



# CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING WORKSHEET

## A Guide to Implementing Qualification Requirements

Every year we serve communities around the world through thoughtfully planned out sustainable projects. Grant funds help us to support these projects, and are regulated through club qualification. You can use this worksheet to create a qualification implementation plan for your club, and ask your district about the official club qualification memorandum of understanding (MOU) for your club to participate in Rotary grants.

MOU Section	Explanation
<p><b>Club Qualification</b></p> <p>To participate in Rotary grants, your 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.</p> <p>A. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year.</p> <p>B. To maintain qualified status, your club must comply with this MOU, any additional district requirements, and all applicable TRF policies.</p> <p>C. Your club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.</p> <p>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.</p> <p>E. Your club must cooperate with any financial, grant, or operational audits.</p>	<p>Qualification is the process that your club establishes to ensure compliance with Foundation policies, avoid misuse and mismanagement of grant funds, and ensure that their members have the appropriate training and resources. These measures establish proper stewardship controls and enable clubs to maintain qualified status. Clubs that fail to comply risk losing the ability to participate in the Foundation grants program.</p> <p><b>How will your club ensure that it complies with the MOU requirements?</b></p> <p><b>How will you communicate the responsibilities for managing global grants to all members of the club?</b></p> <p><b>Notes</b></p>

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<p><b>Club Officer Responsibilities</b> Your club officers hold primary responsibility for club qualification and the proper implementation of Rotary grants.</p> <p>Club officer responsibilities include:</p> <ul style="list-style-type: none"> <li>A. Appointing at least one club member to implement, manage, and maintain club qualification.</li> <li>B. Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices.</li> <li>C. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest.</li> </ul>	<p>Club officer responsibilities include implementing policies and procedures for qualification and grant management within the club. The officers must appoint at least one club member to manage the implementation of the club MOU.</p> <p>Club officers are also responsible for limiting and disclosing any potential conflicts of interest. An undisclosed conflict of interest impedes transparency, leaving the Foundation and Rotarians vulnerable to potential misuse.</p> <p><b>Who in the club will manage qualification?</b></p> <p><b>What is your club's succession plan to ensure that if the designated person leaves, someone else can take over the job immediately?</b></p> <p><b>Who in the club will ensure that there are no conflicts of interest when a project is planned?</b></p> <p><b>Notes</b></p>
<p><b>Financial Management Plan</b> The club must have a written financial management plan to provide consistent administration of grant funds.</p> <p>The financial management plan must include procedures to:</p> <ul style="list-style-type: none"> <li>A. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds.</li> <li>B. Disburse grant funds, as appropriate.</li> <li>C. Maintain segregation of duties for handling funds.</li> <li>D. Establish an inventory system for equipment and other assets purchased with grant funds, and</li> </ul>	<p>Developing and implementing a financial management plan is essential to proper oversight, good stewardship, and consistent administration of grant funds.</p> <p>The financial management plan should include detailed, club-specific procedures that are reviewed regularly.</p> <p><b>Who will prepare and oversee the financial management plan?</b></p>

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<p>maintain records for items that are purchased, produced, or distributed through grant activities.</p> <p>E. Ensure that all grant activities, including the conversion of funds, comply with local law.</p>	<p><b>How will the plan be regularly monitored?</b></p> <p><b>How will the club separate the responsibilities of approving and paying project expenses?</b></p> <p><b>Notes</b></p>
<p><b>Bank Account Requirements</b></p> <p>In order to receive grant funds, your club must have a dedicated bank account that is used solely for receiving and disbursing Rotary grant funds.</p> <p>A. The club bank account must</p> <ol style="list-style-type: none"> <li>1. Have a minimum of two Rotarian signatories from the club for disbursements.</li> <li>2. Be a low- or noninterest-bearing account</li> </ol> <p>B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.</p> <p>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.</p> <p>D. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.</p> <p>E. Bank statements must be available to support receipt and use of TRF grant funds.</p> <p>F. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories.</p>	<p>Your club must maintain a low-interest or no-interest bank account that only the club controls in order to receive Rotary grant funds. Each open global grant for which the club receives funds should have its own account that is used solely for receiving and disbursing grant funds. By establishing a separate account, clubs are able to better manage the oversight and recordkeeping of grant funds.</p> <p>In addition, your club must have a succession plan for the signatories on the account to ensure a smooth transition of information and documentation when signatories change.</p> <p><b>Who will be responsible for managing the bank accounts used for grant funds?</b></p> <p><b>Does your district require its clubs to have a separate bank account for district grant projects?</b></p> <p><b>How will the status of the accounts be reported to the club board? To the full club?</b></p>

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	<p><b>Notes</b></p>
<p><b>Report on Use of Grant Funds</b>  Your 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.</p>	<p>Your club must fulfill all Foundation reporting requirements for global grants. Clubs must submit progress reports every 12 months from the time a grant is paid until the final report is accepted and final reports within two months of completing the grant project.</p> <p>In addition, clubs must meet their district’s requirements for reporting on district grant funds.</p> <p>Failure to report on grants can result in a club being unable to participate in the Rotary grants.</p> <p><b>Who will be responsible for reporting grant activity to the full club, the district, and the Foundation?</b></p> <p><b>How will this report be incorporated into the treasurer’s monthly report to the board?</b></p> <p><b>Notes</b></p>
<p><b>Document Retention</b>  Your club must establish and maintain appropriate recordkeeping systems to preserve important documents related to qualification and Rotary grants. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.</p> <p>A. Documents that must be maintained include, but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Bank information, including copies of past statements.</li> <li>2. Club qualification documents including a copy of the signed club MOU.</li> <li>3. Documented plans and procedures, including:</li> </ol>	<p>Your club must establish a document retention system for documents related to qualification and Rotary grants. The system can be a combination of electronic and physical files that best fit the needs of the club. Documents that must be retained include bank statements, receipts, club qualification materials, and procedures relating to the MOU.</p> <p>Maintaining documents helps clubs comply with local laws, ensure transparency, and better prepare for grant reporting, audits, and financial assessments. By maintaining these documents, the club will be able to quickly respond to requests by the Foundation, the district or Rotarians.</p>

MOU Section	Explanation
<p>a. Financial management plan.</p> <p>b. Procedure for storing documents and archives.</p> <p>c. Succession plan for bank account signatories and retention of information and documentation</p> <p>4. Information related to grants, including receipts and invoices for all purchases</p> <p>B. Club records must be accessible and available to Rotarians in the club and at the request of the district.</p> <p>C. Documents must be maintained for a minimum of five years, or longer if required by local law.</p>	<p><b>Where will your club store its documents related to qualification and grant activity?</b></p> <p><b>Will you use your club’s current archive system or develop a new one?</b></p> <p><b>Who will oversee this process?</b></p> <p><b>How will you ensure that your club keeps [or makes or maintains, something to that effect] an inventory of grant assets?</b></p> <p><b>According to local laws, how long must you retain documents?</b></p> <p><b>Notes</b></p>
<p><b>Reporting Misuse of Grant Funds</b></p> <p>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.</p>	<p>Because a great deal of effort, time, and dedication goes into fundraising and contributions, all Rotarians are responsible for ensuring that Foundation funds are used correctly. Immediately reporting problems and irregularities increases the likelihood of a timely resolution (which allows the community to still benefit from the project) and decreases the likelihood of the club being required to return funds. Your club is required report misuse or mismanagement of grant funds to its district.</p> <p><b>How do you ensure that all our your club members understand their responsibility for reporting suspected misuse or mismanagement of funds?</b></p>

MOU Section	Explanation
	<p><b>Where has your district designated that reports should go to?</b></p>
	<p><b>Notes</b></p>
<p><b>Authorization and Agreement</b></p>	<p>The club MOU is a legal document between the club and the district. By signing this agreement, the club president and president-elect are authorizing it for one Rotary year; the club enters into a legal agreement with The Rotary Foundation to abide by all TRF and RI policies.</p>
	<p><b>How will you ensure that all of your club members understand their responsibility as outlined in this agreement?</b></p>
	<p><b>Notes</b></p>