



## **ARIZONA ROTARY LEADERSHIP ACADEMY**

### **“UNDERSTANDING AND UTILIZING THE ROTARY FOUNDATION”**

#### **CHAPTER FOUR: Spending Rotary Foundation Funds**

In 2019-20 (the last year for which data is available) the Rotary Foundation made awards totaling \$307.1 million. This was YOUR money. These funds were spent as follows:

- PolioPlus – \$151.8 million - 49%
- Global Grants – \$95.6 million - 31%
- District Grants - \$33.6 million - 11%
- Disaster Response Grants - \$8.4 million – 3%
- Other Grants - \$13.2 million – 4%
- Rotary Peace Centers) – \$4.5 million – 2%

Overall, YOUR Foundation spent \$362 million, including Program Operations, Fund Development, and General Administration.

Charity Navigator (a major charity assessment organization) gives The Rotary Foundation its top ranking (four Stars). Fully 91% of TRF funds are spent on program awards and program operations.

### **Part 1. PolioPlus**

Eradication of polio is Rotary’s top priority and will remain so until the World Health Organization declares the world to be polio free. Thus, it is appropriate that half of our funding supports this endeavor.

Rotary and its partners in the Global Polio Eradication Initiative have made tremendous strides. We are on the cusp of being able to say we played a part in the eradication of polio from the world – only the second time in history a human disease has ever been eradicated. Our partners in this endeavor include the World Health Organization, the Centers for Disease Control and Prevention, UNICEF, the Bill and Melinda Gates Foundation, and governments of the world.

To illustrate our progress, compare 1988 (the outset of the Global Polio Eradication Initiative) to today. In 1988, the world saw almost 1000 cases of polio EVERY DAY in 125 endemic countries. In 2020, the world saw 140 cases of polio in only two countries – Afghanistan and Pakistan. Remarkable progress has been made this year. In the

first six months of 2021, the world has seen only TWO cases of polio, one in Afghanistan and one in Pakistan.

Nigeria was recently declared polio-free after going more than three years without a single case of polio. As a result, the world has only TWO countries with endemic polio: Afghanistan and Pakistan. Severe challenges remain in the fight to eradicate polio in these last two remaining countries.

So although we can say we are “this close” to eradication of polio, this close is not close enough. It is vitally important to continue to provide funding to support eradication efforts. Until polio is eradicated EVERYWHERE, no unvaccinated child is safe ANYWHERE. If polio rebounds, more 200,000 children worldwide could be paralyzed each year within a decade.

The challenge is to raise the \$1.5 billion needed to fund the end of polio. Experts believe we can stop transmission soon and certify the world polio-free three years later.

For several years, the Gates Foundation has supported Rotary in its efforts to eradicate polio. The Gates Foundation has agreed to provide a 2-1 match for every dollar Rotary spends (up to \$50 million per year). In each of these years, Rotary has met its \$50 million goal and thus has realized the full benefit of the Gates Foundation matching \$100 million. Rotary’s plan to achieve this ambitious goal of \$50 million per year is:

- Cash \$35 million. The objective is for each club to raise \$1500 each year. If each one of the 34,000 clubs actually contributes \$1500, we will exceed the goal.
- District Designated Funds (DDF) \$10 million. The objective is for every district to contribute 20% of its new DDF to polio each year. If each one of the more than 500 districts actually made this contribution, the amount would far exceed \$10 million.
- World Fund \$5 million. The Trustees are committed to the goal and agreed to provide a 1 to 1 match for DDF contributions.

Rotary is asking each club to contribute \$1500 in 2021-22 to support polio eradication. Can your club meet or exceed this goal? What can you do to help your club set and meet this goal?

Rotary asks each district to donate 20% of new DDF to PolioPlus. Can you encourage your district to meet this goal?

One of the most successful polio fundraisers (if not the most successful) occurs right here in Arizona. District 5500 organizes the Ride to End Polio which has raised more than \$60 million (counting the Gates match) to support polio eradication. See <https://polioride.org>. to see how clubs in your district can participate and reach the goal of raising \$1500. The ride this year will occur on Nov 20.

## Part 2. Humanitarian Grants

The key elements of the Rotary Foundation Grant Model (discussed below) are:

- **Two primary types of grants:** Global and District. The Rotary Foundation provides matching funds in the form of DDF and World Fund match.
- **Seven areas of focus:** Peacebuilding and Conflict Prevention, Disease Prevention and Treatment, Water, Sanitation and Hygiene, Maternal and Child Health, Basic Education and Literacy, Economic and Community Development, Supporting the Environment (newly established as the seventh area of focus in June, 2020). 2020-21 will be the first year of actual global grant funding in this new area of focus.
- Projects are **Sustainable** and have **Measurable** outcomes.
- Rotary Foundation grants support **humanitarian projects, scholarships, and vocational training teams.**
- Clubs and districts must be **Qualified** to receive most grant funds.
- **Think BIG and Collaborate.** Global Grant minimum budget is \$30,000.

Most of the following material comes from *The Rotary Foundation Reference Guide*.

### Types of grants

#### 1. District Grants

District grants are block grants that allow clubs and districts to address immediate needs in their communities and abroad. Districts may request up to 50 percent of their District Designated Fund (DDF) for one grant annually. (A change will be implemented in 2018-19 to allow districts to request more than 50%. Stay tuned for more details on this new trial program.) The district manages and disburses the funds to support district- and club-sponsored activities, including vocational training teams, scholarships, and humanitarian service projects, provided they are aligned with the Foundation's mission.

District grants fund short-term projects and activities, either local or international, which support the Foundation's mission. Clubs submit their funding requests to the district, which administers and distributes the funds. Each district sets its own procedures and policies for how and when clubs submit requests, as well as any additional requirements. Contact your district Rotary Foundation committee for details on this process.

In most districts, clubs can apply for a district grant to support a project at home in the local community. It is not necessary for a district grant project to include international partners.

#### 2. Global Grants

This section is a summary. See *A Guide to Global Grants* for details. Click on this link to download a copy. [A GUIDE TO GLOBAL GRANTS - Rotary International](#)

Global grants fund large-scale projects and activities that

- Involve active participation by at least two Rotary Clubs or Districts: one in the country where the project takes place, and one in another country.
- Align with an area of focus
- Respond to a need the benefiting community has identified
- Include the active participation of the benefiting community
- Are Sustainable, that is they are designed to enable the community to help itself after the Rotary club or district has concluded its work
- Have measurable results

Global grants offer clubs and districts opportunities to participate in strategically focused, high-impact activities. These grants fund largescale international humanitarian projects, vocational training teams, and graduate and postgraduate scholarships that have sustainable, measurable outcomes in one or more of Rotary's areas of focus.

Global grant projects have a minimum budget of \$30,000. Grant sponsors can use a combination of District Designated Funds (DDF), cash, and directed gifts and endowment earnings to fund a global grant. The Foundation will provide an 80% World Fund match for all DDF contributions. The maximum World Fund match is \$400,000; there is no minimum.

When planning a global grant project to support a humanitarian project or a vocational training team, sponsors must conduct a thorough community assessment that explores the pressing concerns in the project location as well as community resources available to address them. The assessment results should inform the project design and need to be included in the grant application. Local Rotarian and Rotary alumni experts can offer valuable guidance early in the planning process

*The Rotary Foundation Trustees recently established a surcharge to Global grants to offset the administration costs for processing the grants. Clubs will be required to add an amount equal to 5% of all cash donations to the grant funding.*

### **3. Disaster Response Grants**

Rotary disaster response grants support relief and recovery efforts in areas affected by natural disasters within the past six months. Qualified districts in affected areas may apply for grants of up to \$25,000, based on the availability of funds. Districts may apply for additional grants after they report on any previous disaster response grants. Grant funds can be used to provide basic items such as water, food, medicine, and clothing. Districts that request help are responsible for determining the needs in communities

affected by disaster. They should work closely with local officials and community groups to ensure that the funding meets those needs.

#### 4. Programs of Scale

Rotary's Programs of Scale grants build on the scope, impact, and sustainability of successful Rotary service projects in our areas of focus that can support larger and longer-term undertakings. They empower Rotary members to work with experienced partners to implement large-scale, high-impact projects that benefit a large number of people in need across a significant geographic area. The Rotary Foundation awards one \$2 million Programs of Scale grant each year to a program sponsored by a Rotary club or district that is working in strong collaboration with partners. Each grant helps a program scale up, or expand, over three to five years to create lasting change. The competitive application process requires first a program overview in the form of a concept note and, later, a detailed program design in the form of a proposal. For the concept note, applicants should be prepared to submit a program overview that is based on evidence and was planned in consultation with key stakeholders. This increases the chances of successful implementation and sustainability. For the proposal stage, a monitoring, evaluation, and learning plan should also be fully integrated into the program to measure for impact.

#### 5. Summary of Differences Between District and Global Grants

In general, projects funded by global grants are larger and give clubs and districts more responsibility for managing the grant funds, reporting on how they are used, and monitoring and evaluating project outcomes. Some districts may impose additional requirements on district grants

##### **District Grants**

Supports the mission of The Rotary Foundation  
No minimum (unless Dist establishes)  
Short-term impact  
Can support scholars pursuing any level of study, locally or internationally  
Active Rotarian involvement  
Adheres to the grant terms and conditions  
May support local projects

##### **Global Grant**

Supports an area of focus  
Minimum budget of US\$30,000  
Long-term, sustainable impact  
Can support scholars pursuing graduate-level study internationally  
Active Rotarian involvement  
Adheres to the grant terms and conditions  
Measurable outcomes  
Must be an international project with partner clubs or districts in two countries.

#### Seven Areas of Focus

After examining the range of humanitarian issues that Rotarians address worldwide, the Foundation Trustees identified specific areas in which clubs and districts could best achieve substantive, quantifiable results. All projects, scholars, and vocational training teams funded by global grants should work toward specific goals within one or more of

the areas of focus. Projects that receive Global Grant funds from The Rotary Foundation must fall under at least one of the following. Some districts may require that district grants fall under an area of focus.

- \* Peacebuilding and conflict prevention
- \* Disease prevention and treatment
- \* Water, sanitation and hygiene
- \* Maternal and child health
- \* Basic education and literacy
- \* Economic and community development
- \* Supporting the Environment (2021-22 is the first year Rotary will award grants in this Area of Focus)

Learn more at <https://www.explorelondonrotary.org/sevenareasoffocus>.

## Sustainability

To be eligible for a global grant, projects must be sustainable — that is, they must keep on giving, long after the funds have been disbursed and Rotarian involvement has ended. Sustainable projects help as many people as possible, respect the environment and the local culture, involve grassroots organizations such as Rotary Community Corps, seek input from the community served, and pass on the lessons learned. Global grants also prepare scholars and other individuals to contribute to new and innovative methods in fields related to an area of focus. When developing new projects, clubs and districts should emphasize training and the exchange of information so communities can maintain results and solve problems on their own.

## Types of projects

In general each of the following types of projects can be supported by either a district grant or a global grant.

- **Humanitarian projects** address community needs by providing sustainable, measurable outcomes in the benefiting community.
- **Vocational training** builds skills within a community by offering local training or by supporting groups of professionals traveling abroad for rigorous study on their profession or to teach local professionals about a particular field. This type of training may be most effective in conjunction with a humanitarian project.
- **Scholarships** fund study by graduate students whose career goals support an area of focus.

## Club Qualification

Qualification assures The Rotary Foundation that your club has the proper financial and stewardship controls in place to successfully manage grant funds. Grant management encompasses everything from selecting projects and activities to applying for a grant to ensuring proper stewardship of funds to evaluating and reporting grant outcomes. Clubs must be qualified by their district each Rotary year in order to apply for global or packaged grants. Districts decide whether their clubs must be qualified in order to receive district grant funds. To complete the qualification process, a club must

1. Have the president-elect or a designated club representative attend a grant management seminar
2. Read and agree to the club memorandum of understanding and submit a copy signed by the club president and president-elect to the district.
3. **Agree to any additional district qualification guidelines.**

To maintain qualified status, a club must abide by the terms of the club MOU, and the grant terms and conditions. **The MOU is an agreement between a club and its district explaining the minimum Foundation requirements for managing grants.** Your district's policies and local laws may exceed these requirements.

A copy of the Club MOU is attached to this chapter.

Also attached for your information is a copy of the district MOU.

### **Part 3. Rotary Peace Centers**

Through academic training, study, and practice the Rotary Peace Centers program develops leaders who become catalysts for peace and conflict prevention and resolution in their communities and around the globe. Graduates of the program are reintegrating refugees in Sudan, creating jobs for disadvantaged women in India, and supporting reconstruction in devastated regions of the world.

Each year, up to 100 Rotary Peace Fellows are chosen to participate in a master's degree or certificate program at one of our partner universities. Fellows study subjects related to the root causes of conflict and explore innovative solutions that address real-world needs.

These fellowships cover tuition and fees, room and board, round-trip transportation, and all internship and field-study expenses.

In just over a decade, the Rotary Peace Centers have trained more than 900 fellows for careers in peace building. Many of them go on to serve as leaders in national governments, NGOs, the military, law enforcement, and international organizations like the United Nations and World Bank.

Two types of peace fellowships are available.

#### **Master's degree**

We offer master's degree fellowships at premier universities in fields related to peace and conflict prevention and resolution. Programs last 15 to 24 months and require a

practical internship of two to three months during the academic break. Each year, we award up to 50 master's degree fellowships at these institutions:

- [Duke University and University of North Carolina at Chapel Hill](#), USA
- [International Christian University](#), Japan
- [University of Bradford](#), England
- [University of Queensland](#), Australia
- [Uppsala University](#), Sweden

### **Professional development certificate**

For experienced professionals working in peace-related fields who want to enhance their professional skills, we offer a three-month program in peace and conflict prevention and resolution at either [Chulalongkorn University](#) in Thailand or Makerere University in Uganda. This program incorporates two to three weeks of field study. We award up to 50 certificates each year.

## DISTRICT QUALIFICATION MEMORANDUM OF UNDERSTANDING

1. District Qualification
2. District Officer Responsibilities
3. Club Qualification
4. Financial Management Plan
5. Annual Financial Assessment
6. Bank Account Requirements
7. Report on Use of Grant Funds
8. Document Retention
9. Method for Reporting and Resolving Misuse of Grant Funds

### 1. District Qualification

To participate in district, global, and packaged grants, a district shall complete an online qualification process, agreeing to implement the financial and stewardship requirements in this memorandum of understanding (MOU). By successfully completing these requirements, a district becomes qualified, and eligible to participate in Rotary Foundation (TRF) grants.

- A. A district is responsible for the use of funds for district-sponsored grants, regardless of who controls the funds.
- B. A district is responsible for a club-sponsored grant if the sponsoring club has been terminated or is otherwise unable to take responsibility for the grant.
- C. To maintain qualified status, a district must comply with this MOU and all applicable TRF policies.
- D. Qualification may be suspended or revoked for any of the following:
  1. Misuse or mismanagement of grant funds, or failure to appropriately address allegations 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. Refusal to qualify member clubs without sufficient cause
- E. A district must cooperate with any financial, grant, or operational audits.

### 2. District Officer Responsibilities

The district governor, district governor-elect, and district Rotary Foundation committee chair shall hold primary responsibility for club and district qualification, in addition to overseeing the proper implementation of TRF grants.

District officer responsibilities include:

1. Implementing, managing, and maintaining the district and club qualification process
2. Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices
3. Abiding by, following, enforcing, disseminating, and educating Rotarians on the terms and conditions for district, global, and packaged grants

4. 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 Qualification**

Districts are responsible for qualifying their member clubs. To be qualified, the club shall agree to the club MOU and send at least one club member to the district Rotary Foundation grant management seminar.

- A. A club must be qualified in order to receive TRF global and packaged grants. Club qualification is not required for a club to receive district grant funds.
- B. A district may establish additional requirements for club qualification, in order to take into consideration relevant local laws or district-specific circumstances. Additional requirements must be attainable by all clubs in the district.
- C. A district may allot district grant funds to nonqualified clubs in its district or other districts; however, the district remains responsible for the use of those grant funds. Nonqualified clubs that fail to abide by all applicable TRF policies, including the terms and conditions for TRF district grants, may jeopardize the district's qualification status.

### **4. Financial Management Plan**

Districts must have a written financial management plan to provide consistent administration of grant funds.

The financial management plan must include procedures to

1. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds
2. Disburse grant funds, as appropriate
3. Maintain segregation of duties for handling funds
4. 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
5. Ensure that all grant activities, including the conversion of funds, comply with local law

### **5. Annual Financial Assessment**

The financial management plan and its implementation shall be assessed annually. A financial assessment is an evaluation of financial controls and compliance. The district shall choose either an independent firm or the district Rotary Foundation audit committee to conduct the annual financial assessment.

- A. A financial assessment is substantially smaller in scope than an audit or review, and includes:

1. Confirmation that the district adhered to its financial management plan
  2. An examination of expenditures for district grants, district-sponsored global grants, and district-sponsored packaged grant that includes:
    - a. Reconciling a selection of disbursements against their supporting documentation
    - b. Reviewing the full listing of expenditures to ensure that funds were expended in a manner consistent with the terms and conditions of the grant award
    - c. Confirming that a competitive bidding process was conducted for all significant expenditures
    - d. Reviewing the process to disburse funds to ensure that proper controls have been maintained
  3. A determination that all financial transactions and project activities related to the grant were conducted at least at the level of standard business practices:
    - a. Confirmation of adherence to TRF document retention requirements
    - b. Other procedures that the district Rotary Foundation audit committee or an independent firm deems necessary
  4. A report of the findings from the annual financial assessment, which must be given to clubs in the district within three months of the end of each Rotary year
- B. If the district has the district Rotary Foundation audit committee conduct the assessment, the committee may not include individuals directly involved with TRF grants and must meet the requirements found in the RI Bylaws, including:
- a. Have at least three members
  - b. Have at least one member who is a past governor or a person with audit experience

## **6. Bank Account Requirements**

In order to receive grant funds, the district shall have a dedicated, district-controlled bank account that is used solely for receiving and disbursing TRF grant funds.

- A. The district bank account must
  1. Have a minimum of two Rotarian signatories from the district for disbursements
  2. Be a low- or noninterest-bearing account
- B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
- C. A separate account should be opened for each district-sponsored grant, and the name of the account should clearly identify its use for grant funds.
- D. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
- E. Bank statements must be available to support receipt and use of TRF grant funds.
- F. The district must maintain a written plan for transferring custody of the bank accounts in the event of a change in leadership.

## **7. Report on Use of Grant Funds**

Grant reporting is a key aspect of grant management and stewardship. Districts shall set up a grant reporting process.

- A. Districts must report to their clubs on the use of all district designated funds (DDF) to their member clubs by
  - 1. Providing a report annually at a district meeting to which all clubs are invited or eligible to attend that includes a breakdown of expenditures for each project that received funding and the names of districts, clubs, and individuals who received grant funds
  - 2. Including financial information on such grants in the governor's final monthly communication
- B. Districts must adhere to all TRF grant reporting requirements.

## **8. Document Retention**

Districts shall establish and maintain appropriate recordkeeping systems to preserve important documents related to qualification and TRF grants. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.

- A. Documents that must be maintained include, but are not limited to
  - 1. Bank information, including copies of past statements
  - 2. Club qualification documents, including:
    - a. Signed club MOUs
    - b. Club attendance records for grant management seminar
  - 3. District grant, district-sponsored global grant, and district-sponsored packaged grant information, including:
    - a. Information collected from clubs and entities receiving district grant funds
    - b. Receipts and invoices for all purchases made with grant funds
  - 4. Documented plans and procedures, including:
    - a. Financial management plan
    - b. Procedure for storing documents and archives
    - c. Succession plan for bank account signatories and retention of information and documentation
    - d. System to track reports of misuse and/or mismanagement of grant funds
  - 5. Annual report from the financial assessment and use of grant funds
- B. District records must be accessible and available to Rotarians in the district.
- C. Documents must be maintained for a minimum of five years, or longer if required by local law.

## **9. Method for Reporting and Resolving Misuse of Grant Funds**

The qualification process requires districts to track, investigate, and resolve reports of misuse or mismanagement of grant funds. By creating a plan before any allegations of misuse are made,

the district can apply procedures consistently and foster an environment that does not tolerate misuse of funds.

- A. Districts must create a system to facilitate and track reports of misuse and/or mismanagement of grant funds.
- B. Districts must promptly investigate reports of misuse or mismanagement of grant funds.
- C. Districts must report any potential or substantiated misuse or mismanagement of grant funds to TRF.

District Memorandum of Understanding (June 2012)

## **CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING**

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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

### **1. Club Qualification**

To participate in Rotary Foundation global and packaged grants, the club must agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU) provided by The Rotary Foundation (TRF) and to send at least one club member to the district's grant management seminar each year. The district may also establish additional requirements 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 one Rotary year.

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.

D. Qualification may be suspended or revoked for misuse or mismanagement of grant funds 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.

E. The club must cooperate with any financial, grant, or operational audits.

### **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

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. Financial Management Plan**

The club must have a written financial management plan to provide consistent administration of grant funds. The financial management plan must include procedures to

- A. Maintain a standard set of accounts, which includes a complete record of all 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**

In order to receive grant funds, the club must have a dedicated bank account that is used solely for receiving and disbursing TRF grant funds.

- A. The club bank account must
  - 1. Have a minimum of two Rotarian signatories from the club for disbursements
  - 2. Be a low- or noninterest-bearing account
- B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
- C. A separate account should be opened for each club-sponsored grant, and the name of the account should clearly identify its use for grant funds.
- D. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
- E. Bank statements must be available to support receipt and use of TRF grant funds.
- F. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories.

#### **5. Report on Use of Grant Funds**

The club must adhere to all TRF reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs TRF of the grant's progress and how funds are spent.

#### **6. Document Retention**

The club must establish and maintain appropriate recordkeeping systems to preserve important documents related to qualification and TRF grants. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.

- A. Documents that must be maintained include, but are not limited to:
  - 1. Bank information, including copies of past statements
  - 2. Club qualification documents including a copy of the signed club MOU
  - 3. Documented plans and procedures, including:
    - a. Financial management plan
    - b. Procedure for storing documents and archives
    - c. Succession plan for bank account signatories and retention of information and documentation

4. 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.

C. Documents must be maintained for a minimum of five years, or longer if required \_\_\_\_\_ by local law.

### **7. Reporting Misuse of Grant Funds**

The club must report any potential and real misuse or mismanagement of grant funds to the district. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.

### **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 Foundation grant funds. By authorizing this document, the club agrees to comply with all of the conditions and requirements of the MOU.*

*On behalf of the Rotary Club of \_\_\_\_\_, the undersigned agree to comply with all of the conditions and requirements of the MOU for Rotary year \_\_\_\_\_ and will notify Rotary International District \_\_\_\_\_ of any changes or revisions to club policies and procedures related to these requirements.*

### **7. Authorization and Agreement**

*We, being responsible for administering grant activities for the **Rotary Club of** \_\_\_\_\_, certify that the club adheres to the requirements listed in this Memorandum of Understanding and will notify Rotary International **District** \_\_\_\_\_ of these requirements and of any changes or revisions to club policies and procedures related*

| <b>Club</b>      |  |
|------------------|--|
| <b>Term</b>      |  |
| <b>Name</b>      |  |
| <b>Signature</b> |  |
| <b>Date</b>      |  |

| <b>Club President-Elect</b> |  |
|-----------------------------|--|
| <b>Term</b>                 |  |
| <b>Name</b>                 |  |
| <b>Signature</b>            |  |
| <b>Date</b>                 |  |

Club Memorandum of Understanding (June 2012)