



# **The Rotary Foundation District Managed Grants (DMG)**

## **District 7980 Terms and Conditions**

***IN ACCEPTING A DMG FROM DISTRICT 7980 YOU AGREE TO FOLLOW  
REQUIREMENTS REGARDING THE IMPLEMENTATION OF YOUR DMG:***

### **I. District Managed Grant Criteria:**

Funding of District Managed Grants is provided by The Rotary Foundation (through a District “Simplified” Grant) and administered by the District 7980 Foundation Committee. Grants support the service activities or humanitarian endeavors of clubs within district 7980. Each project must:

- A. Respect the wishes of the receiving community;
- B. Understand and appreciate another country’s tradition and culture if grant activities will take place outside of the recipient district’s country; and
- C. Comply with The Rotary Foundation’s standard Humanitarian Grant Policies and Guidelines.

### **II. District Managed Grants Approval and Limits**

- A. A DMG will be awarded on behalf of the District Foundation Committee by the District Foundation Select Committee comprised of the District Governor, District Foundation Committee Chairperson and the District Grants Subcommittee Chairperson.
- B. A DMG can match club contributions up to the amount provided by the sponsoring club(s)
- C. A DMG will not be greater than \$2,500 except that grants of a greater value may be made by the District Foundation Committee during April, May or June assuming funds are available.

### **II. District Managed Grant Rotarian Involvement:**

Rotarians from district 7980 must be actively involved in each District Managed Grant project. At least three members of the requesting club(s) will:

- A. Assess community needs and develop of a project plan;
- B. Oversee and report on use of grant funds;
- D. Participate in the implementation of the project;
- E. Document community involvement and ownership;
- F. Meet with local service providers and local officials; and
- G. Arrange promotion of the project in the local media.

### **III. Stewardship of The Rotary Foundation Funds:**

District 7980 Simplified Grant awardees agree to:

- A. Treat grant funds as a sacred trust to be constantly safeguarded from loss, misuse, or diversion;
- B. Assure competent and thorough oversight of the project with clear delineation of responsibility;

C. Use grant funds only for eligible purposes as outlined herein, which will be strictly interpreted. Funds expended on unapproved or ineligible items and/or for unapproved or ineligible purposes must be refunded to the District Foundation Committee.

D. Conduct all financial transactions and project activity relating to the grant at least at the level of standard business practices and always in consonance with the “Declaration of Rotarians in Business and Professions” and in the full spirit of “The Four Way Test.”

This requires:

1. Maintaining regular accounts of all transactions, retaining original receipts and invoices for a minimum of three years; and
2. Establishing an inventory system for the control of equipment purchased with grant funds.

E. Exercise the highest attention to the prevention of even the appearance that grant funds are being used in an improper manner. Such attention is expected to go beyond that afforded to the use of private or corporate funds;

F. Report immediately any irregularity in grant related activity to the District Foundation Committee;

G. Return any unused funds and/or interest earned at the completion of the grant to the District Foundation Committee.

H. Obtain approval from the District Foundation Committee prior to transferring DMG funds to (directly or indirectly), or using DMG funds to purchase goods or services for use in any country, entity, or person that is subject to economic or trade sanctions under U.S. law (these currently include, but are not limited to, Cuba, Iran, Iraq, Sudan, Libya, North Korea, and Myanmar). This is necessary so that The Rotary Foundation can obtain necessary regulatory approvals to allow such use of the funds.

#### **IV. Appropriate Grant Implementation:**

A. The use of grant funds must:

1. Promote active and personal participation of all Rotarians involved in the implementation of the grant;
2. Satisfy the real humanitarian needs of the receiving community;
3. Not involve the establishment of a permanent foundation, trust, or permanent interest-bearing account. Grant projects can involve the establishment of a revolving loan fund, but must include training and detailed information regarding recipient payback schedules (see section VIII);
4. Not directly benefit a Rotarian; an employee of a club, district or other Rotary entity, or of Rotary International, or a spouse, lineal descendant (child or grandchild by blood or legally adopted child), a spouse of a lineal descendant, or an ancestor (parent or grandparent by blood) of any living Rotarian or Rotary employee;
5. Not duplicate any existing Rotary-sponsored program;
6. Exclude any liability to District 7980, The Rotary Foundation or to Rotary International except for the amount of the grant;
7. Be consistent with the criteria, procedures, and policies of the Polio Plus program and the World Health Organization for projects involving vaccines and immunizations;
8. Not be used to support projects already undertaken and in progress, an existing project, activities primarily sponsored by a non-Rotary organization, or for projects that are already completed. .

B. Grant funds cannot be used:

1. For the purchase of land and buildings. If the grant depends upon the construction of a building, the construction must be funded by club funds or

- funded by a cooperating organization. The District Foundation Committee will not release grant funds until such construction is completed;
2. For construction of any structure in which individuals live, work, or engage in any gainful activity such as buildings, containers, and mobile homes or structures where individuals carry out any type of activity including manufacturing, processing, maintenance and/or storage. The only exception to the above guidelines is the funding of low cost shelters for extremely underprivileged families. Construction of infrastructure such as service roads, wells, reservoirs, dams, bridges, latrines, toilet blocks, and water supplies and other similar structures is acceptable;
  3. For renovation of structures, including the provision of new services or upgrade of utilities (i.e. electrical & plumbing), in which individuals live, work, or engage in any gainful activity such as buildings, containers, and mobile homes or structures where individuals carry out any type of activity including manufacturing, processing, maintenance, and/or storage;
  4. For salaries, stipends or honorariums for an individual or individuals working for a cooperating organization or beneficiary;
  5. To support the operating or administrative expenses of any organization;
  6. For post-secondary education activities, research, or personal or professional development;
  7. For excessive support of any one beneficiary, cooperating organization, or project;
  8. For international travel expenses of any kind.

#### **V. Reporting Requirements and Independent Financial Reviews:**

District 7980 requires District Managed Grant awardees to:

A. Submit Progress and Final Reports:

1. Submit Progress Reports at least every six months during the implementation of the grant detailing the projects' progress, financial activities, and the estimated completion date; The first such report is due six months after receipt of the grant check.
2. Submit Final Reports within two months of the full expenditure of grant funds but no later than July 1 following the award of the grant. Failure to adhere to The Rotary Foundation policies and guidelines in the implementation of projects and expenditures of funds will result in the club(s) returning misused grant funds in their entirety and being barred from receipt of future grants for a period up to five years. Such failure may also affect the District's ability to provide grants to worthy projects sponsored by other district clubs for a period of up to five years. The final report shall include the following:
  - a. A highly detailed and clearly organized report of all expenses;
  - b. Detailed information regarding all beneficiaries of grant funds;
  - c. A detailed account of Rotarian participation in the implementation of the projects, and
  - d. A detailed narrative describing the implementation of the projects and how experiences gained will inform/guide the district for the next Rotary year;

B. Retain receipts for all purchases to be made available upon request.

C. All grant recipients are encouraged to have an independent financial review/prescribed audit. The independent financial review/prescribed audit should include the following:

- 1) A determination of whether the funds received for the project were expended in a manner consistent with the spending plan and if not, why.
- 2) A determination of whether a standard set of accounts was maintained and included a complete record of all receipts for all expenditures in excess of \$25.00 and disbursements.

- 3) An examination of expenditures to ensure funds were used for intended purpose, proper records maintained, and a system of controls in place. This examination should include:
  - a) Selection of a sample of disbursements and reconciliation to supporting documentation.
  - b) A review of the full listing of expenditures to ensure funds were expended in a manner consistent with the Terms and Conditions of the grant award.
  - c) Identification of the purchasing procedure used.
- 4) A determination of whether funds were held in an interest bearing account and documentation of how interest earned was used.
- 5) Review of bank reconciliations to ensure reconciliations were prepared correctly and in a timely manner and that opening and closing balances agreed to the financial records of the project and bank statements.
- 6) The Rotary Foundation reserves the right to conduct an audit of any grant, regardless of size, at any time.

#### **VI. Guidelines for the Construction of Low Cost Shelters:**

**Any project involving a Low Cost Shelter must be specifically approved by TRF staff prior to implementation to ensure all eligibility requirements can be met.**

The Trustees of The Rotary Foundation agreed to support the construction of Low Cost Shelters as an exception to The Rotary Foundation's established Construction Policy in an effort to help the extremely underprivileged and as such, the construction of shelters should be very simple and meet basic human needs. The intent of the program is to help build shelters that cost no more than \$2,000;

- A. Shelters should provide a safe place to live for a family unit in an acceptable, safe environment (the area must be free from possible floods, rock slides, volcanic eruption, etc.);
- B. A complete set of plans including schematic drawings of the shelters, the construction site and safe water and sanitation facilities as well as information relating to installation of electricity, and all other information needed to facilitate a complete technical and financial review of the project is required with any application that supports the construction of Low Cost Shelters;
- C. The minimum number of shelters to be constructed with a single grant award is five, so that economies of scale can be achieved, appropriate water and sanitation installed and administrative costs minimized. The maximum number of shelters to be constructed at a single site, with total use of Foundation funds, is not to exceed 50, as any more would result in a need to provide an expensive urban infrastructure which is beyond the scope of Low Cost Shelter projects;
- D. The use of common walls in the design of the shelters is encouraged as a means of minimizing project costs;
- E. Written documentation from both the land donor and the local competent authority that the project has their full support and they will permit the project to start without delay once grant funds are released must be included with all complete applications;
- F. No expansion or alteration of individual shelters should be provided for in the initial plans to construct the Low Cost Shelters or actually implemented for five years after the shelter is constructed;
- G. Payments for Low Cost Shelter projects will be made in installments, based upon an agreeable payment plan, with the first payment released

upon the receipt of all payment requirements and with subsequent payments made upon the receipt of acceptable interim reports that include photographic evidence of the project's progress. Additionally, an amount of no less than 10% of the project budget will be withheld until the shelters are fully completed, and all evaluation visits and other reports have been submitted and approved;

- H. The incorporation of a home maintenance plan for all projects as a means of assuring the long-term sustainability of Low Cost Shelter projects is encouraged. Such plans should provide training for the individual and collective upkeep and maintenance of construction elements like water wells, latrine blocks, the roof, etc.

## **VII. Population Growth and Development:**

The Rotary Foundation (TRF) supports the programs of Rotary International, including their aims and objectives with respect to RI's statement on Population Growth and Development.

The DMG funds may be used to fund the following expenditures associated with population growth projects:

- A. Pre-natal medications/vitamins
- B. Birthing medications
- C. Newborn baby screenings
- D. Surgical instruments to help with births
- E. Pre-natal screening
- F. Ultrasound equipment (as long as it is used for diagnosing and treating patients)
- G. Education and Training
- H. Public health education
- I. Family planning training
- J. Information on sexually transmitted diseases
- K. Community health training
- L. Balanced diet and nutrition awareness

## **VIII. Revolving Loans:**

**Any project involving a Revolving Loan utilizing District Managed Grant funds must be specifically approved by TRF staff prior to implementation to ensure all eligibility requirements are met.**

A. Sponsors of Revolving Loan (Microcredit) projects must comply with the following policies:

1. There is a limit of \$10,000 per credit group. More than one credit group can be supported with a grant. *A credit group is defined as a group of approximately 30 individual, who cross-guarantee each others' loans.*
2. Requests involving revolving loan fund projects must be reviewed by the Cadre of Humanitarian Grants Advisors for technical soundness and long-term viability prior to submission to TRF Trustees.

3. The Rotary Foundation will not consider any grant requests for revolving loans involving cooperating organizations until those organizations can demonstrate their ability to meet the requirements of The Rotary Foundation and significantly involve local Rotarians in these activities.
  4. Rotary Foundation grant funds may be used for Rotary club and district start-up costs to support revolving loan projects until the loan fund is self-sustaining.
  5. Interest fees generated by revolving loan fund capital from The Rotary Foundation may be used for administrative expenses that support the revolving loan project.
  6. In the event that the Rotarian project sponsors decide to discontinue the revolving loan fund, the local capital must be returned to The Rotary Foundation.
- B. Grant funded projects that involve the establishment of a revolving loan fund must:
1. Include training and detailed information regarding recipient payback schedules.
  2. Adopt a separate Revolving Loan Fund Agreement for each credit group before funds are released for that credit group. Each agreement will specify loan policies for that credit group, including interest rates, loan amounts, and payback schedules.
  3. Adopt a continuity plan to ensure that capital from The Rotary Foundation continues to be used for revolving loans after reporting to The Rotary Foundation has been stopped.

#### **IX. Rotary Name and Emblem Use Guidelines:**

Guidelines on the use of the “Rotary” name and emblem are RI policy. When naming your DMG funded project and in any literature developed they must be compliant as follows:

##### **A. ROTARY NAME:**

1. The RI Board has determined that any use of the “Rotary” name without a further qualifier, such as the name of a Rotary club or a Rotary district, refers to the international association, RI.
2. New project names or programs not under the exclusive control of RI, when using the name, "Rotary," must include the name of the participating Rotary club(s) or district(s) and should not use the name, "International."
3. If using the words, "Rotary," and "Foundation," these words must not appear together, but must be separated by additional identifying information, such as the name of the participating Rotary club(s) or district(s).
4. Ongoing programs not under the exclusive control of RI and not conforming to these guidelines should be renamed to provide this additional identifying information (i.e. the name of the participating Rotary club(s) or district(s) must be included when using the name “Rotary”).
5. The naming of any project that does not conform to the guidelines must receive specific RI Board approval.

##### **B. THE ROTARY EMBLEM:**

1. The Rotary Emblem, like the Rotary Name, represents the international association, RI.
2. Whenever the Rotary Emblem is used for a project, program or activity not under the exclusive control of RI, the name of the participating club(s) or district(s) should also be used in addition to the emblem; should appear directly adjacent to the emblem; and be of a size of equal prominence to the emblem.
3. Any reproduction of the Rotary Emblem must meet RI's proper emblem specifications.

4. Camera-ready art can be obtained through your Club and District Administration Supervisor.
5. No alterations, modifications or obstructions of the Rotary Emblem are permitted. The emblem must be faithfully reproduced and always appear in its entirety.
6. The RI Bylaws discourage any joint use of the RI Emblem with the emblem or logo of another organization. The use of such name, emblem, badge or other insignia in combination with any other name or emblem is not recognized by RI.

If you have questions about District Managed Grants, please contact the District Grants Subcommittee Chairperson.