



## 2021-22 CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING FOR DISTRICT GRANTS

### CONTENTS

1. Club Qualification
2. Club Officer Responsibilities
3. Financial Management Plan
4. Bank Account Requirements
5. Report on Use of Grant Funds
6. Document Retention
7. Reporting Misuse of Grant Funds
8. Additional District 7450 Requirements

#### 1. Club Qualification (A Club must be qualified to apply for Global or District Grants)

To qualify to participate in Rotary Foundation grants, the club must agree to implement the financial and stewardship requirements required by The Rotary Foundation (TRF) and send at least one club member to the district's grant management seminar (it is recommended that two club members attend grant management seminar) or other suitable training as determined by the District Foundation Grants committee. (Note: Global Grants use a specific Memorandum of Understanding from The Rotary Foundation (TRF) – for more information: <https://my.rotary.org/en/document/guide-global-grants>).

The district may also establish additional requirements (*see Section 9*) for club qualification and/or require its clubs to be qualified in order to participate in Rotary Foundation District Grants. By completing these requirements, the club becomes qualified and eligible to participate in the TRF grant program.

- a) Upon successful completion of the qualification requirements, the club will be qualified for the remainder of the Rotary year in which training occurs plus the following Rotary Year. (The Rotary Year is a fiscal year ending June 30.) Qualification follows the Rotarian who fulfills grant management training; if that Rotarian is no longer active in the club, the club is not qualified until another member receives training.
- b) To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable TRF policies.
- c) The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds. The club must co-operate with any financial, grant, or operational audits.
- d) Qualification may be suspended or revoked for misuse or mismanagement of grant funds or other unethical practices involving, but not limited to: fraud; forgery; membership falsification; gross negligence; endangerment of health, welfare, or safety of beneficiaries; ineligible contributions; use of funds for personal gain; undisclosed conflicts of interest; monopolization of grant funds by individuals; report falsification; overpricing; acceptance of payments from beneficiaries; illegal activities; use of grant funds for ineligible purposes.

#### 2. Club Officer Responsibilities

The club officers hold primary responsibility for club qualification and the proper implementation of TRF grants.

Club officer responsibilities include:

- a) Appointing at least one club member to implement, manage, and maintain club qualification
- b) Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices including those presented at Grants Management Training
- c) Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest

### 3. Club Financial Management Plan for Global Grants

The club must have a written financial management plan to provide consistent administration of grant funds. A sample plan is attached for your guidance and use.

The financial management plan must include procedures to:

- a) Maintain a standard chart of accounts, which includes a complete record of all transactions, including receipts and disbursements of grant funds
- b) Disburse grant funds, as appropriate
- c) Maintain segregation of duties for handling funds
- d) Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities
- e) Ensure that all grant activities, including the conversion of funds, comply with local law

### 4. Bank Account Requirements for District Grants

District grant funds do not require a separate bank account dedicated solely to grants (**but Global Grants do**). However, all funds must be clearly accounted for (including grants and other income received and all grant expenses) using a bank account in the name of the Rotary Club or the club foundation.

- a) The club bank account receiving grant funds must:
  - i. Have a minimum of two Rotarians from the club *authorized as check signers* for disbursements
  - ii. Be a low or non-interest bearing account
- b) Any interest earned must be documented and used for eligible, approved grant activities, or returned to District 7450. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
- c) Bank statements must be available to support receipt and use of all TRF grant funds.
- d) The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in authorized signers.

### 5. Report on Use of Grant Funds

The club must comply with TRF and district reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs the District Foundation Grants Committee of the grant's progress and how funds are spent. Completion and acceptance of timely filed final reports is critical to the club's continued grant eligibility.

### 6. Document Retention

The club must establish and maintain appropriate record-keeping systems to preserve important documents related to qualification and grants. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments. For retention purposes, all relevant documents must be scanned in PDF or Excel format and included in the Project Grants folder.

- a) Documents that must be maintained include, but are not limited to:
  - i. Bank information, including copies of past statements
  - ii. Club qualification documents including a copy of the signed club MOU
  - iii. Documented plans and procedures, including:
    - Club financial management plan
    - Procedure for storing documents and archives
    - Succession plan for bank account authorized signatures and retention of information and documentation
  - iv. Information related to grants, including receipts and invoices for all purchases
- b) Club records must be accessible and available to Rotarians in the club and at the request of the District Foundation Committee and District Governor.
- c) Documents must be maintained for a minimum of five years after the completion of the grant, or longer if required by local law. This requirement is met by placing documents in the Project Grants folder in DACdb.

### 7. Reporting Misuse of Grant Funds

The club must report any suspected or real misuse or mismanagement of grant funds to the district. This reporting promotes intolerance of misuse of grant funds.

### 8. Addendum

To participate in Rotary Foundation global and district grants, the club must agree to implement the financial and stewardship requirements in this MOU, send at least one club member (but preferably two) to the district’s grant management seminar or other suitable training as determined by the District Foundation Grants Committee, and sign the club MOU, forwarding it to the District Rotary Foundation Committee via paper or electronic means.

### 9. Additional District 7450 Requirements:

District 7450 will call for proposals for district grants from clubs using its own processes and forms. Before District 7450 will consider a club’s district grant application, the club must:

- i. Have entered all Rotary Foundation goals for the upcoming Rotary Year in Rotary Club Central on the Rotary International website
- ii. Be paid up to date for District and Rotary International dues
- iii. Be fully up to date with all reporting on any previous grant
- iv. Have a Club President appointed for each Rotary year that the project is on-going (leadership succession plan)
- v. All Club Documents supporting the proper expenditure of the District Grant shall be scanned into pdf form and included in the DACdb Grants Document folder for the Project.
- vi. Every Rotary Club needs to contribute the equal amount they are asking for in a District Grant to the Annual Fund.

Clubs will be required to meet District 7450 reporting requirements as specified in District 7450 District Grant Guidelines.

### Authorization and Agreement

This memorandum of understanding is an agreement between the club and the district and acknowledges that the club will undertake measures to ensure the proper implementation of grant activities and proper management of Rotary Foundation grant funds. By authorizing this document, the club agrees to comply with all conditions and requirements of the MOU.

On behalf of the Rotary Club of \_\_\_\_\_, the undersigned agree to comply with all conditions and requirements of the MOU for the 2021-22 Rotary year and will notify the Chair of the District 7450 Rotary Foundation Committee of any changes or revisions to club policies and procedures related to these requirements.

Club President 2020-21	
Name	
Signature	
Date	

Club President 2021-22*	
Name	
Signature	
Date	

**Email this form to District Rotary Foundation Committee Chair.**

**Qualification Granted:**

The Rotary Club of \_\_\_\_\_, having had at least one member attend the 2021-22 Grants Management Seminar (or other suitable Grants Management training), having signed the Club MOU, and having completed all requirements listed above to be eligible to apply for District Grants, is now qualified to apply for Rotary Foundation District Grants during the 2021-22 Rotary year.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

*District 7450 Rotary Foundation Chair*