

**District 5050 ROTARY GRANTS: 2024-25 ROTARY YEAR**

**CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING**

**1. Club Qualification**

The Rotary Foundation (TRF) requires that clubs who wish to participate in District or Global Grants must agree to the terms for financial and stewardship requirements in this Memorandum of Understanding (MOU), and to send at least one club member each year to the district’s Grant Management Seminar. The Rotary Foundation enables a district to establish additional requirements for club qualification for those grants.

By completing these requitements, the club becomes qualified and eligible to participate in the TRF grant program (District and Global Grants).

1. Rotary District 5050 requires that a minimum of two club members must attend a Grants Management Seminar each year, and that one of those two members must be the President-Elect. The other member(s) should be the club member(s) that would normally complete and be responsible for the District and or Global Grant applications. It would be beneficial to have the Club Foundation Chair/Director attend the seminars.
2. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year. Club members are qualified for three years.
3. To maintain qualified status, the club must comply with this MOU, any district requirements, and all applicable TRF policies.
4. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.
5. Qualification may be suspended or revoked for misuse or mismanagement of grant funds involving, but not limited to: fraud; forgery; membership falsification; gross negligence; endangerment of health, welfare, or safety of beneficiaries; ineligible contributions; use of funds for personal gain; undisclosed conflicts of interest; monopolization of grant funds by individuals; report falsification; overpricing; acceptance of payments from beneficiaries; illegal activities; and/or use of grant funds for ineligible purposes.
6. The club must cooperate with any financial, grant, or operational audits.

**2. Club Officer Responsibilities**

The club officers hold primary responsibility for club qualification and the proper implementation of grants.

Club officer responsibilities include:

1. Appoint at least one club member to implement, manage, and maintain the club qualification.
2. Ensure that all TRF Grants adhere to stewardship measures and proper grant management practices.
3. Ensure that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest.

**3. Financial Management Plan**

The club must have a written financial management plan to provide consistent administration of grant funds.

The financial management plan must include procedures to

1. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds.
2. Disburse grant funds, as appropriate.
3. Maintain segregation of duties for handling funds.
4. Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities.
5. Ensure that all grant activities, including the conversion of funds, comply with local law.

**4. Bank Account Requirements**

To receive grant funds, the club must have a dedicated bank account that is used solely for receiving and disbursing TRF grant funds.

1. The club bank account must
2. Have a minimum of two Rotarian signatories from the club for disbursements from the grant account.
3. Be a low or non-interest-bearing account.
4. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
5. A separate account must be opened for each club-sponsored grant, with the name of the account to clearly identify its use for grant funds.
6. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
7. Bank statements must be available to support the receipt and use of TRF grant funds.
8. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories.

**5. Report on Use of Grant Funds**

The club must adhere to all TRF reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs TRF of the grant’s progress and how funds are spent.

**6. Document Retention**

The club must establish and maintain appropriate record keeping systems to preserve important documents related to qualification and TRF grants. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.

1. Documents that must be maintained include, but are not limited to:
2. Bank information, including copies of past statements.
3. Club qualification documents including a copy of the signed club MOU.
4. Documented plans and procedures, including:
5. Financial management plan,
6. Procedure for storing documents and archives,
7. Succession plan for bank account signatories and retention of information and documentation.
8. Information related to grants, including receipts and invoices for all purchases.
9. Club records must be accessible and available to Rotarians in the club and at the request of the district.
10. Documents must be maintained for a minimum of five years, or longer if required by local law.

**7. Reporting Misuse of Grant Funds**

The club must report any potential and real misuse or mismanagement of grant funds to the district. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.

