webinars: [www.toastmasters.org/AccountingSoftwareWebinars](http://www.toastmasters.org/AccountingSoftwareWebinars)

District Accounting System Login: <https://www.intacct.com/ia/acct/login.phtml?.cpaas-soc=1%40119854&.company=toastmasters&.login=>

To customize this Web address, add the user ID you received from World Headquarters to the end of the URL. Then save this customized URL to your web-browser favorites for future access.

**Phone:** District Finance: 949-858-8255 extension 410

## FUNDS REQUESTS

**Email:** [RequisitionForFunds@toastmasters.org](mailto:RequisitionForFunds@toastmasters.org)

**Website:** Requisition for District Funds: [www.toastmasters.org/FundsRequisition](http://www.toastmasters.org/FundsRequisition)

**Phone:** District Finance: 949-858-8255 extension 410

## PLACING ORDERS PAID WITH THE DISTRICT RESERVE

**Email:** [SupplyOrders@toastmasters.org](mailto:SupplyOrders@toastmasters.org)

**Phone:** District Orders: 949-858-8255 extension 409

## PLACING ORDERS NOT PAID WITH THE DISTRICT RESERVE

**Email:** [SupplyOrders@toastmasters.org](mailto:SupplyOrders@toastmasters.org)

**Phone:** Supply Orders: 949-858-8255 extension 406

## FINANCE QUESTIONS NOT RELATED TO THE DISTRICT

**Email:** [FinanceQuestions@toastmasters.org](mailto:FinanceQuestions@toastmasters.org)

**Website:** Use of Club Funds: [www.toastmasters.org/UseOfClubFunds](http://www.toastmasters.org/UseOfClubFunds)

**Phone:** Finance: 949-858-8255 extension 400

## DISTRICT QUESTIONS NOT RELATED TO FINANCE

**Email:** [Districts@toastmasters.org](mailto:Districts@toastmasters.org)

**Website:** District Leader Resources: [www.toastmasters.org/DistrictLeaderResources](http://www.toastmasters.org/DistrictLeaderResources)

**Phone:** District Services: 949-858-8255 extension 405

# GLOSSARY

The following definitions apply to terms as they are used in the scope of Toastmasters International district finance. They should not be understood as universal definitions of accounting terms.

## **accounting label**

**a term found in the district accounting system referring to general ledger codes**

An accounting label is different from a **reporting code**.

## **accounts payable (A/P)**

**amounts recorded in the district accounting system—typically due to vendors or district leaders for goods, services, or reimbursements—for which vouchers for reimbursement have been received but the amounts have yet to be paid**

## **accounts receivable (A/R)**

**amounts recorded in the district accounting system due from customers for goods or services provided by a district, for which money has yet to be received and applied**

This could be, for example, for conference registration, sponsorships, or product sales.

## **accrual**

**obligation for services or merchandise obtained by a district for which bills or vouchers for reimbursement have not yet been received**

Accruals are recorded in the month the related services and merchandise are received.

## **Accrual Template**

**a Toastmasters document used by districts to record bills for services and merchandise received by December 31 and June 30, but not yet recorded in the district accounting system, when Mid-year and Year-end audit reports are finalized**

## **adjusted book balance**

**the bank balance adjusted in the district accounting system to reflect transactions that are uncleared balances in the bank account**

For the purposes of the district, the adjusted book balance should always equal the **book balance**. The adjusted book balance is referenced on the **bank reconciliation** in the district accounting system. Although not labeled, the current adjusted book balance is referenced on the **bank register**.

## **amount to reconcile**

**a term used in the bank reconciliation module of the district accounting system representing the difference between the book balance and bank balance**

The amount to reconcile should equal zero. When it doesn't, either a transaction has not been recorded or it has not been properly cleared against the bank statement. The amount to reconcile is different from an **uncleared balance**.

**Audit Committee Guidelines**

procedures found in the **District Finance section** of the Toastmasters website to help the audit committee conduct proper audits

These guidelines should be printed before the **Mid-year** and **Year-end audits**, signed by the audit committee as each step is completed, and included in **supporting documents** submitted to World Headquarters.

**balance sheet**

a financial report in the **district accounting system** that shows balances for items—such as cash, accounts receivable, accounts payable, inventory, fixed assets, prepaid expenses, deferred revenue, and **accruals**—of a district at a specified date

**bank balance**

the month-end balance listed on a district's bank statement

**bank reconciliation**

a monthly process that explains the difference between the **bank balance** shown in a district's bank statement and the **book balance**

(See **reconciliation**.)

**bank register**

a report in the **district accounting system** listing all the transactions that affect a bank account for a particular period

**bank signatory card**

a document from a bank indicating that the people who signed the card have authority over the account

(See also **District Signature Form** and **signatory**.)

**book balance**

the balance in the **district accounting system** for a particular bank account

The book balance is referenced on the **bank reconciliation**. Although not labeled, the current book balance is referenced on the **bank register**. (See also **adjusted book balance**.)

**budget**

See **district budget**.

**certification page**

a Microsoft Excel worksheet confirming agreement with the monthly financial figures of the district

The certification page is part of a Microsoft Excel file called **Monthly Narratives and Certification**, which includes **narratives**.<sup>1</sup> The file is found in the **District Finance section** of the Toastmasters website. Districts submit certification pages quarterly to World Headquarters.

**deferred revenue****funds received by a district for goods or services yet to be provided**

An example of deferred revenue is conference registration, which is initially recorded by the district as revenue. World Headquarters reclassifies it as deferred revenue until the conference is held, at which time it is classified as revenue again.

**district accounting system****an online program used by districts to record all financial transactions**

This accounting system is cloud-based allowing for access to district accounting information anywhere the Internet is accessible. The district accounting system, which is available to district directors and finance managers, is used to record receipts and payments and to house reports, such as **profit and loss statement**.

**district budget****a district's financial plan in terms of expected revenue and expenses**

The district budget is prepared by district leaders in a month-to-month format using a Microsoft Excel template found in the **District Finance section** of the Toastmasters website. Once the budget is approved by the district executive committee, it is sent to World Headquarters by September 30. World Headquarters staff uploads the district budget into the **district accounting system**, making it accessible to district leaders. Throughout the Toastmasters year, district leaders compare the budget every month with the district's actual income and spending to ensure district goals are financed as planned.

**district reserve****an account held by World Headquarters for the district**

Twenty-five percent of revenue from membership payments is deposited in the district reserve for the district to use toward its goals. District orders and requests for funds are withdrawn from this account.<sup>2</sup>

**District Signature Form****a Toastmasters document, found in the **District Finance section of the Toastmasters website**, on which district leaders indicate all district bank accounts and the **signatories** on each account**

The District Signature Form must be submitted to World Headquarters by July 15 along with the **bank signatory card**.<sup>3</sup>

**fixed asset****a long-term, tangible asset with a value greater than US\$500****Fixed Asset Template****a Toastmasters document used by districts to record **fixed assets** on hand on June 30****Intacct****the brand name of the **district accounting system******inventory****purchased materials held for sale**

Inventory is reported to World Headquarters on December 31 each year.

**Inventory Template**

a Toastmasters document used by districts to record **inventory** on hand on December 31

**Mid-year Audit**

the audit of the first six months of the Toastmasters year (July through December)

See also **Mid-year Audit Report**.

**Mid-year Audit Report**

the December **profit and loss statement** accompanied by a **certification page** signed by the district director, finance manager, and three audit committee members

The Mid-year Audit Report covers the first six months of the Toastmasters year (July through December). It is due to World Headquarters February 15.<sup>4</sup> (See also **Mid-year Audit**.)

**narratives**

explanations of a district's financial figures—monthly and year-to-date—and all **variances from the budget**

These explanations are documented in a Microsoft Excel file called **Monthly Narratives and Certification**, which also includes a **certification page**. This file is found in the **District Finance section** of the Toastmasters website. Districts submit narratives on a quarterly basis.<sup>5</sup>

**net income**

the difference between total revenue and total expenses

Net income is found in the **district budget** and **profit and loss statement reports**.

**Payment Register**

a report in the **district accounting system** listing all payments or bills for a specific period

**prepaid expenses**

amounts of money paid in advance to a vender for goods and services

Examples of prepaid expenses include venue deposits and catering. Finance managers record the transaction the month it is paid. World Headquarters staff adjusts the transaction on the **balance sheet** to "prepaid asset" until the month of the event. Afterward, the transaction is readjusted to a recognized expense.

**Quarter 1 Profit and Loss Statement Report**

the September **profit and loss statement report** accompanied by a **certification page** signed by the district director and finance manager

The Quarter 1 profit and loss statement report covers the first three months of the Toastmasters year (July through September). It is due to World Headquarters October 31.<sup>4</sup>

**Quarter 3 Profit and Loss Statement Report**

the March **profit and loss statement report** accompanied by a **certification page** signed by the district director and finance manager

The Quarter 3 profit and loss statement report covers the first nine months of the Toastmasters year (July through March). It is due to World Headquarters April 30.<sup>4</sup>



**Receipt Register**

a report in the **district accounting system** listing all receipts or invoices for a specific period

**reconciliation**

the process that explains the difference between two items so that the figures are in agreement

Items that are reconciled include balances, amounts, statements, and accounts. **Bank reconciliation** is a monthly process that brings the **book balance** into agreement with the **bank balance**.

**reporting code**

a term found in the **district accounting system** referring to budget categories

An **accounting label** is different from a **reporting code**.

**retention**

See **year-end retention**.

**signatory**

someone who signs a document

A bank signatory is someone who has authority to sign documents pertaining to a bank account. (See also **bank signatory card**.)

**statement ending balance**

the amount of money in a bank account on the **statement ending date**

The **district reserve** statement ending balance is the amount of money in the **district reserve** on the last day of the month. Keep in mind this is not the case for all bank accounts. Even so, the balance used for **reconciliations** should always be as of the last day of the month.

**statement ending date**

the last day of the period a bank statement covers

The **district reserve** statement ending date is the last day of the month. Keep in mind this is not the case for all bank accounts. Even so, the date used for **reconciliations** in the **district accounting system** should always be the last day of the month. (See **statement ending balance**.)

**supporting document**

any document that corroborates a transaction in the **district accounting system**

Supporting documents include receipts, statements, invoices, and vouchers. Every transaction should be supported by at least one document verifying the transaction occurred.

**profit and loss statement report**

a report automatically generated in the **district accounting system** at the end of each month showing all transactions for the month

While a profit and loss statement report is generated every month—creating a January profit and loss statement report, a February profit and loss statement report, and so on—those generated in September, December, March, and June are special. These four must be submitted to World Headquarters by their

respective deadlines and accompanied by a **certification page**. These four treasurer's reports are known as the **Quarter 1 profit and loss statement**, the **Mid-year Audit Report**, the **Quarter 3 profit and loss statement**, and the **Year-end Audit Report**.

**uncleared balance**

**an amount of money representing transactions that haven't yet appeared on the bank statement**

An uncleared balance is different from the **amount to reconcile**.

**variance**

**the difference between two amounts**

Generally the variance refers to the difference between an amount of money that was budgeted and the actual amount. Variances should be explained in **narratives**.

**Voucher for Reimbursement**

**a Toastmasters document in the in the District Finance section of the Toastmasters website for members to complete and submit for reimbursements from the district**

**Year-end Audit**

**the audit of the 12 months of the Toastmasters year (July through June)**

See also **Year-end Audit Report**.

**Year-end Audit Report**

**the June profit and loss statement accompanied by a certification page signed by the district director, finance manager, and three audit committee members**

The Year-end Audit Report covers the entire Toastmasters year (July through June), focusing on the last six months (January through June). It is due to World Headquarters August 31.<sup>4</sup> (See also **Year-end Audit**.)

**year-end retention**

**the amount of money required to be left in the district reserve at the end of the year**

Year-end retention should equal 25 percent of the total estimated membership payments revenue for the year. This amount is designated by World Headquarters and is based on the actual membership payments revenue of the previous Toastmasters year.

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<sup>1</sup> If the **certification page** is not submitted, access to the **district reserve** may be denied.

<sup>2</sup> If the district does not meet important reporting requirements, access to the **district reserve** may be denied until the requirements are fulfilled.

<sup>3</sup> If the form is not submitted, access to the **district reserve** may be denied.

<sup>4</sup> If the report is not submitted, access to the **district reserve** may be denied.

<sup>5</sup> If the **narratives** are not submitted, access to the **district reserve** may be denied.