

Video Transcript

Rotary District 6440 Rotary Global Grant Funding Tutorial



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Rotary District 6440

Rotary Global Grant Funding Tutorial

“Doing Good in the World” is the mission of The Rotary Foundation. Individual Rotary Clubs carry out many humanitarian projects world wide to fulfill this mission. The Rotary Foundation awards grants to Rotary clubs to participate in such strategically focused, high-impact projects.

Hello, my name is Narayan Murarka. I am a member of the Barrington Breakfast Rotary Club, Rotary District 6440.

This video will demonstrate how Rotary clubs can tap into the financial resources of The Rotary Foundation to finance projects. We will focus on a special kind of Foundation grant, called “Global Grants.”

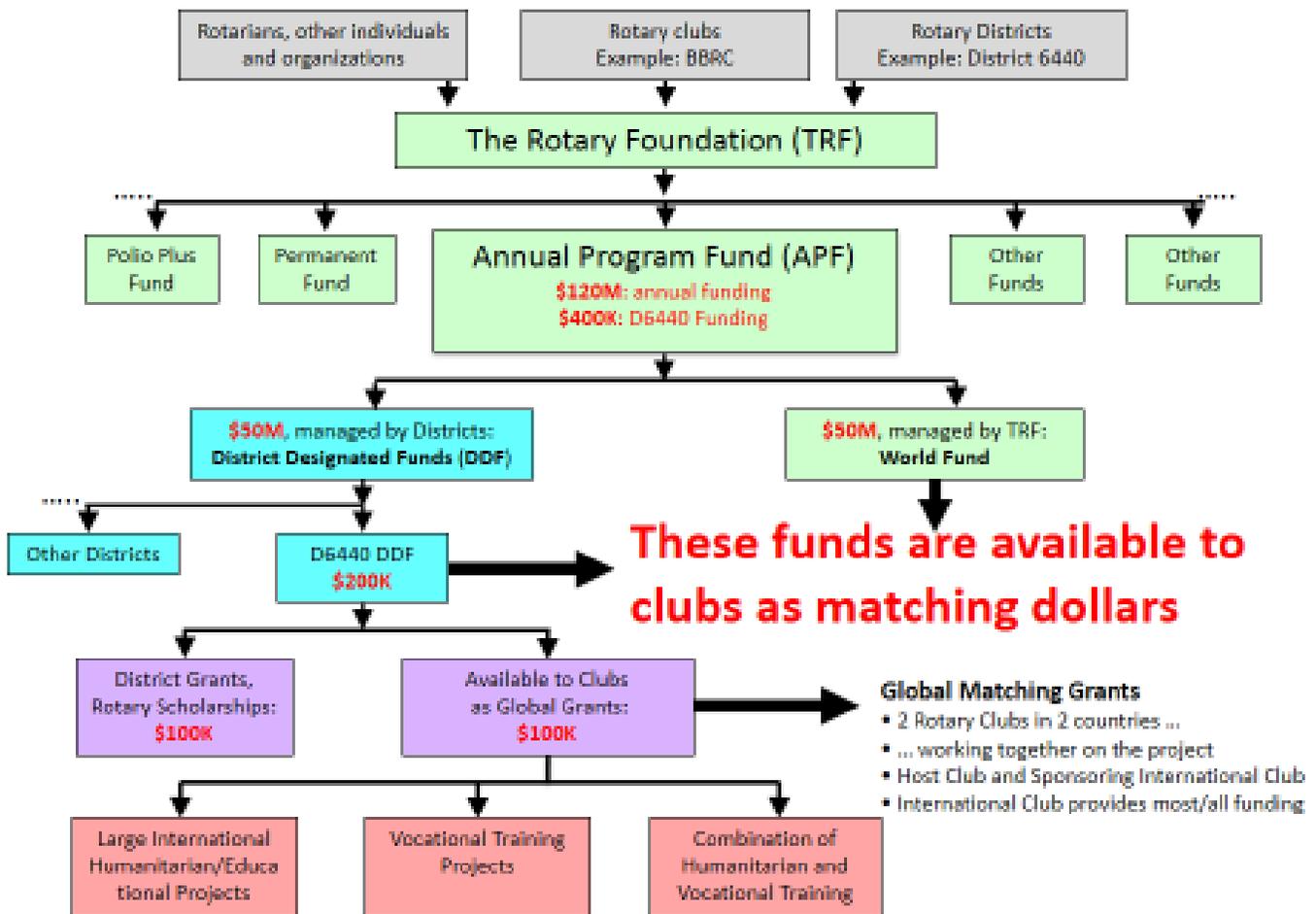
As shown, (*see next page*) The Rotary Foundation receives contributions from Rotarians, Rotary clubs and districts all over the world, and then allocates these contributions among several different funds, such as Polio Plus and the Permanent Fund. Global Grants money comes from one special fund ... the Annual Program Fund. The Foundation invests Annual Program Fund money for three years and uses the earnings for administrative purposes. The original amount is made available for grants three years later.

Approximately \$100 Million is received per year in the Annual Program Fund, out of which district 6440 contributes approximately \$400,000/year

The Foundation divides the Annual Program Fund balance into two equal portions. One portion is administered by each district and the other portion is managed by the Foundation. The portion managed by the Foundation is called the World Fund

Our district manages \$200,000 (half of \$400,000) and Foundation retains \$50 Million. The district’s fund is referred to as the “District Designated Fund”, or DDF. Each Rotary District has its own District Designated Fund.

The district and the Foundation make these funds available to clubs in the form of matching dollars for Global Grants, District Grants and Rotary Scholarships.



Let us assume that the District 6440 DDF match budget for Global Grants is \$100,000. Approximately six to eight Global Grants are likely to be funded within this budget constraint.

District Grants and Rotary Scholarships will have the remaining budget of \$100,000 in our example.

For this presentation, our discussion is limited to the only three types of Global Grants:

- International Humanitarian and/or Educational Projects
- Vocational Training Teams (VTT)
- International Humanitarian Projects in combination with Training component

These Global Grants involve two Rotary Clubs in two countries working together to implement the project. The Rotary Club in the country where the project is being implemented is called the Host Club and the other is referred to as the sponsoring International Club. In most cases, the funding typically comes from the International Club with no or very minimal financial support from the Host Club. We shall assume zero funding from the Host Club in this example.

There are three components to funding a "Global Grants" project.

First ... Club Cash – Typically, each club develops a cash budget for their international projects. Individual club cash can be supplemented by partnering with other clubs and pooling resources. Partnership with clubs in other districts will also be helpful in reaching project funding goal.

Second ... District Matching Funds - The district allocates its DDF based on a matching formula. Each district develops its own matching policy. The district 6440 policy is to match Club Cash in a 1 to 1 ratio with a maximum of \$5,000 per club/ per year and a maximum of \$20,000 per project per year. The district match is also contingent on the club having contributed to the Annual Program Fund for the last Rotary year.

Third ... Foundation Matching Funds - The Foundation allocates funds based on a matching formula applicable uniformly to all clubs world wide. The Foundation will match club cash and other non-Rotarian contributions at fifty cents on the dollar. The Foundation also matches District Designated Funds dollar for dollar. The maximum Foundation match is \$200,000 per Global Grant.

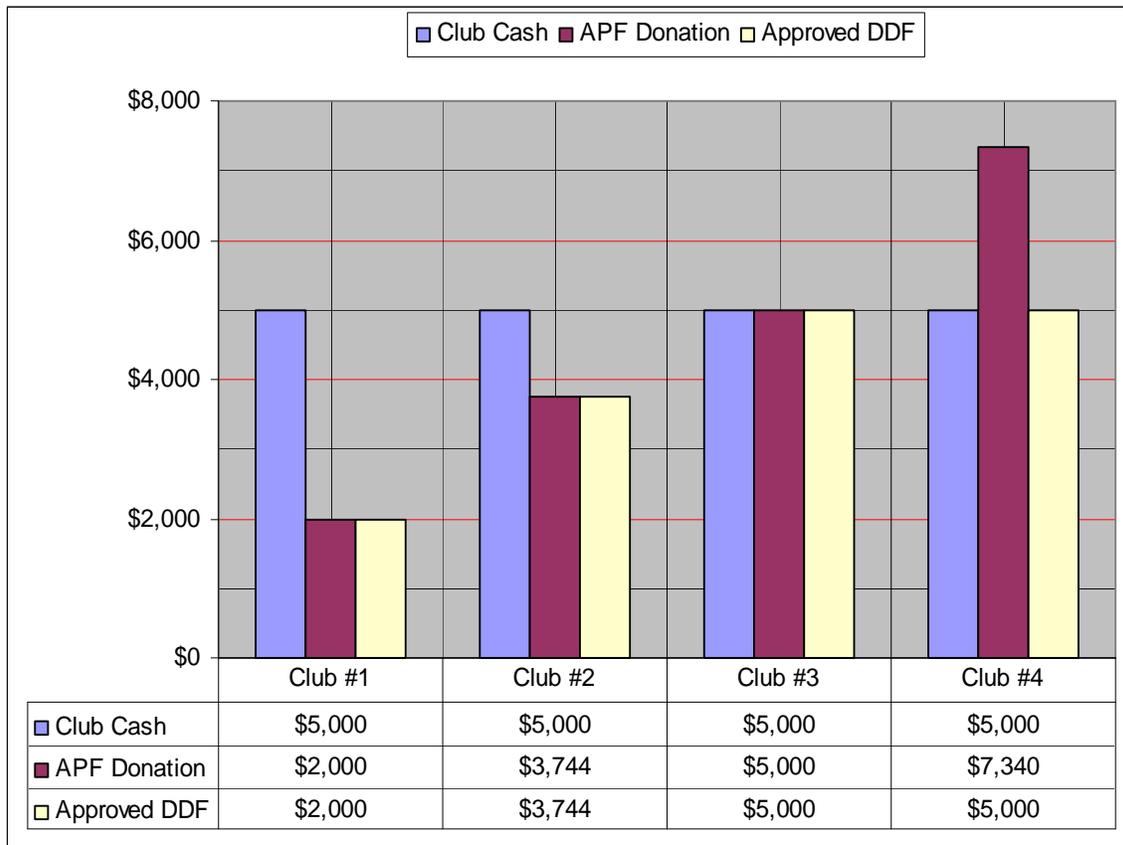
The multiplier effect of these matches is striking. Without considering any restrictions, one dollar of club cash adds one dollar of district matching funds, plus one dollar and fifty cents of Foundation matching funds, for a total of three dollars and fifty cents. If you can find a better way to fund an international project, please let me know!

There are a few restrictions.

For District 6440:

The District match may not exceed the club's contribution to the Rotary Foundation during last year or \$5,000 whichever is smaller.

Example shows four bar charts for four different clubs each having committed \$5,000 of club cash as in Blue Bars, but each donating varying amounts to the Foundation during last year as in the maroon bars. Yellow bars show Club #1, #2 and #3 receiving \$2,000, \$3,700 and the full \$5,000 in DDF respectively in a dollar for dollar match to their donations. However the DDF for club #4 is capped at \$5,000 even though it has contributed \$7,300. This restriction is implemented to make limited DDF dollars available to as many clubs as possible.

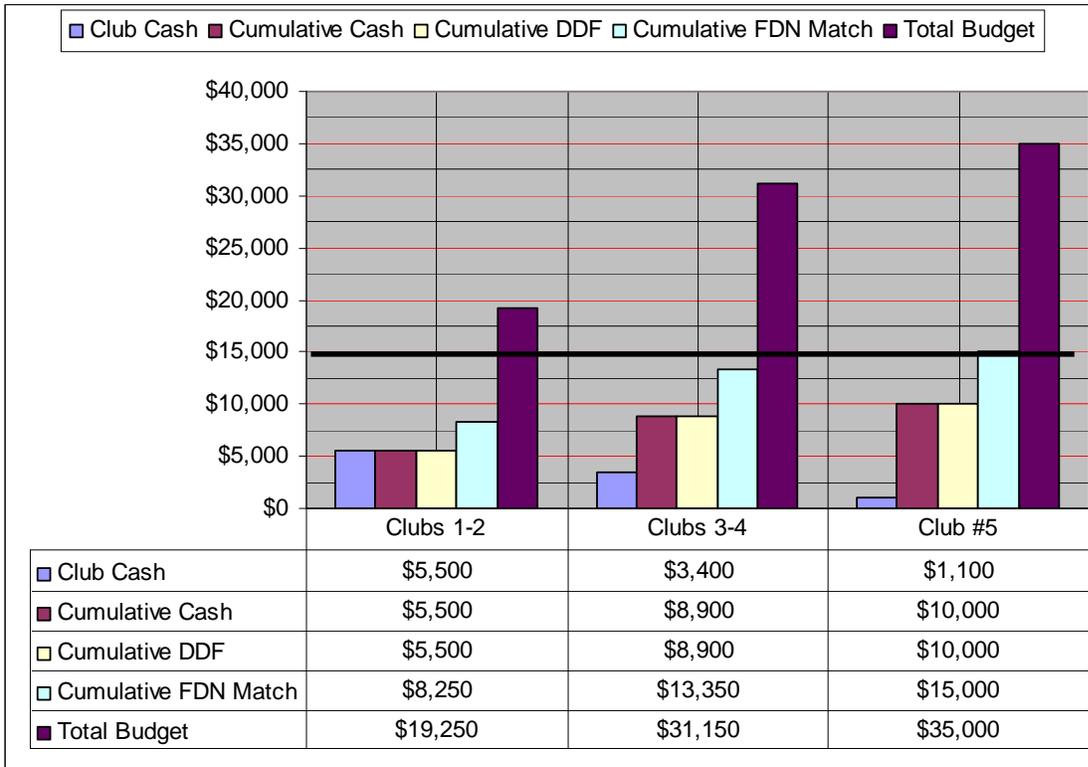


For the Rotary Foundation:

Global Grants have an objective to sponsor large projects with sustainable and measurable outcomes. To advance this objective, the Rotary Foundation has imposed a minimum Foundation match of \$15,000 and project budget of \$30,000 to qualify for a global grant. With these minimums it is highly likely that clubs will need to partner and pool their resources.

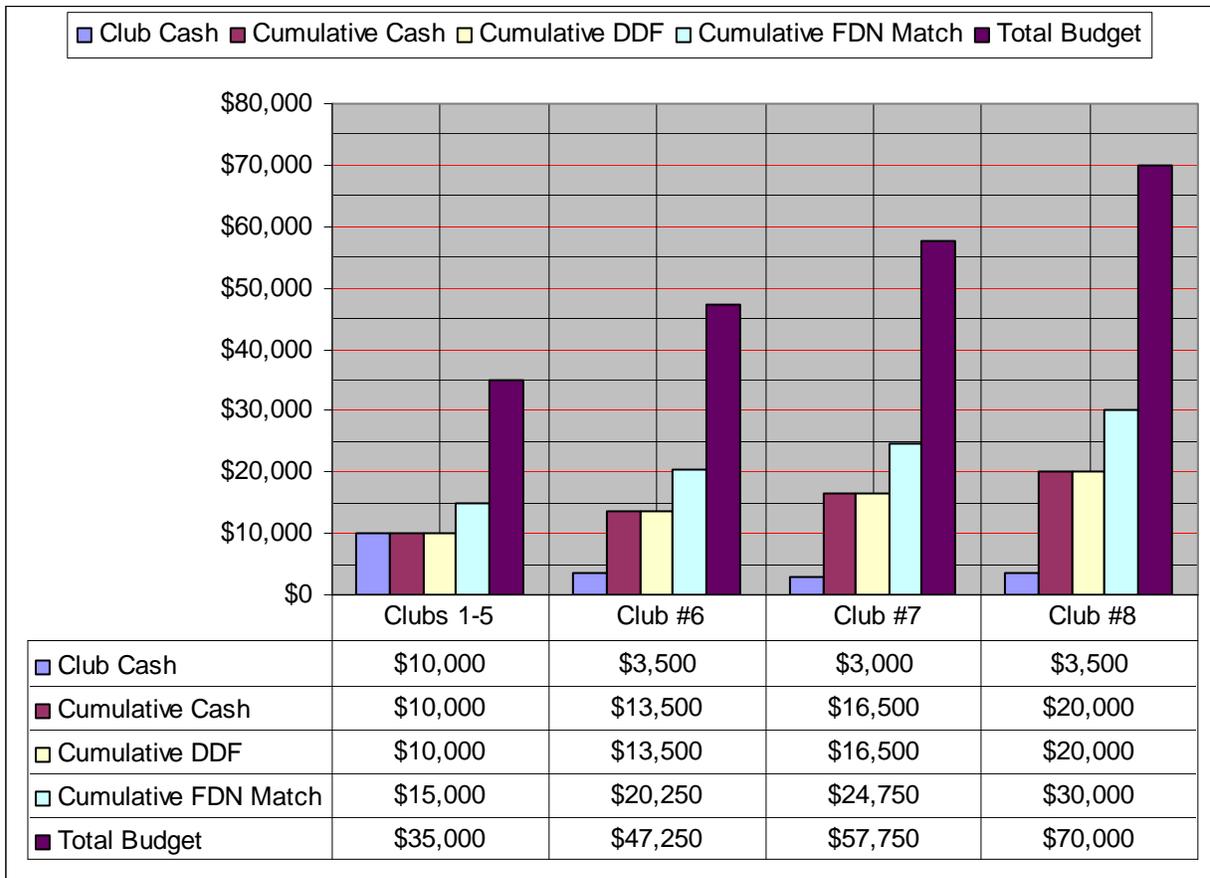
Example shows chart build up initially with two clubs cumulatively contributing \$5,500. The Foundation match amount of \$8,250 in green bar is below the \$15,000 minimum. With the additional contributions of \$3,400 from clubs #3 and

#4 the cumulative Foundation match amount is now \$13,350 still below the minimum. Finally, with the additional contribution of \$1,100 from club #5 the cumulative club cash amount reaches \$10,000. At this level the calculated Foundation match is \$15,000 meeting the minimum requirement. This will also result in a project budget of \$35,000 in dark maroon bar exceeding the minimum requirement of \$30,000.



As a rule of thumb, the clubs need to generate a minimum of \$10,000 in club cash by pooling resources to qualify for a global grant. Club cash can then be multiplied by a factor of 3.5 to arrive at the total project budget. This applies to D-6440 only.

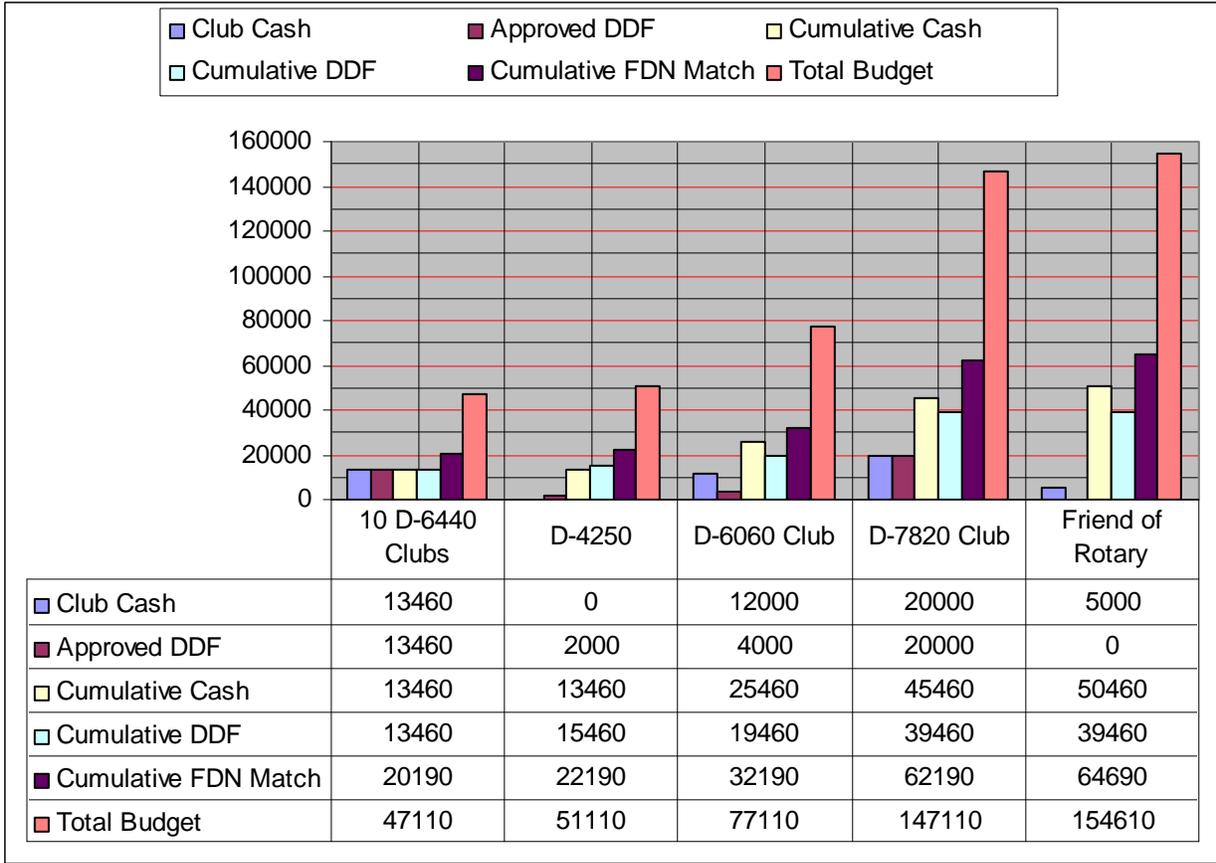
In order to increase the budget level further, we can continue to partner with more clubs until we reach a total of \$20,000 in club cash resulting in \$70,000 in project budget.



Above the level of \$20,000 in club cash, the matching formula changes. The district and the corresponding Foundation DDF match are no longer available. The only additional match is 0.50 cents on the dollar from the Foundation on the club cash exceeding \$20,000.

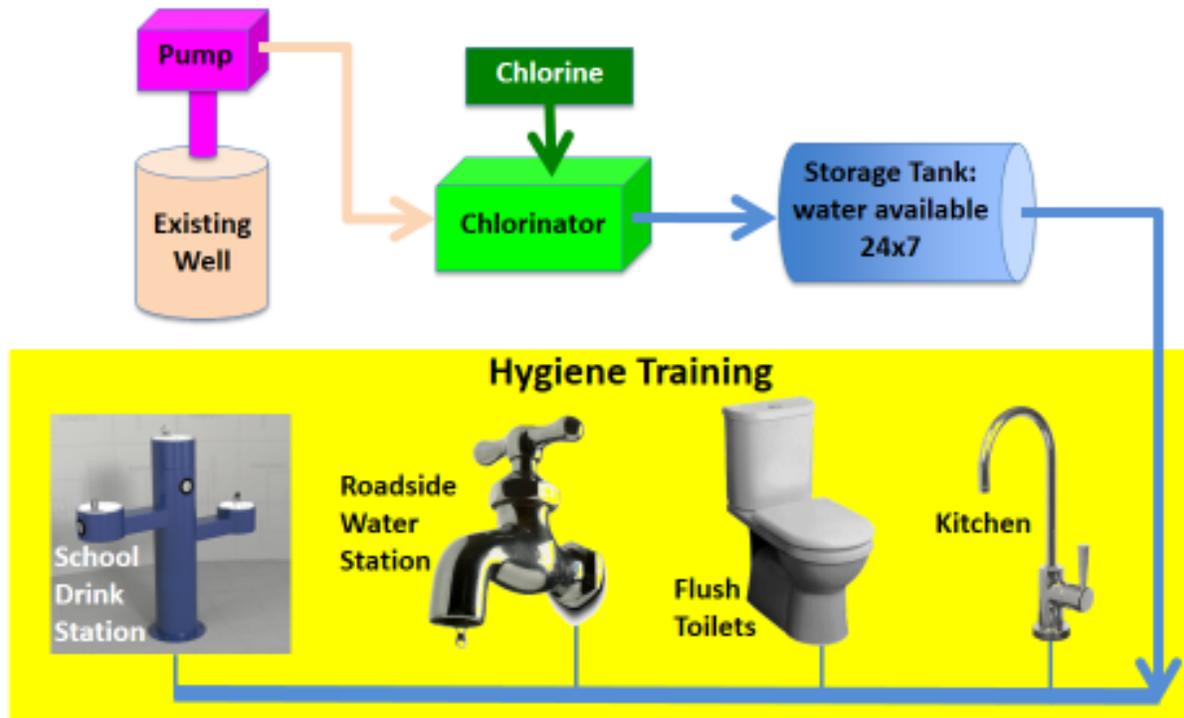
The above illustrations provide an insight in how partnerships within District 6440 clubs can be leveraged. This leads to this question? Why not seek partnerships with clubs within other districts. The impact of such relationships is shown in build up chart for an approved Global Grant.

Starting with ten different D-6440 clubs pooling their resources the project budget is just over \$47,000. Contribution of DDF from D-4250 extends this number to over \$51,000. With D-6060 entering in partnership with their support in cash and DDF brings the total budget level to over \$77,000. We are not done yet. Here come our friends in district 7820 in Canada. Their very generous contribution both with cash and DDF resulted in the total reaching over \$147,000. Finally, a Friend of Rotary made the cash contribution to reach the total budget over \$154,000.



While the above example illustrates the funding side of the project, it is important to realize that this project is truly making a long term impact to over 4,000 elementary school children in nine different villages in the Sumpango municipality in Guatemala by bringing safe water, building sanitation facilities and providing hygiene training. (See graphic on next page)

Overview of the WASH project



All together, these examples illustrate that modest amounts of club cash can be significantly leveraged by the POWER of MATCHING by the Foundation coupled with the POWER of PARTNERSHIP among clubs from multiple districts. Even small cash from several partner clubs can multiply giving a significant boost to the total dollars available to finance the project.

The new Global Grants structure provides opportunities to make a difference in the lives of thousands of people worldwide by funding larger projects with ...

- Sustainable & Measurable Outcomes
- Long-Term Benefits and Impact
- Greater Number of Beneficiaries
- Greatly Increased Collaboration between Clubs & Districts

Implementation of Global Grant projects is likely to transform the Foundation motto of

“Doing Good” → “Doing Even Better”



For more information

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