

**Rotary District 5500 Foundation Operational and MOU Guidelines
Adopted by the District 5500 Foundation, Inc. Board of Directors
December 7, 2015**

Consistent with its Bylaws and Articles of Incorporation, the District 5500 Foundation, Inc. shall use the following procedures for receiving and disbursing funds on behalf of constituent Rotary clubs, hereafter referred to as clubs. These guidelines pertain only to constituent clubs and not to individuals making contributions directly to the District 5500 Foundation, Inc., hereafter referred to as the Foundation.

- I. Constituent Rotary Club Eligibility.
 - a. Only clubs within District 5500 shall be entitled to use the Foundation.
 - b. Constituent Rotary clubs must be in Good Standing in accordance with the Bylaws of Rotary District 5500.

- II. Restrictions on the use of the Foundation
 - a. The Foundation shall only receive funds donated to or given on behalf of a District 5500 Rotary club for legitimately recognized charitable purposes.
 - b. All funds held by the Foundation shall be disbursed according to the terms of the MOU to a beneficiary authorized under federal and state law and all relevant internal revenue act provisions to receive such funds.

- III. Memorandum of Understanding and Deposit Agreement (MOU)
 - a. Prior to the use of the Foundation, including use of its tax-payer Employer Identification Number (EIN) for the purposes of any activity, a representative authorized by that club shall execute an MOU.
 - b. The MOU shall identify:
 - i. The expected source of the funds
 - ii. The proposed beneficiary of the funds
 - iii. The two persons authorized by the club to direct the disbursement of such funds
 - c. Each MOU shall be accompanied by approved minutes of the club's Board of Directors authorizing and accepting the terms of the MOU.
 - d. At the beginning of each new Rotary Year the MOU will be updated by the club during the month of July.
 - e. If an updated MOU is not provided to the Foundation by October 1st of the new Rotary Year then the funds being held by the Foundation will be returned to the club less any fees owed the Foundation.

IV. Funding Accountability

- a. The Foundation shall not receive or take possession of any funds from a club without a signed MOU.
- b. All funds received by the Foundation shall be separately accounted for in the Foundation accounts and reported annually to the club.
- c. Funds shall be held in the Foundation accounts until disbursed according to terms of the MOU.
- d. Funds held by the Foundation shall be maintained in a federally insured account(s).
- e. Any and all interest earned on funds held by the Foundation shall inure to the benefit of the Foundation and shall become property of the Foundation when earned.
- f. All funds disbursed by the Foundation shall be disbursed by check.
- g. All disbursements from the Foundation shall be authorized in writing by the two authorized representatives of the club as identified in the MOU.

**Memorandum of Understanding and Deposit Agreement (MOU)
Rotary District 5500 Foundation, Inc.**

Whereas, the Rotary club of _____ ; hereafter referred to as the club, being a club in Good Standing within District 5500, desires to use the District 5500 Foundation, Inc.; hereafter referred to as the Foundation, to receive funds collected from _____ through its _____ fundraising event/program benefiting _____ .

WHEREAS, the Foundation desires to allow the club to do so.

IT IS AGREED therefore, that

- a) The club shall be entitled to collect funds from the fundraiser under the federal tax-payer/employer identification number (EIN) of the Foundation held by District 5500 as a 501(c)(3) tax-exempt organization, and to deposit those funds collected in a federally insured account maintained by the Foundation.
- b) The Foundation shall deposit the funds in such account and separately account for such funds to the club annually.
- c) The funds so collected shall be disbursed as directed by the club.
- d) The club shall be charged an annual fee to cover the expenses of the Foundation as determined by the Board of Directors of the Foundation.
- e) No funds shall be disbursed without a signed authorization executed by the two representatives of the Rotary Club of _____ .
- f) At the beginning of each new Rotary Year the MOU will be updated by the club during the month of July.
- g) If an updated MOU is not provided to the Foundation by October 1st of the new Rotary Year then the funds being held by the Foundation will be returned to the Rotary Club of _____ less any fees owed the Foundation.
- h) This MOU must be accepted and endorsed by the Board of Directors of the Foundation prior to the use by the club of the Foundation account(s).

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- i) The club shall deposit all funds collected under the Foundation's EIN into the Foundation account(s) and may not comingle such funds with any other funds maintained by the club.
- j) The club must defend and indemnify the Foundation and Rotary International District 5500, for all claims of whatever nature, including claims by the IRS for fines and penalties, etc., with regard to any funds collect or disbursed by the Foundation pursuant to this MOU.

Dated: _____

Rotary Club of _____

By: _____

Its: _____

The two designated and authorized persons for disbursement of club funds are;

Date Approved by the District 5500 Foundation, Inc.: _____

District 5500 Foundation, Inc.

By: _____

Its: _____