

SOME THOUGHTS ON MANAGING ROTARY DUES

At some time or another most Rotarians have been part of a discussion around the increasing cost of Rotary. We're all volunteers and we're devoting discretionary time to our community. We also have to dig increasingly deeper into our own pockets to simply belong to this organisation so that we can render Service Above Self.

The situation is not just a talking point anymore. Sadly, the increasing cost of being a Rotarian now seems to make it a problem for some people to continue with their membership. Moreover, the cost of Rotary is undoubtedly a barrier to entry for candidates who are keen to serve but can't afford to.

To varying degrees, every club enjoys success in raising funds for their projects. **And yet Rotary faces a confusing situation where clubs may have plenty of money for service but increasingly fewer and fewer people to create and manage the projects that use that money.** There needs to be a solution to an approaching problem where our financial resources may exceed our ability to use them.

Rotary tradition has always held that money raised for projects by clubs should be spent on projects. All money coming from the community should be poured back into the community by way of service. **The extension of that of course is that the actual costs of running a Rotary Club must be borne by the members of the club. So is there a circumstance whereby funds raised from the community might legitimately be applied to maintaining Rotary and helping to assure its future?**

This year the simple recovery of RI and district dues plus mandatory magazine amounts to around \$290 per head. Let's look at some ways that Rotary clubs might be able to minimise the sticker shock felt by their members when invoices for dues I received.

Insurance is a good thing to start with. We can't operate without it and it is therefore a legitimate and undeniable overhead to fundraising and service projects. Rotary International acknowledges this and that it is legitimate for the cost of Rotary insurance to be borne not by members. but as an unavoidable project overhead. Currently in this district, insurance is levied at \$35 per head. We know that this is going to increase. So right now Clubs can, if they want to, take the total per head for dues down from \$290 to \$255.

At the Zone 8 Conference in Canberra in 2022 a Rotary International representative indicated that it would not be considered unacceptable under most circumstances for a club to use up to 10% of the funds it raises from the community to manage itself. This is certainly a departure from the traditional position that no funds raised from the community should be used for this purpose. But given the fact that the cost of Rotary is contributing to the net decline in membership, this new attitude makes good sense. This may not sit well with some Rotarians. But it is perhaps worth noting that the Rotary Foundation, our charity and beacon of service funding, declares that 8% of its funds are used in managing itself. So the use of the proceeds of community fundraising on Rotary overheads has impeccable precedent.

It will be important if clubs decide to use funds raised from the community in this way to make sure that wherever funds are raised there is a clear public declaration that a percentage of the funds raised will be used in the management of the Rotary Club. **This way there can be no suggestion that Rotary is creating an inaccurate perception with the public which supports it.**

Of course, an extension of this idea is that perhaps a club may choose to have a fundraising event that it declares is entirely for its own maintenance and management. So supporters of that function or that fundraiser know that the funds they are contributing will be used not for community service but for the continuing operation of Rotary.

There's a couple of other things that many clubs have been doing for a long time that might assist here. Firstly collect a gold coin from each member as they attend each meeting and set that money aside into a pool to offset the cost of dues when invoices are rendered. The same could be done with money collected through raffles, Sergeant's Sessions, Happy Dollars or similar activities which are enjoyed in many clubs.

Perhaps the one thing that Rotarians find most jarring is being asked to pay dues in a single bill. Clubs may like to consider allowing members to spread the payment of their dues over a series of instalments and thereby minimising the impact of one large bill.

Taking these ideas together, let's look at a simple example of what could result.

- Consider a club of 25 members that raises, let's say, \$15,875 in a year and decides to pay insurance (\$875) from the Projects account and allocate 10% (\$1500) to offset members' dues. This would amount to \$60 per member.
- The payment of insurance as a Projects overhead has already taken dues down to \$255. Another \$60 off brings the ask down to \$195.
- The club meets 24 times throughout the year and accrues \$40 at each meeting through a meeting fee, raffle and Happy Dollars. It allocates half of this \$960 (\$480) to offset dues – say another \$25 per member.
- Dues are now \$175 per member. Less than \$90 in each of two six monthly payments or even \$45 a quarter. Much less of a shock than \$290 for the year in one invoice. The club still has \$13,500 for projects and a diminished risk of losing members or candidates to the cost of Rotary.

It is reiterated that the ideas presented here are solely for the consideration of clubs. It will be absolutely up to the attitudes and desires of members as interpreted by the Boards of their clubs whether or not any of these measures could be applied to them.