

# District 5390 Grant Model Review Answers

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## **General:**

1. Who is ultimately responsible for club-sponsored grants?

The correct answer is DISTRICT. If a club is unable to assume responsibility for its club-sponsored grant, the district is ultimately responsible.

2. District must cooperate with financial, grant, or operational audits.

The correct answer is TRUE. Districts that do not cooperate with financial, grant, or operational audits may lose their qualified status. The Foundation reserves the right to conduct audits of a district and its grants at any time.

## **District Officer Responsibilities:**

1. The district grants subcommittee chair is responsible for implementing district qualification.

The correct answer is FALSE. The district governor, district Rotary Foundation committee chair and the district governor elect are responsible for overseeing the implementation of qualification. However, these district officers can assign responsibilities to others in the district.

2. Grants projects can be implemented even if there is a potential conflict of interest.

The correct answer is TRUE. All individuals involved in a grant should strive to eliminate or limit any conflicts of interest; but, most grants can move forward as long as the potential conflict of interest is disclosed.

## **Club Qualification:**

1. The Rotary Foundation will qualify clubs.

The correct answer is FALSE. Districts are responsible for qualifying their member clubs each year.

2. A club can receive district grant funds even if it is not qualified.

The correct answer is TRUE. A district may allot district grant funds to a non-qualified club; however, the district is ultimately responsible for the use of those funds.

3. District may develop additional club qualification requirements.

The correct answer is TRUE. The district may create additional qualification requirements to fit the unique circumstances of the district as long as these requirements are reasonable, achievable, and fair to all clubs.

## **Financial Management Plan:**

1. Why should districts have a financial management plan?

The correct answer is TO PROVIDE CONSISTENT ADMINISTRATION OF GRANT FUNDS. The financial management plan helps the district apply procedures consistently and allows for continuity when new officers are elected.

2. One person in the district should manage the use of grant funds.

The correct answer is FALSE. The district must ensure that multiple Rotarians have oversight over the use of grant funds.

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### **Annual Financial Assessment:**

1. How often should the financial management plan and its implementation be assessed?

The correct answer is ANNUALLY. The annual financial assessment must be conducted every Rotary year.

2. The annual financial assessment should only include a review of district grants.

The correct answer is FALSE. The annual financial assessment reviews financial transactions for district grants, district-sponsored global grants, district-sponsored packaged grants and the controls put in place to manage the grants.

### **Bank Account Requirements:**

1. A district must have a district bank account

The correct answer is TO RECEIVE GRANT FUNDS. A district must have a district-controlled bank account in order to receive grants funds for district grants, district-sponsored global grants, or district-sponsored packaged grants.

2. The district bank account may have one signatory on the account.

The correct answer is FALSE. The district bank account must have at least two Rotarian signatories from the district. This prevents having one individual control all grant funds.

3. Grant funds can be deposited into investment accounts.

The correct answer is FALSE. Grant funds are to be used for the immediate implementation of the grant rather than for the purpose of earning interest. Projects should be ready for implementation as soon as grant funds are received.

### **Report on Use of Grant Funds:**

1. District only report on the DDF that is used for grant projects.

The correct answer is FALSE. Districts must report on the use of all DDF to their clubs, including DDF not used for grants.

2. Grant reporting is optional.

The correct answer is FALSE. Progress reports for global and packaged grants are due every 12 months from the time a grant is paid until the final report is accepted. Final reports are due within two months of completing the grant project. Final reports for district grants are due within 12 months of payment of the grant and can be submitted once the district has fully distributed the district grant funds to individual projects.

### **Document Retention:**

1. District must save documents for district grants, district-sponsored global grants, and district-sponsored packaged grants.

The correct answer is TRUE. District are responsible for maintaining documents related to district grants, district-sponsored global grants, and district-sponsored packaged grants, while clubs are responsible for maintaining documents related to club-sponsored global grants, and club-sponsored packaged grants.

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2. A district may set up an electronic document retention system.

The correct answer is TRUE, though it is best to have a combination of electronic and physical files since some documents, such as contracts, should be maintained in the original form.

3. Documents must be saved for . .

The correct answer is A MINIMUM OF 5 YEARS. Documents related to grants must be saved for at least five years after the grant is closed, or longer if required by local law.

### **Method for Reporting and Resolving Misuse of Grant Funds:**

1. Districts need to develop a system to track reports of misuse of grant funds.

The correct answer is TRUE. District must have a method for tracking, investigating, and resolving reports of misuse or mismanagement.

2. If the district receives a report of misuse, it must:

The correct answer is INVESTIGATE IT. Districts must investigate reports of misuse and report the results of the investigation to the Foundation. Contact the Foundation's Stewardship Department for assistance.

3. The district can resolve matters of misuse without reporting them to the Foundation.

The correct answer is FALSE. The district must report all potential and substantiated cases of misuse. The Foundation will work with the district to determine an appropriate resolution.