



CLUB QUALIFICATION
MEMORANDUM OF UNDERSTANDING
FOR
DISTRICT DESIGNATED FUNDS (DDF)
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DISTRICT 7490 ROTARY FOUNDATION

1. Club Qualification
2. Club Officer Responsibilities
3. Financial Management Plan
4. Report on Use of Grant Funds
5. Document Retention
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**1. Club Qualification**

To participate in **District Designated Funds (DDF)**, your club must agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU) provided by The District 7490 Rotary Foundation Committee. The district may also establish additional requirements for club qualification and/or require its clubs to be qualified in order to participate in Rotary Foundation District Grants. By completing these requirements, the club becomes qualified and eligible to participate in the TRF grant program.

- A. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year.
- B. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable (DDF) policies.
- C. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.
- D. 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; use of grant funds for ineligible purposes.
- E. 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 DDF grants.

Club officer responsibilities include:

- A. Appointing at least one club member to implement, manage, and maintain club qualification
- B. Ensuring that all TRF grants adhere to stewardship measures and proper grant management Practices.
- C. Ensuring 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 the club's funds in order to be reimbursed by the district with grant funds. The project is required to be completed by the end of the Rotary Fiscal year (June 30th) of the Fiscal year following the Fiscal year the grant as awarded in. Example: projects approved in the 2017 - 2018 Fiscal year, must be completed by June 30, of the 2018 - 2019 Fiscal Year.

### **The financial management plan must include procedures to:**

- A. Maintain a standard set of accounts, which includes a complete record of all receipts for disbursements from the district for club's expenses.
- B. Disburse club funds, as appropriate.
- C. Maintain segregation of duties for handling funds.
- D. Establish an inventory system for equipment and other assets purchased with club funds, and maintain records for items that are purchased, produced, or distributed which will then be reimbursed by the district.
- E. Ensure that all grant activities, including the conversion of funds, comply with local law.

## **4. Report on Use of Grant Funds**

The club must adhere to all District Reporting Requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs the District Board of Directors of the grant's progress and how funds are spent. An Example of the District Reporting Requirements would be photos of the approved project.

## **5. Document Retention**

The club must establish and maintain appropriate recordkeeping systems to preserve important documents related to qualification and (DDF) grants. Retaining these documents supports transparency and management and assists in order to be reimbursed by the District.

- A. Documents that must be maintained include, but are not limited to:
  - 1. Club qualification documents including a copy of the signed club MOU

2. Documented plans and procedures, including:
  - a. Financial management plan.
  - b. Procedure for storing documents and archives.
  - c. Succession plan for club officers to ensure successful continuity of the project.
  - d. Pictures of Projects.

3. Information related to grants, including receipts and invoices for all purchases

B. Club records must be accessible and available to Rotarians in the club and at the request of the district.

C. Documents must be maintained for a minimum of five years, or longer if required by local law.

### **6. 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.

### **Authorization and Agreement**

*This memorandum of understanding is an agreement between the club and the district and acknowledges that the club will undertake measures to ensure the proper implementation of grant activities and proper management of Foundation grant funds. By authorizing this document, the club agrees to comply with all of the conditions and requirements of the MOU.*

*On behalf of the Rotary Club of \_\_\_\_\_, the undersigned agree to comply with all of the conditions and requirements of the MOU for Rotary year \_\_\_\_\_ and will notify District Foundation Director of any changes or revisions to club policies and procedures related to these requirements.*

#### **Club President**

Term \_\_\_\_\_  
Name \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_

#### **Club President-Elect**

Term \_\_\_\_\_  
Name \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_