March 30, 2023

To: Clubs applying for a District Grant for 2023-24

From: District Grants Sub-Committee

Re: Notice to proceed

***Congratulations to your club!*** Your request for a District Grant (Grant) for the 2023-24 Rotary fiscal year has received secondary approval from The Rotary Foundation (TRF). Please review the following important information:

* Notice To Proceed. You now have permission from The Rotary Foundation and District Grants Sub-Committee (DGC) to move forward with your approved project.
* Receipt of District Grant Funds. D5060 will not receive the block grant from TRF until sometime after July 1. Upon receipt of the block grant, D5060 will mail the Grant funds to your club via bank check. Typically, you can expect your check to arrive sometime between late July to late August.
* **Your club needs to do the following prior to July 1, 2023:**
	+ Project checking account. TRF will not allow Grant funds to be intermingled with club operating funds. As described in the Financial Management Plan signed by your club, your club must establish a separate project checking account ***in the name of your club*** and ***in the name of the project***. For example, “Rotary Club of Anywhere” should be listed on the first line, and “ABC Playground Equipment Project” or “District Grant Projects Account” should be listed on the second line.
	+ Deposit of Club funds. Your club is required to deposit ***your portion*** of the project costs into your separate project checking account before you can receive your Grant check. For example, a $10,000 USD project would typically be funded with $5,000 USD in club funds and $5,000 USD in Grant funds.
	+ Bank statement. A copy of the bank statement showing deposit of ***your portion*** of project costs must be uploaded into your online grant portal prior to mailing of your Grant check.
	+ Mailing address for Grant check. Email David Campbell at campbell1466@gmail.com with the name and mailing address for the person to receive your Grant check. Said check ***must*** be mailed to someone listed on your Grants Management Committee due to previous issues with clubs depositing checks into their operating checking account instead of their project checking account.

Here are some common questions:

Proceeding With Project Prior To Receiving District Grant

Q. How do we proceed with our project prior to receiving our Grant check?

A. There are three options. Your club can choose the option that fits best in your situation:

1. Wait for receipt of Grant check. Wait until your Grant check is received sometime between late July to late August. Your club can move forward with further planning, order equipment, and wait to pay for project expenses until you receive the Grant check.
2. Proceed with only Club funds. Begin your project using ***your portion*** of the project costs. Your club can move forward with further planning, order equipment, and start to pay for appropriate project expenses from your separate project checking account. ***It is important to note all appropriate expenses must be paid from the separate project checking account. Please work with your club treasurer and/or others to assure this important requirement is handled correctly.***
3. Proceed with full project. If you choose, your club can “loan” the amount of the Grant and deposit said funds into the separate project checking account, along with your club portion of the project costs. You can move forward with further planning, order equipment, and pay for all appropriate project costs even prior to receiving the Grant check. After your club receives the Grant check, you can “return the loan” by writing a check back to your club. ***It is important to note all appropriate expenses must be paid from the separate project checking account. Please work with your club treasurer and/or others to assure this important requirement is handled correctly.***

Separate Project Checking Account

Q. Why does The Rotary Foundation (TRF) require a separate project checking account?

A. TRF will not allow clubs to comingle Grant funds with other funds, so a separate checking account is required for this purpose. Proper tracking of project income and expense is extremely important and is required. After project completion, your club will need to upload all bank statements and project invoices into the online grant portal.

Q. Our club treasurer does not want to open a separate checking account for the project funded by this Grant. ***Is that going to be a problem?***

A. Yes, a separate account is a requirement of TRF. If your club will not establish and maintain a separate checking account for this purpose, you will not receive Grant funds.

Q. Our club treasurer wants to only deposit the Grant funds into the separate checking account, then only pay for part of the project costs from there; paying the remaining project costs from another account. ***Is that acceptable?***

A. No, proper tracking of project income and expense as required by TRF is not feasible or acceptable in this manner. After project completion, your club will need to upload all bank statements and project invoices into the online grant portal.

Q. Our club is in Canada. ***Can you send our Grant in CAD?***

A. No, we cannot. We receive the funds in US dollars and send them as such.

Q. Out club is in Canada. ***Do we have to pay all project expenses in USD?***

A. Your club can pay all project expenses in USD or in CAD. If you choose to pay project expenses in CAD, when you complete your final report after project completion, there is an adjustment in the online grant portal to convert expenses paid in CAD to USD.

Project Change

Q. Our club was awarded a Grant for playground equipment, but our President Elect wants to use this Grant for computers for an afterschool program instead. ***Is that acceptable?***

A. No, your club cannot change the project supported by a Grant, unless approved ***IN ADVANCE***by the DGC and by TRF. This would require starting over from scratch with a new grant application. Failure to get both approvals ***IN ADVANCE*** of paying for any project expenses would result in cancellation of your Grant, and all Grant funds would need to be returned. ***A project change should only occur in rare circumstances due to the additional work that needs to occur by your club, by the DGC, and by TRF.***

Change In Project Expenses

Q. As required when we applied, we got a bid months ago for equipment and other project costs. Since that time, we have been able to reduce the overall project cost with volunteers doing some of the work. ***Can we use the savings for something else?***

A. Congratulations on saving on projected costs! Yes, you can use the savings for items directly related to the funded project. You cannot use the funds for items not related to the funded project. Please contact the DGC to assure your excess funds are used in an approved manner.

Q. As required when we applied, we got a bid months ago for equipment and other project costs. We just obtained a new bid, and our project costs are increasing by 15%. Our club does not have additional funds for this project. ***Can we apply for a larger Grant?***

A. No, unfortunately, all available funding for Rotary year 2022-23 has been exhausted.

Q. As required when we applied, we got a bid months ago for equipment and other project costs. We just obtained a new bid, and our project costs are increasing by 15%. Our club does not have additional funds for this project. ***Can we reduce the quantity of items we thought we would be purchasing?***

A. Yes, you can reduce such things as the number of computers purchased or the number of books purchased, if the project concept does not change. If a major increase in project costs have occurred, please contact the DGC for guidance.

Q. Once our project is completed, let us say we end up with less than anticipated allowable project expenses. ***Is that a problem?***

A. A Grant cannot exceed 50% of allowable project costs. You may have to return part of your Grant funds if your project expenses are less than anticipated. For example, you estimated project costs of $10,000 USD and were approved for a Grant of $5,000 USD. If final expenses are $9,000, the adjusted Grant amount would be $4,500. Your club would need to return $500.

Allowable Project Costs

Q. We have some highly skilled club members volunteering time on our project. ***Is their volunteer time an allowable project cost if we plug in their hours at minimum wage?***

A. No, only hard costs your club pays for are allowable project costs.

Project Recognition for TRF

Q. Our club wants to put the Rotary wheel on signage at our upcoming project to recognize support from TRF. ***Is that acceptable?***

A. No, while Rotary International and TRF are related organizations, project recognition must be for TRF and for your club as well. TRF has specific requirements for signage on projects funded with foundation dollars.

Please let me know if you have any questions.

Respectfully,

David Campbell, Chair

District Grants Sub-Committee, Rotary District 5060

Email: campbell1466@gmail.com