

Policy for conducting Inspections/Audits of Districts or Clubs

Under the Bylaws the Ruritan National Board will conduct **Inspections/Audits** of a District's or Club's Finances under the following condition(s).

A. Conditions to require **Inspections/Audits** of a District's or Club's Finances:

1. A direct request is received by the National Board or via the Assigned National Representative from a District, Club Officer, or member, with documentation, citing the valid reason for the request.
2. District or Club has not provided their financial report(s) in accordance with current Bylaws for multiple months to the members.
3. District or Club expenditures are cited with supporting documentation as questionable or unauthorized by current Bylaws.
4. Club is behind on payment of National Dues by one or more quarters (see numbers one and two in section B. below).
5. Club has made no effort to contact the National Board, assigned National Representative, or National Treasurer to explain reasons for being behind in dues payment.
6. District has not reported its annual audit by February 1st to Ruritan National.
7. Club has not reported their annual audit by February 1st to its members.
8. District or Club has failed to file the 990 as the IRS rules require.

B. The Assigned National Representative with the appointed auditing committee will direct the **Inspections/Audits to** be ordered:

1. When a club is behind on payment of National Dues by one Quarter, the District Governor shall be directed to contact the Club and consult with Club Officer(s) to conduct an **Inspection/Audit**.
2. When a club is six months (two quarters) behind in dues, the National Representative and District Governor shall contact the club to conduct an **Inspection/Audit of the club's financial records**.

3. When a district has not reported their annual audit by February 1st to Ruritan National. The assigned National Representative shall be directed to appoint two additional Ruritans to assist them in conducting the **Inspection/Audit of the District Financial Records**.

C. Disposition of results of the **Inspections/Audits** conducted:

1. All **Inspections/Audits shall be completed within 45 days** after being ordered.
2. The results of any **Inspections/Audits shall be reported in writing to the National Board within ten days of completion**.
3. The results of **Inspections/Audits shall be reported in writing to the District or Club members within ten days of completion of review by the National Board with its recommendations included**.
4. Any Club Officer(s) refusing to cooperate with the directive to conduct an Inspection/Audit, the assigned auditor with concurrence of the National Board or its Assigned Committee shall then notify all Club members of record of the refusal and reason for the Inspection/Audit why it was ordered.
5. Any District Cabinet refusing to cooperate with the directive to conduct an Inspection/Audit, the assigned auditor with concurrence of the National Board or the Assigned Committee shall notify all Club Officers of record of the District's refusal and the reason for the Inspection/Audit.