Club Memorandum of Understanding

For Foundation Funded Grants

This document is the official Memorandum of Understanding (MOU) provided by The Rotary Foundation (TRF) for Clubs modified to include the requirements of District 5020. It is an agreement between the Club and District 5020, explaining what measures the Club will undertake to ensure proper implementation of Foundation Grant activities and management of District 5020 Community Grant and Global Grant funds. By authorizing this document, the Club agrees that it will comply with all TRF grant management requirements as specified in The Rotary Foundation Terms and Conditions for District and Global Grants (updated for 2020),

CONTENTS:

1. Terms of Qualification
2. Club Leadership Responsibilities for Qualification
3. Financial Management for Global Grants
4. Financial Management for District Community Grants
5. Bank Account Requirements (Global Grants Only**)**
6. Document Retention
7. Report on Use of Grant Funds
8. Method for Reporting and Resolving Misuse of Grant Funds
9. Use of Grant Funds
10. Authorization and Agreement

# 1. Terms of Qualification

1. Upon successful completion of the qualification requirements, the club will receive qualified status for a period of one Rotary year.
2. By entering into this agreement and receiving District 5020 grant funds, the club understands and confirms that the club, as an entity, is responsible for the use of grant funds, regardless of which individual(s) or group controlled the funds.
3. A Club is considered Qualified for grant participation if it has at least one member trained in a current District Grant Management Class (Qualification is thru the following Rotary Year) and has completed a Club MOU for the current Rotary Year (this must be done annually).
4. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls
5. the funds.
6. 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.
7. The Club must disclose any potential conflicts of interest on the Grant Application and must comply with the Conflict of Interest Policy for Grant Participants as outlined in section 7.030 of the Rotary Foundation Code of Policies.
8. The Club must cooperate with all District 5020 and TRF audits.

# 2. Club Leadership Responsibilities for Qualification

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

1. A club member must be appointed to manage club qualification and ensure that stewardship measures and proper grant management practices are implemented for all District 5020 grants.
2. The club must establish a succession plan for the transfer of grant records to ensure retention of information and documentation until the final report is accepted on the online Grant Module.
3. The club must appoint a member(s) to attend grant management and qualification training arranged by the District.
4. Club Officers must ensure 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 for Global Grants

The club 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.

# 4. Financial Management for District Community Grants

1. DCGs are intended for small projects and do not require an international partner.
2. DCGs will match a club contribution of 50% on the dollar to a maximum of US $3,500. (e.g. Any club contribution over $7,000 USD receives a maximum reimbursement of $3,500). Only Rotary funds are eligible for matching, third party non-Rotarian funds are not eligible. Multiple Club Grants, as defined in the Grant Management Training are eligible for maximum reimbursement of $10,500.
3. Payment of completed DCG will be in USD using the current currency exchange rate from the RI website for the month in which the Grant is approved.
4. The Club collects and records all receipts. In the event of local labor or materials in an International project a written receipt with the Projects name, activity the reimbursement is for, the amount and the name and signature of the recipient will suffice.
5. Ensure all grant activities, including the conversion of funds, are in accordance with local law.
6. Existing Club money handling procedures are sufficient for DCG’s.

# 5. Bank Account Requirements (Global Grants Only)

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.

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

# 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

1. Global Grant paper documents should be retained for 5 years, as well as in the grant module in myrotary.org.

 1. Documents that must be maintained include, but are not limited to:

. a. Bank information, including copies of past statements

. b. Club qualification documents including a copy of the signed Club MOU

 c. Documented plans and procedures, including:

 i. Financial management plan

. ii. Procedure for storing documents and archives

. iii. Succession plan for bank account signatories and retention of information and

documentation

 iv. Information related to grants, including receipts and invoices for all purchases

 2.. Club records must be accessible and available to Rotarians in the club and at the request of the

district.

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

1. DCG documents will be retained electronically on the online Grant Module in DACdb District 5020.

# 7. 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.

1. The club must report on the use of grant funds as outlined in the Terms and Conditions for Rotary Foundation District Grants and Global Grants.
2. All reporting and record retention will be on the online Grant Module. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.
3. A completed DCG project report will consist of
4. A competed Individual Project Report with narrative and income and expense report in the DACdb District 5020 grant module.
5. Receipts organized documenting expenses uploaded to the Documents Tab of the District 5020 DACdb grants module
6. Photos of the project and Rotarians working on the project uploaded to the Documents Tab of the District 5020 DACdb grants module.
7. Details of Grant publicity in both Club and project communities.
8. The Project MOU for a Global Grant will outline the required reporting items

# 8. Method for Reporting and Resolving Misuse of Grant Funds

The club must immediately report any potential misuse or irregularities in grant-related activity to the District Foundation Chair. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.

# 9. Use of Grant Funds

The Club must comply with the Rotary Terms and Conditions for Rotary Foundation District Grants and Global Grants (July 2020)

1. The Club acknowledges that it is responsible for the proper disbursement of Grant funds as specified in the District 5020 Grant Guidelines. Transferring District 5020 Grant funds to another Rotary Club or cooperating organization does not relieve The Club of this responsibility.
2. The Club acknowledges that it is responsible for promptly repaying to District 5020 or The Rotary Foundation any Grant funds identified by a Foundation audit as not properly disbursed or accounted for. Grants are subject to audit for 5 years following completion.
3. Unused Grant funds must be promptly returned to the Foundation.
4. Grant funds cannot be used for any project undertaken prior to the approval of the Grant or for any purpose not permitted under The Rotary Foundation Code of Policies.
5. When the number (and dollar amount) of Global Grant applications do not use all of the available DDF the District may allow for more applications to be proposed, including additional applications from clubs that have already submitted an application within the Rotary Year. However, no District 5020 Rotary Club will receive more than $40,000 total in Global Grant DDF during any one Rotary year.
6. District 5020 will not match a District 5020 Rotary Club contribution to a Global Grant where both lead Rotary Clubs are outside District 5020.

G. District Community Grant funds may be used for the types of projects or programs below:

1. District Rotary Ambassadorial Scholarships (DRAS)
2. District Community Grants (DCG)
3. DCGs may be used for local and international projects to include construction projects generally prohibited under Global Grants.
4. DCGs are intended for small projects and do not require an international partner.
5. DCGs can be used for travel associated with either a Community Assessment for a Global Grant or attendance at a Project Fair.
6. Multiple Club DCG’s are limited to local projects and are reimbursable up to $10,500.
7. DCGs will match a club contribution of 50% on the dollar to a maximum of US $3,500. (e.g. Any club contribution over $7,000 USD receives a maximum reimbursement of $3,500)
8. Payment of completed DCG will be in US$ using the current currency exchange rate from the RI website for the month in which the Grant is approved.
9. DCGs are reimbursable grants.
10. Global Grant Community Assessments.
11. Visits to Rotary Project Fairs.
12. Vocational Training Teams
13. For DCGs the District may also open a second or third round of applications if the available funds are not committed previously.
14. For a DCG to be approved the Club President must acknowledge that he/she is aware of the project and the Club President and Club Board approve and support the application. The approval must specify the project name and the grant writer.

# 10. 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 5020of any changes or revisions to club policies and procedures related to these requirements.

President 2021-22: President-Elect 2021-22 (i.e. Pres. 2022-23):

Name: Name:

Club: Club:

e-mail: e-mail:

Signature: Signature:

Date: Date:

RETURN THIS PAGE TO THE DISTRICT 5020 ROTARY FOUNDATION CHAIR:

Howard Svigals

hsvigals@gmail.com