



Rotary

Rotarian Action Group Against Child Slavery



RACSRAG Financial Update, April 2016

A. Context

This update is primarily written for Members attending the AGM at the RI Convention, in Seoul. Formal papers covering the last accounting year were submitted to RI, and published in October 2015. They may be viewed at these two links [Treasurer's Report](#) and [Accounts for 2014/15](#), or via the 'Formals' section of our website www.racsrag.org.

This note provides an update on the financial status of the Action Group at the $\frac{3}{4}$ year stage. Key changes since 30th June 2015 are shown below. Technical comments are overleaf.- notes E-G.

B. Since June 2015, RACSRAG has continued to build its Membership and financial base

- **Membership has increased by 23% to 169**
- **Net financial assets have risen by 17%. RACSRAG has a bank balance of £17,000 (say \$25,000), of which £4,500 (\$6,525) is held in trust for projects. Some £7,720 (\$11,200) is held in advance subscriptions. Its operations budget has a balance of £2,730 (\$3,960)**

The year-to-date accounts & balance sheet is provided in a separate attachment.

C. Investing in the future

From inception of the RAG, prudence and conservatism have steered financial matters, in order to build a sound financial base. Operating costs have been kept low, thanks to personal funding by the Officers and Coordinators, and the generosity of sponsors.

We have invested, at low cost, in a new website. This came on stream in early April 2016. It is already showing signs of drawing in new paid up Members, as well as extending our reach throughout the Rotary world and beyond.

RACSRAG, and its Members were delighted to invest in a major Schools4Freedom project. This was promoted by RACSRAG Member, Rotarian Carol Metzker (*Rotary E-Club of One World D5240*). The project, providing education, plus freedom for some 130 villagers near Varanasi, in India, got underway during the year, at a cost of some \$36,000. Further details and case study are available on the [website](#).

I am delighted to advise that thanks to the generous donation of some \$10,000 by the Rotary Club of Luton North (D1260) in the UK, and following the Board's approval, I shall shortly be applying to the Rotary Foundation (TRF) to open a TRF Donor Advised Fund. This will create tax-beneficial donation opportunities for our friends in the USA. It will also yield a leverage opportunity for future Club or District sponsored Global grant projects.

D. Major grant-aided project opportunities

Keep an eye out for announcements via the website and [Newsletters](#) about two major TRF supportable 'global grant' projects being developed. The first, which is well advanced, is led by Dr [Gillian Booth](#) (Australia), in support of [Maiti Nepal](#). The second, which is at concept stage, will support a slavery project in either the Philippines or the Dominican Republic: It is jointly being developed by USA Director and Coordinator [Dave McCleary](#), and USA Coordinator [Caleb La Plant](#)



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E. Technical commentary - Reporting period

Rotarian Action Groups are required to complete their accounts on a Rotary year basis. All are required to submit accounts to RI by 1st October, following the year end.

Fiscal & legal status of the Action Group and issues arising

1. **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.
2. **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.
3. **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.

F. Technical commentary - 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 our 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*.

G. Technical commentary - Fiscal policies determined by the RACS Board

The RACSRAG Board has determined that:

1. Membership fees shall be as follows:
 - a. Centennial (Life) Membership fees £80, net of transaction costs for the first 100 subscribers.
 - b. Charter Membership last for 5 years from the date of payment at £50, net of transaction costs.
 - c. Annual fees (commencing 1st July of each year) £20, net of transaction costs.
 - d. Rotaractor / alumni fees (commencing 1st July of each year) £10 net of transaction costs
2. Life membership fees (now exhausted) are to be credited to the accounts over a 20 year period. Charter Membership shall be credited over 5 years.
3. 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.