



A. Reporting period - context

Rotarian Action Groups are required to complete their accounts on a Rotary year basis. All are required to submit audited accounts to RI by 31st October, following the year end. The Accounts are published for access by subscribing Members at www.racsrag.ning.com and formally submitted to the Action Group's AGM for adoption.

The financial statement covers the year from 1st July 2013 to 30th June 2014. Figures for the opening period (January to June 2013) are also provided for completeness.

Fiscal & legal status of the Action Group and issues arising

- Charitable status:** Regrettably, under RI Action Group rules, RACSRAG (RACS) and other Rotarian Action Groups are not permitted to obtain charitable status. RACS and its donors do not therefore have Gift-Aid (tax-reclaim) opportunities; RACS cannot benefit from lower Charity based fiscal charges for subscription and similar transaction levied by PayPal. Most significantly Fund giving bodies are often precluded from supporting non-charity registered bodies.
- Legal status:** The legal status of all Rotarian Action Groups and specifically the legal responsibility of its Directors are uncertain: This has not been tested in the courts, according to our RI adviser.
- RACS' insurance protection:** Neither RI nor District Insurance policies cover the activities of RAGS, its Members, Officers or Directors. Each RAG is advised to assess its needs and fund any necessary cover deemed appropriate. The Action Group Board will look to take out relevant insurance cover, when funds permit.

B. Financial governance

Financial activities are governed by the Action Group's Bylaws, submitted to, and approved by the R.I. Board. A copy of the approved bylaws may be found on the public website www.racsrag.org.

Bylaws may be modified, subject to Membership, and subsequent RI approval, on recommendation by the RACSRAG's Board of Directors (*RACS' Board*) at each Annual General Meeting. Financial policies and arrangements, which do not frustrate the RI Policies, may be adopted by *RACS' Board*.

C. Fiscal policies determined by the RACS Board

The RACS' Board has determined that:

- Membership fees shall be as follows:
 - Centennial (Life) Membership fees £80, net of transaction costs for the first 100 subscribers.
 - Charter Membership last for 5 years from the date of payment at £50, net of transaction costs.
 - Annual fees (commencing 1st July of each year) £20, net of transaction costs.
 - Rotaractor fees (commencing 1st July of each year) £10 net of transaction costs
- Life membership fees shall be credited to the accounts over a 20 year period. Charter Membership shall be credited over 5 years.
- The Action Group shall have a primary current and savings account with HSBC Bank plc, headquartered in the UK. – See [Account details](#), and a PayPal account for use in receiving subscriptions and donations from PayPal Account holders and via Card payments. Either may be used to make disbursements.
- The Board appointed Rtn Ray Turner FCA as the Action Group's independent financial Assessor.



D. Membership & financial comments (as at 30th June 2014)

1. Membership:

- RACSRAG currently has 113 paid up Members. It has 82 Life, 3 Charter and 28 annual Members. All are active Rotarians. Our first 2 Rotaractor Members joined in July 2014.
- Membership distribution is as follows. The UK has 50, the USA 31; Australia 15, Canada 3, Italy 3, Nepal 2, India 2. Members can also be found in Zambia, South Africa, Mexico, New Zealand, Gibraltar and elsewhere.
- Like most Action Groups, converting the acknowledged Rotarian interest in RACSRAG's work into paid-up Membership is problematic. Over 1,000 Rotarians and others receive the Newsletter, 179 Rotarians have taken the trouble to sign up for paid membership via our website. We are a young organisation, and no doubt momentum will build as RACSRAG's achievements are better known.

2. Financial commentary:

- Total project and subscription receipts to date amount to £13,500. Outgoings total £4,410. The latter includes project contributions of £4,230 to Punarnowa Ashram (India) and Asha Nepal (Nepal). The small balance of outgoings i.e. £180 (2% of subscriptions) reflects the net cost, after sponsorship of running the Action Group since January 2013.
- Until Membership and sponsorship revenues increase substantially, the Board supports a line of keeping a tight rein on costs. If we are to be a world force in combating child slavery, RACSRAG cannot rely on personal goodwill and financing. Corporate funding and a bigger Membership base are now key issues.
- At 30th June 2014 the Action Group has just £965 to fund promotion and other costs to help develop this Rotarian organisation as a global player in the fight against slavery.

E. Creation of a Rotary Foundation (TRF) Donor Advised Fund (DAF)

The *RACS Board* would like to establish a TRF managed DAF. It will allow the TRF Trustees to grant-aid contributions made from the DAF towards appropriate child slavery projects at the rate of 50% of the DAF contribution. To benefit from a DAF initial donations totalling \$10,000 are required.

F. Sponsorship and donations

RACS websites – [org](#) and [com](#), coupled with its Facebook and Twitter accounts provide global opportunities for businesses to expand their global recognition.

RACSRAG needs funds to pay its bills and make a global impact. It welcomes donations. More importantly we encourage all to sponsor child slavery projects, either directly through the RAG, with or without TRF support, or in association with other anti-slavery bodies.

So if you know a corporate or an SME who:

- Manufactures goods in sensitive areas, and wants to be acknowledged as a slave-free producer
- Would commercially benefit from association with this (right time) Rotarian movement

Do provide contact details. Better still, why not talk with your *contact*, and ask them to *contact* me. I can then discuss business or social opportunities we might explore to suit their needs on a win-win basis.

Yours in Rotary fellowship,

Stephen M. Sypula, Cipfa (Ret'd)
RACSAG Hon. Treasurer,
July 20th 2014