

**Rotary International District 7850**  
**Rotary Foundation – Financial Management Plan, 2016-17**

**Purpose and Overview:**

This is District 7850's plan for managing Rotary Foundation funds received by the District. The plan's scope is limited to the District's stewardship over District Designated Funds (DDF) used for District Grants and Global Grants as defined and specified by The Rotary Foundation (TRF) in various documents comprising the Rotary Foundation's new funding model known as "Future Vision".

Specifically excluded from this plan are the management of those District 7850 funds having to do solely with District operations.

The District 7850 Rotary Foundation Committee includes the District Foundation Chair, District Governor, District Governor-elect, District Global Grants Chair, District Grants Chair, and District PolioPlus Chair. The District Governor-nominee and District Governor-nominee Designate are welcome to participate in meetings.

The District Grants Committee, the District Grants Chair and the District Foundation Chair, with the consent and approval of the District Governor, will have the opportunity and responsibility to manage that portion of District Designated (Share) Funds designated for District Grants. This amount may be as much as 50% of the District's total District Designated Funds in any given year. The District Foundation Committee establishes the funds to be allocated to District Grants. The provisions of this plan will apply to Global Grants should the district receive Global Grant funds.

The key to successful financial management of District and Global Grants is an effective process for administering the applications for, and allocation of, all grants.

**Guiding Principles:**

The guiding principles behind the District's administration of the District and Global Grants are as follows:

- Projects funded with District and Global Grant funds must comply with The Rotary Foundation rules.
- The District desires that available grant funds be spread as widely as possible among clubs applying for District and Global Grants. Smaller clubs are encouraged to form partnerships to sponsor grant-funded projects.
- Grants should result in a lasting benefit to the targeted population. It is suggested that clubs partner to sponsor a single, larger project with broader and more lasting impact, and involve more District Rotarians.
- Guidelines for District Grants are posted on the District web page.
- Because a District plan must be developed for the use of 80% of District grants funds before the District can complete RI's on-line application for the grant, club applications for District Grant funds should be submitted to the DRFC no later than the annual District Assembly or by a date agreed to by the District Grant's chair and District Foundation Chair.

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- Clubs are encouraged to partner with third-party organizations to expand the impact of their proposed projects. However, all projects funded by a District Grant must be proposed, managed and directed by Rotarians.
- All activities associated with District Grants must be verifiable and auditable.
- The District's administration of District and Global Grants will, in all particulars, be in conformance with the requirements and intents of the Rotary Foundation District Memorandum of Understanding (MOU).

## **The Plan**

### **Administration of District Grant funds:**

The process for submission and evaluation of District Grant applications and the allocation of District Grant funds will be as follows:

1. Club Qualification to receive District Grant Funding: Clubs *must* be qualified to submit applications for District Grants. Qualifications include signing the Club MOU, being current on all RI and District Dues and being current on all Rotary Foundation grant reporting. Attendance at the Grants Management Seminar is a requirement for District Grants and Global Grants.
2. District Grant Application is available on the District web page:  
<http://www.rotary7850.org/>
3. Schedule for District Grant Applications: A calendar for the District Grant process will be promulgated each year. It is anticipated that the deadline for these applications will be the District Assembly each spring.
4. Processing District Grant Applications: The District Grants Chair & Committee (DRFC), District Foundation Chair and District Governor will review District Grant applications as they are received, and will work with the respective clubs to resolve any content or format issues relating to the application.
5. District Grant Funding Determination: As soon as practical after the deadline for District Grant applications, the District Grants Review Committee will review each application and determine a funding plan for the proposed projects, taking into account the funds available. A simple majority of the District Grants Review Committee members will determine if funding will be granted. The review of applications may occur by e-mail.
6. Decisions made by the District Grants Review Committee are final with no appeal. This is to avoid as much as possible, any delays in funding the approved grants.
7. District Grant Funding Approval Dissemination: A list of funded District Grants will be disseminated to all clubs as soon as practical after the District Grants Review Committee

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has determined the funding plan, but in no event more than 21 days after approvals were made.

8. Funding Procedure for District Grants: Approved projects will be funded as soon as practical after the funding plan has been determined. The process shall be as follows:
  - A. The District Grants Chair will send the District Foundation Chair, District Governor, District Stewardship Chair and District Treasurer a list of approved District Grants, with a description of each project to be funded, and the amount of money approved for the project.
  - B. The District Foundation Chair and/or the District Grants Chair will prepare the required submission to TRF for the district's District Block Grant request. These two individuals will negotiate who will take the lead on preparing the submission for the District Grant.
  - C. When RI funds are received by the district, they will be deposited in the Rotary District 7850 District Grant Account. As mentioned, such funds *must* be kept in a bank account separate from all others; they cannot be comingled with other District funds; the account must include the District Grant number. Thus a new account must be established annually.
  - D. The District Grants Chair will prepare checks indicating the Club's name, date and the amounts of the respective checks. All checks will be signed by at least two signatories from among the District Treasurer, District Governor, District Foundation Chair and District Grants Chair. The check will then be sent to the lead Rotarian listed on the grant.
  
9. Club District Grant Reporting Requirements\*: As a stipulation of receiving a District Grant the sponsoring club will comply with the following reporting requirements:
  - A. The District Grants Chair will provide Clubs with the District's report form for District Grants.
  - B. Interim reports are required four months after receipt of the grant, and at the end of the grant.
  - C. A final report is required within two months of full expenditure of grant funds. The final report must include:
    - 1) A detailed and clearly organized report of all expenses;
    - 2) Copies of receipts for items purchased;
    - 3) A detailed account of Rotarian participation in the implementation of the grant, which reflects the required Rotarian activities; and
    - 4) A narrative that includes information on the implementation of the project and how experience gained from it will inform/guide the club and the district for the next Rotary year.

**\*NOTE:** Failure to comply with The Rotary Foundation policies and guidelines will result in the club returning misused grant funds in their entirety and being barred from receipt of future grants for a period of up to five years. Failure to fully comply with these policies may also jeopardize District 7850's ability to participate in this program in the future.

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10. Annual District Grants Activity Report: Each year in the period April – June, the District Grants Chair and District Global Grants Chair will submit to the District Rotary Foundation Chair and the District Stewardship Chair a summary report of the status of all District Grants and Global Grants funded during the year. The report will include a list of all grants issued along with the following information:
  - A. Status (in progress, complete)
  - B. Whether interim reports were submitted as required
  - C. Whether final report was submitted
  - D. Any problems identified, and how they were resolved.
  
11. Resolution of Problems Noted: The District Foundation Chair and the District Stewardship Chair will review the report and take action as appropriate to resolve any problems noted in the report; they will forward the report to the District Governor.
  
12. District Grants Record Keeping: The District Grants Chair and the District Treasurer will maintain electronic and/or hard copies of the following files for the retention times as indicated:

District Grants Chair will store:

  - A. An individual file for each District Grant containing the following information -- Retention period = five (5) years after final report is received and approved:
    - 1) the original application as reviewed by the DRFC prior to funding
    - 2) copies of invoices and receipts
    - 3) photos
    - 4) interim reports (if any)
    - 5) the final report
  - B. Copy of the District Grant as approved -- Retention period = five (5) years
  - C. Copy of check requests made to fund the approved grants -- Retention period = five (5) years
  - D. General ledger itemizing and explaining deposits and withdrawals.
  - E. District and Club qualification documents for Global and District Grants
  - F. Copies of reports submitted to the Rotary Foundation

District Treasurer will store:

  - A. District Grant Bank Account information
    - 1) All bank account information and past statements
    - 2) Documentation of any changes in payee signatories
  - B. District Treasurer will store:
    - 1) District Grant Bank Account information
    - 2) All bank account information and past statements
    - 3) Documentation of any changes in payee signatories
  
13. District Grants Financial Accounting: The District Treasurer, in collaboration with the District Grants Chair will be responsible for the following:
  - A. Maintain a general ledger in accordance with Generally Accepted Accounting Principles (GAAP).

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- B. Ensure that all banking activities, including the conversion of funds, are in accordance with local law.
  - C. Adhere to all The Rotary Foundation bank account requirements as follows:
  - D. The bank account should be low or non-interest bearing; any interest earned will be documented and used on eligible, approved grant activities or returned to TRF.
  - E. The name on the account will be “**Rotary District 7850 Grant Account plus the grant number**”.
  - F. Grant funds may not be deposited in investment accounts of any kind.
  - G. Perform monthly bank reconciliations and retain them electronically.
  - H. Annually following the conclusion of each Rotary year (June 30), the District Treasurer will make available to the District Audit Committee the District Grants Financial Accounting books: General Ledger, Income Statements, Balance Sheet and Bank Statements.
  - I. The District Governor or the Chair of the Finance Committee (District Governor-elect) will arrange for the annual financial review to be performed by the Audit Committee
14. Signatory authority and custodianship of District Grant Bank Account:
- A. No cash disbursements are allowed.
  - B. Two signatures are required on all disbursement checks. Holders of the following positions shall have signing authority: District Foundation Chair, District Treasurer, District Grants Chair (for District Grants), and District Global Grants Chair (for Global Grants).
  - C. When the holder of a position changes, the District Foundation Chair or District Governor will ensure that new signature cards are completed within 60 days of the personnel change.
15. Financial Assessment\*:
- A. All documents for financial assessment will be organized for review within 60 days of the end of the Rotary year.
  - B. The District Stewardship Chair will review all documents related to District 7850 grants in order to verify that the district is following the steps required of a good steward of Rotary Foundation Funds. The review report will be submitted to the District Governor and District Foundation Chair. The District Foundation Chair and District Governor will work together with the Grants Chairs to resolve any issues of concern in the report. Any discrepancies or any misuse of funds that cannot be rectified immediately will be reported to The Rotary Foundation. This needs to occur within 90 days of the end of the Rotary year.
  - C. The District Financial Review Committee will be appointed by the District Governor and will be comprised of at least three (3) active Rotarians who are independent and financially literate, and who are members in good standing of different clubs in the district. At least one of the three members must also be a past district 7850 governor. Financial Review Committee members must be free of any conflict of interest, and specifically may *not* be any of the following:
    - Member of any club or district grant project committee

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- Member of the District Foundation Committee
- The District Governor-elect
- The immediate past District Governor
- The current District Governor
- Any Rotarian planning to be a project contact or a recipient of Rotary grant funds during the term of the Review Committee

\*An “independent financial assessment” is defined as follows by the Rotary Foundation Grants Manual - District Memorandum of Understanding:

An independent financial assessment is an evaluation of financial controls and compliance conducted by an independent, financially literate person or entity that has no direct links to the funds being examined or relationship with the club. The assessment is substantially smaller in scope than an audit or review and does not express an opinion on the financial statements taken as a whole. (District Memorandum of Understanding, page 3)

- D. A written report by the Financial Review Committee will be submitted to the District Foundation Chair and the District Governor within 120 days of the end of the Rotary year.

16. Resolution of Discrepancies and/or Misuse of Funds:

- A. The District Foundation Chair will resolve any discrepancies or misuse of funds noted by the Audit Committee, reporting those actions to the Treasurer and District Governor along with an action plan to prevent the repetition of any such discrepancies or misuse of funds. A copy of the Audit Committee Report and all follow-up reports will be provided to the District Governor-elect and District Governor-nominee. The District Foundation Chair will take action also to resolve any discrepancies or misuse of funds reported to him/her by any others.
- B. The Rotary Foundation will be notified of any discrepancies and/or misuse of funds as soon as they are identified. The District Foundation Chair will work with The Rotary Foundation to resolve these issues. Resolutions could include returning of funds to the District or The Rotary Foundation. It could also include denial of future requests for District Designated Funds for a period of one to three years, depending on the severity of the discrepancy or misuse of funds. It is possible, if severe enough, that the club charter could be pulled.

17. Report of Grant Activity to all clubs in the District:

Annually in July or August, the District Foundation Chair will transmit to all clubs in the District a summary report regarding District Grant activity during the previous Rotary year. Copies of the report will be sent to the Immediate Past District Governor, District Governor, District Governor-elect, District Governor-nominee, and all members of the District Grants Committee.

**Administration of Global Grant funds:**

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18. Funding Procedure for Global Grants (Bank Account held in District 7850):

- A. The Global Grants website assigns a unique number to each grant.
- B. After TRF approves the application for a Global Grant, it requests bank information for the funds.
- C. The primary contact on the Global Grant requests bank information from the District Treasurer. With approval from the District Foundation Chair and District Global Grants Chair, the treasurer will set up a separate account for the Global Grant. The account name will include District 7850 and the Global Grant number.
- D. When funds arrive in the District bank account, the District Treasurer will notify the Global Grant primary contact. Checks drawn on Global Grant accounts will require two signatures.
- E. The primary contact will prepare a check request indicating the amount, the payee, the bank information (if it is a wire transfer) or the mailing address. Invoices or receipts must accompany this request. The request will be sent to the District Global Grants Chair for approval and signature; it then will be submitted to the District Treasurer for a second signature.
- F. The District Treasurer will notify the District Foundation Chair and District Governor that the money is being expensed.
- G. The District Foundation chair will prepare checks per instructions from the primary contact on the Global Grant. If it is a wire transfer, the District Treasurer will prepare the wire transfer.
- H. The District Treasurer will verify that check amounts and payees are in accordance with the check request, sign the check and mail it.

19. Global Grant Financial Management:

Should District 7850 receive any Global Grant funds, such funds will be deposited in the separate District Grant bank account and disbursed in the same manner as funds for the District Grants. Any such financial activity will be reported and administered within the system established herein for District Grants, the only difference being the particular identification of the subject Global Grant.

**Other Administrative Tasks for Rotary Foundation Grant Management:**

20. Annual review and evaluation of the District Financial Management Plan:

Annually the District Foundation Chair, District Grants Chair, District Global Grant Chair, District Governor, District Governor-elect, District Governor-nominee and District Stewardship Chair will assess the operational performance of this Grants Financial Management Plan. The purpose shall be to determine whether the plan's procedures work to the satisfaction of those involved, and whether the plan serves the clubs of the District well. It is specifically not the purpose of this review to perform an audit on the financial records. Changes in the procedures may be made by majority vote of the review committee.

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21. Changes to this Financial Management Plan:

This document may be changed from time to time to better serve the District's clubs, or to correct a deficiency in the plan. Suggested changes may be proposed to the District Foundation Chair who will transmit the proposed change(s) to all members of the District Foundation Committee for comment. Any comments received will be resolved and the resulting proposed changes to the plan will be made and promulgated. A note indicating the superseding plan will be added to the end of the plan indicating the date of the revision and the date of the superseded version of the plans.

22. Document Storage – All of the following documents are to be stored for five (5) years by the District Foundation Chair and the District Grant(s) chair. At the end of a term, it is the responsibility of the prior District Foundation Chair and the District Grant(s) Chairs to transfer document to their successor within 30-days of the close of the Rotary year.

A. District Grants

The District Foundation Chair will be responsible to storing the attendance records for the Grants Management Seminar, copies of Memorandum of Understanding (MOU) for Rotary Clubs for District Grants signed by Club Presidents and Presidents-elect; and validate that clubs applying for grants are certified by sending a copy of the MOU to the District Grants Chair. The District Grants Chair will maintain files of District Grant applications, copies of invoices and receipts that pertain to the grant, photos, and interim and final reports.

B. Global Grants

The District Foundation Chair will be responsible to storing the attendance records for the Grants Management Seminar, copies of Memorandum of Understanding (MOU) for Rotary Clubs signed by Club Presidents and Presidents-elect for Global Grants; and validate that clubs applying for grants are certified by sending a copy of the MOU to the District Grants Chair. The District Global Grants Chair will be responsible for maintaining files for Global Grants initiated by the District; this will include but is not limited to the application, invoices and receipts, photos interim and final reports. The Global Grants chair will ask clubs involved in Global Grants to provide the chair with duplicate copies of their documentation to assure the District the Club is following the Club MOU for Global Grants.

23. Key to committee structure with names of 2016-2017 personnel:

A. District Foundation Chair, Marilyn K. Bedell [m.k.bedell@comcastnet](mailto:m.k.bedell@comcastnet)

B. District Global and District Grants Chair, Larry Vars [lvars@pjnoyes.com](mailto:lvars@pjnoyes.com)

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- C. District Rotary Foundation Committee District Stewardship Chair:  
Lionel Emond [LEproman@aol.com](mailto:LEproman@aol.com)
- D. District Rotary Foundation Audit Committee: to be named by District Rotary Foundation Chair and District Governor
- E. Other District officers
- 2016-17 District Governor Jay Polimeno [jay@polimenorealty.com](mailto:jay@polimenorealty.com)
  - 2017-18 District Governor Eric Denu [cside@sover.net](mailto:cside@sover.net)
  - 2018-19 District Governor Lawrence “Larry” Vars [lvars@pjnoyes.com](mailto:lvars@pjnoyes.com)

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