**Guidelines for allocation of Dues, Club Activities & Events, & Gaming generated funds.**

**Purpose**

Established in 1996, the Lake Minnetonka Excelsior Rotary Club (LMERC) has earned a reputation for strong community involvement and supportive civic leadership. We believe that developing relationships and investing in our club, community, and nonprofit/charitable organizations builds healthy and vibrant local and global communities. LMERC continues the tradition of providing support to our community and charitable programs and initiatives that seek to improve self-sufficiency and quality of life within the communities served.

The purpose of these guidelines is to provide a clear and consistent framework for the allocation of the Rotary Club’s proceeds from all revenue sources.

**Overview**

**Due to the volatility of funds raised annually. All requests for budgets and funding are evaluated annually based on the available funds for the club.**

|  |  |  |
| --- | --- | --- |
| INCOME SOURCES | USE OF INCOME | DECISION BY |
| Dues | **Support Administration of Club** | **Board** |
| Activities/Events | **Support Committee Budgets & Grants** | **Local, International, Events, & Youth Committee approved by Board** |
|  Rose Sale | Directed to 501(c)(3) by Rose Sale Volunteers |  |
|  BBB | Support Committee Budgets & Grants |  |
|  Concerts | Support Committee Budgets & Grants |  |
|  October Fest | Support Committee Budgets & Grants |  |
| Gaming | **Support Gaming Grant Applications**  | **Grant Committee approved by Board** |
|  Maynard’s |  |  |
|  Narrows |  |  |
|  NorthCoop |  |  |

**CLUB DUES -> Administrative Budgets (Membership, Marketing, etc)**

Club and international dues (pay for costs associated with running the club: membership, marketing, accounting, meetings, etc.). The intent of these funds is to ensure the club’s existence if there are no other activities that generate proceeds.

These existence-based activities are typically handled on an annualized basis per the Rotary Club’s Board of Directors via a budgeting process.

**CLUB ACTIVITIES & EVENTS REVENUES -> COMMITTEE Budgets (Local, International, Events, and Youth Committees)**

These monies are intended to fund the Local committee, International committee, Events committee, and Youth committee activities along with supporting local and international organizations and projects that align with the Rotary Club’s values and objectives, enhancing community well-being and development.

Club President, Local, International, Event, and Youth committees develop a set of goals/priorities for each year and establish budgets to support their plans. These budgets are approved by the Rotary Board of Directors. Note: budgets will change annually depending upon available resources and club priorities. Thus, funding in one year will not insure funding in future years.

Local, Event, and Youth committees do not use a grant process for activities and events that have been pre-approved.

There are some approved and ongoing ‘legacy’ projects that the club has committed to, such as; The McGlasson Family Award, Polio donation, etc. However, These projects can and should be reviewed annually for support, sustainability, and alignment with the club’s community and social goal/needs.

International may have some funds that are budgeted; however, the majority is allocated via a grant process. The International committee has a defined Grant application

Process.

**NOTE: Any non-budgeted funding requests will follow the Funding Request Process defined below:**

**Funding Request Eligibility Criteria.**

1. **Community Benefit:** Projects must provide clear benefits to the local community, aligning with the Rotary Club’s focus areas such as; Human Health & Social Services (Families, Individuals and Youth in need), Education, Community Development, and/or the Environment. For Example: Service Projects and Scholarships.

2. **Alignment with Rotary Values:** Projects must align with Rotary's core values of service, fellowship, diversity, integrity, and leadership. Furthermore, all requests must be focused on club benefit and not individual benefit (We before Me)

3. **Exclusions:** Funding will not be provided for:

• Political causes, candidates, or campaigns.

• Religious activities or organizations with the primary purpose of promoting religious beliefs.

• Divisive or controversial projects that may polarize community members.

• Commercial ventures or for-profit entities.

• Organizations or projects with a discriminatory basis on race, gender, age, disability, or any other protected characteristic.

**Application Process**

1. [Funding Request Form](https://docs.google.com/forms/d/e/1FAIpQLScVBpqGylTqiG7D9kF2XrBDtkA3jcW4VJSnQiCeejBUtGR36Q/viewform)**:** Committee Chairs or club members may complete the Rotary Club’s Funding Request form, providing detailed information about the project, including objectives, beneficiaries, budget, and expected outcomes.

2. **Supporting Documents:** Applicants may need to submit supporting documents such as project budget, and any other relevant information that supports the application.

**Review and Approval Process**

1. **Evaluation:** Eligible applications will be evaluated based on:

• Community impact and reach.

• Feasibility and sustainability of the project.

• Alignment with Rotary’s focus areas and values.

2. **Decision Making:** The Rotary Club’s Board of Directors will approve or deny committee requests & recommendations.

3. **Notification:** All applicants will be notified of the outcome of their application.

**Funding and Reporting Requirements**

1. **Funding Disbursement:** Approved applications will be disbursed in accordance with the project timeline and requirements specified in the application.

2. **Use of Funds:** Funds should be used for the purposes outlined in the request form. Any significant changes to the project scope or budget must be approved by the Rotary Club’s Board of Directors.

3. **Reporting:** Funding recipients may be required to provide a detailed report within 30 days of project completion, including:

• A summary of activities and outcomes.

• Financial report detailing the use of grant funds.

• Impact on the community and any lessons learned.

**Monitoring and Evaluation**

1. **Site Visits:** Members of the Rotary Club’s Board may conduct site visits to monitor the progress of funded projects.

2. **Feedback:** The Rotary Club’s Board may seek feedback from grant recipients and community members to evaluate the effectiveness of the funding process and impact of the projects.

**Compliance and Accountability**

1. **Adherence to Guidelines:** Funding recipients must adhere to these guidelines and any other conditions specified by the Rotary Club.

2. **Non-Compliance:** Any misuse of funds or failure to comply with the reporting requirements may result in the termination of the funding and disqualification from future funding opportunities.

**GAMING FUNDS > GRANTS and CLUB ACTIVITIES**

Funds derived from our gaming activities require compliance with local and state regulations. As such, this grant making process requires tracking and auditability.

**Grant Eligibility Criteria**

The Lake Minnetonka-Excelsior Rotary Club (LMERC) provides financial support to local non-profit, charitable organizations that are making a difference in the lives and communities they serve.

We award grants to organizations that positively impact people who reside in the **Minnetonka, Mound/Westonka, and/or Eastern Carver County School Districts OR Communities outside of those districts through collaboration with Rotary Clubs in those communities**. In addition, all requests must fit within these identified areas of need: Human Health & Social Services (Families, Individuals and Youth in need), Education, Economic & Community Development, and/or the Environment.

1. The organization must be a qualified 501(c)(3) entity
2. Organization that meets all State of Minnesota and/or Rotary International requirements.
3. The organization must complete a timely application for the Grant cycle
4. **Community Benefit:** Projects must provide clear benefits to the local community, aligning with the Rotary Club’s focus areas
5. **Alignment with Rotary Values:** Projects must align with Rotary's core values of service, fellowship, diversity, integrity, and leadership.
6. **Exclusions:** Grants will not be provided for:

• Political causes, candidates, or campaigns.

• Religious activities or organizations with the primary purpose of promoting religious beliefs.

• Divisive or controversial projects that may polarize community members.

• Commercial ventures or for-profit entities.

• Organizations or projects with a discriminatory basis on race, gender, age, disability, or any other protected characteristic.

**Application Process**

1. [**Application Form**](https://docs.google.com/forms/d/e/1FAIpQLSeg8GBGPFR4WpdW0f5XYyOHbcNaL99H3zN0QSSnsFb8zsq2Iw/viewform?vc=0&c=0&w=1&flr=0)**:** Interested organizations must complete the Rotary Club’s grant application form, providing detailed information about the project, including objectives, beneficiaries, budget, and expected outcomes.

2. **Supporting Documents:** Applicants must submit supporting documents such as project budget, and any other relevant information that supports the application.

**Review and Approval Process**

1. **Evaluation:** Eligible applications will be evaluated based on:

• Community impact and reach.

• Feasibility and sustainability of the project.

• Alignment with Rotary’s focus areas and values.

2. **Decision Making:** The Rotary Club’s Grant Committee will select and recommend which entities should receive funds for a particular grant cycle to the Rotary Board of Directors to approve or deny committee recommendations.

3. **Notification:** All applicants will be notified of the outcome of their application.

**Funding and Reporting Requirements**

1. **Funding Disbursement:** Approved grants will be disbursed in accordance with the project timeline and requirements specified in the application.

2. **Use of Funds:** Grants are approved with the understanding that funds will be used for the purposes outlined in the application.  In the event Rotary becomes aware of any significant changes to the project scope or budget, Rotary reserves the right to seek additional information from the applicant that would result in further review and/or approval or denial.

3. **Reporting:** Grant recipients may be required to provide a detailed report within 30 days of project completion, including:

• A summary of activities and outcomes.

• Financial report detailing the use of grant funds.

• Impact on the community and any lessons learned.

**Monitoring and Evaluation**

1. **Site Visits:** Members of the Rotary Club’s Board may conduct site visits to monitor the progress of funded projects.

2. **Feedback:** The Rotary Club’s Board may seek feedback from grant recipients and community members to evaluate the effectiveness of the funding process and impact of the projects.

**Compliance and Accountability**

1. **Adherence to Guidelines:** Grant recipients must adhere to these guidelines and any other conditions specified by the Rotary Club.

2. **Non-Compliance:** Any misuse of funds or failure to comply with the reporting requirements may result in the termination of the grant and disqualification from future funding opportunities.

**Grant Committee Structure**

1. Structure to consist of a Chair (Board member appointed by President),
2. The Committee Chair will have a 2-year term.
3. Members of the Rotary Club will be invited to participate in the grant cycle. They must commit to participate in meetings and complete assigned tasks during the cycle.
4. The Committee Chair will ensure the club is notified of the opportunity to serve on the Committee.
5. The members of the committee will be limited to 2 consecutive terms of participation on the Committee. The Committee may make an exception if needed.

**Grant Committee Objectives**

1. Establish annual Giving Allocation Model (percentages for each area served and ensure Board approval.)
2. Determine Calendar of Activities for the Year.
3. Oversee/Facilitate Committee Process for selection of grant recipients.
4. Ensure grant dollars adhere to existing contracts, gambling law, agreements, etc.
5. Make Granting Recommendation to Rotary Board for approval according to calendar cadence.
6. Committee members will focus efforts on the Mission of the Club and not personal goals or agenda and will approach all issues with an open mind.
7. Members will abstain in all situations where a conflict of interest may exist.

**Grant Committee Process**

1. All applicants will submit the same application materials.
2. All grant applications will come into our club to a single point of contact who is responsible for creating a scoring rubric for all committee members to score the applications.
3. The Grant Committee will consolidate all recommended grants and amounts, discuss the applications, follow up with organizations for clarity as necessary, and make a recommendation to the Board for consideration and approval.
4. All applicants will be contacted with the results of their application.
5. This process will be repeated three times per year for disbursements in October, February, and June.
6. An annual calendar will be established that will clearly define key actions and deadlines that will allow us to meet these dates.

**LEGACY FUND**

The Legacy Committee  is comprised of the four (4) preceding past presidents, the current President and the President Elect. This committee is responsible for developing recommendations to the Board of Directors related to long range planned giving for the club and investments.

This fund is made up of 20% of all monies raised on an ongoing basis with a limit of $250,000.

**ENDOWMENTS**

The Legacy Fund can be utilized to receive any endowments granted to the club. If there are any restrictions to the use of endowment funds they will be earmarked as such through our accounting practices.

Endowments will not be counted as part of the $250,000 limit for the legacy fund.

**LEGACY PROJECTS**

The criteria for a project to qualify as a Legacy Project include the following:

1. **Community Benefit**: The project should primarily benefit the local community.

2. **Alignment with Rotary Philosophy**: Projects must align with the philosophy and practices of Rotary International and our Rotary Club.

3. **Minimum Funding**: The proposed project should have a minimum budget of $5,000. Larger projects are encouraged, but additional funds must be raised if needed.

4. **Partnerships**: Projects that involve significant contributions (resources or volunteers) from partnering organizations are viewed favorably.

5. **Long-Term Impact**: The project should provide a lasting benefit or service to the community. Short-term or operating expense-focused projects are typically not considered.

6. **Economic Sustainability**: Proposals must address sustainability, and those with a higher likelihood of long-term economic sustainability will receive favorable consideration.

7. **Recognition**: Projects should include a plan to recognize the Rotary Club’s contribution.

**Review of Policy**

This policy will be reviewed annually by the Rotary Club’s Board of Directors to ensure its relevance and effectiveness in achieving the club’s objectives. Any amendments to the policy will be communicated to all stakeholders.

**Last Approved by LMERC Rotary Board on July 29,2024**