

**Rotary District 5500 Policy for District Grants
As amended by the District Rotary Foundation Committee on June 14, 2018**

I. What We Fund

D5500 district grants fund small-scale, short-term projects that address needs in local and international communities. Within D5500 district grants are specifically intended to promote humanitarian club projects that involve the active, personal participation of D5500 Rotarians. D5500 district grants may be used to fund either local or international projects but must be directly related to the mission of The Rotary Foundation (TRF) and approved by D5500.

II. Restrictions on District Grant Spending

All D5500 district grants:

- a. Must be in accordance with the most recent published edition of The Rotary Foundation's Terms and Conditions for Rotary Foundation District Grants and Global Grants.
- b. Are intended to assist clubs with their new projects and are not available to fund the same project for a second year even if new beneficiaries are involved.
- c. Preference is given to club projects that can be completed within the same Rotary year for which the grant is given.
- d. May not be used to fund Vocational Training Teams, Microcredit, or Scholarships.
- e. Are limited to one district grant per club active/open at a time without first obtaining exception approval from the D5500 Grants Subcommittee.
- f. Require a D5500 club contribution of at least one-half of the total cost of the project in cash and D5500, depending on the availability of funding, may be able to match the clubs cash contributions, dollar-for-dollar, up to a maximum limit of \$6,000.
- g. Are encouraged to be both Sustainable and within one of Rotary's Six Areas of Focus.
- h. Require direct and active Rotary club and Rotarian involvement in planning and execution of approved district grant projects.

III. Club Eligibility Guidelines. D5500 requires that clubs requesting a district grant be Qualified and in Good Standing in order to assure that proper financial and stewardship controls are understood and in place to manage their district grant project and funds.

- a. Responsibility for determining Qualification rests with the Stewardship Chair of the D5500 Rotary Foundation Committee.
- b. All provisions of the *Club Qualification MOU* apply to D5500 clubs when applying for a D5500 district grant with the exception of the requirement in Para 4 requiring a separate bank account for each grant. While a separate bank account is not required for any D5500 district grant, clubs are still required to put controls in place to ensure strict accounting of all district grant funds, funds collected, and funding expenditures.

IV. D5500 District Grant Lifecycle

a. Approval Phase

- i. Applications for D5500 district grant matching funds should be submitted in writing by 15 July of the new Rotary Year (RY) but may be submitted as late as 31 August provided a *Request for Funds* outlining the club's anticipated project and the amount of funding to be requested from district is submitted to the D5500 District Grants Subcommittee not later than the 15 July deadline. If a *Request for Funds* is submitted by the application deadline of 15 July, a completed application is submitted by 31 August, and the application is approved, it will be funded only if there are funds left over after funding all completed applications that were submitted by 15 July and approved. In other words, to assure funding, clubs should submit completed applications by 15 July and not rely on the *Request for Funds* process.
- ii. All district grant requests will be reviewed and approved by the D5500 District Grants Subcommittee.
- iii. D5500 district grant funds may not be used to fund activities for which the expenses have already been incurred. Any expenses incurred prior to approval of the Application by the D5500 District Grants Subcommittee and the D5500 Spending Plan by TRF may not be used to offset or match D5500 district grant funding.
- iv. Appeal of the decision of the D5500 District Grants Subcommittee may be submitted in writing to the D5500 Grants Subcommittee for arbitration.
- v. The decision of the D5500 Grants Subcommittee is final.
- vi. Applications submitted to the D5500 District Grants Subcommittee after 31 August will be consider on a case-by-case basis and, if approved, may be funded up to \$2,000 provided sufficient district grant Contingency funds are available.

b. Execution Phase

- i. Collection of funds are closely monitored and tracked.
- ii. The club applies the funds to execute the project.
- iii. Receipts for expenditures are collected and retained. Copies are provided to D5500 with the final report.

c. Reporting and Closeout Phase

- i. A *Final Report* documenting project completion and disbursement of all funds must be submitted to the D5500 District Grants Subcommittee within 2 months of project completion but not later than 1 May of the RY in which the district grant funds were disbursed.
- ii. If a project is not completed by 1 May then a *Progress Report* must be submitted including all information, receipts, and bank statements as of that date and identification of the anticipated project completion date.
- iii. All unused district grant funds must be returned promptly to D5500 and will be credited to the district's DDF account with TRF.
- iv. D5500 Rotary clubs failing to remain current in reporting of a district grant will immediately be considered ineligible to receive any further grant funding and, if a *Final Report* is not submitted by 1 May of the RY following receipt of a D5500 district grant funds, they may be barred from receiving future D5500 grants for a period of up to five (5) years. Requests for exceptions to this suspense should be submitted to the D5500 District Grants Subcommittee at the earliest date possible.

V. Prioritization of D5500 District Grant Projects

In the event that there are more requests for district grant matching funds than available DDF funding, the District may choose to fully or partially fund projects using the following factors:

- a. A club's prior contribution to the Annual Fund.
- b. The degree to which the project is Sustainable.
- c. The degree to which the project meets one of Rotary's Six Areas of Focus.
- d. The amount of Rotarian participation in the planning and execution of the project.
- e. The ability of the project to be completed within the Rotary year for which the grant is requested.
- f. The clubs record of successful oversight, management, and completion of previous Rotary grant projects.
- g. The extent to which the project aligns with the "Challenge" or "Emphasis", if any, that the District Governor expresses to the clubs in selecting projects in the applicable Rotary year.

The District Grant subcommittee will rank the approved applications with a point system using the above seven (7) factors. The group of applications will then be separated into three (3) order-of-merit groups (Upper, Middle, and Lower) based on the total points given to each application in the prioritization process.

The subcommittee will then assign to each group a percentage of the amount requested in each application that will be awarded. Applications in the Upper group will receive the highest percentage; applications in the Middle group will receive a lower percentage; and applications in the Lower group will receive the lowest percentage.

The subcommittee will determine what percentage to assign to each group so that all available funds are awarded. The percentages assigned to each group may vary from year to year depending on the number of applications approved and the amount of funds available.

VI. Cooperating Organizations. Cooperating organizations are reputable non-Rotary organizations or academic institutions that provide expertise, infrastructure, advocacy, training, education, or other support for the grant. Cooperating organizations must agree to comply with all reporting and audits required of TRF and D5500 and to provide receipts and proof of purchase as requested.

When working with a Cooperating Organization, such as a school or school district, the following details must be provided with the application in the form of a signed letter or memorandum of understanding from the organization.

- a. That all appropriate permissions have been granted to proceed with the project.
- b. That any grant and project funding provided to the cooperating organization will be used for project expenses.
- c. Will identify what the cooperating organization will do after the project funds have been spent to insure reasonable continuation (sustainability) of the project.

VII. Payments and Matching Funds

- a. D5500 may match D5500 Rotary club cash contributions for a district grant project up to an amount of not more than \$6000.
- b. In-kind or non-cash contributions are not considered when determining the amount of D5500 funds available for matching the Rotary club's contribution.

VIII. Club Reporting and Documentation

- a. A *Final Report* will be provided to the D5500 District Grants Subcommittee within 60 days of project completion and not later than May 1.
- b. Receipts are required of all items costing more than \$50 purchased with district grant or club project funds.
- c. If the project was conducted with an overseas partner then copies of bank statements tracking fund transfers are also required.
- d. Clubs are required to retain original receipts for all district grant project expenditures and provide copies to D5500 with their *Final Report*.

- e. Both the district and the clubs must retain copies of receipts related to grant funded expenditures in accordance with local laws and for a period of at least five (5) years following closure of the grant.
- f. All unused district grant funds will be returned to D5500.

IX. How District Grants Are Funded

- a. D5500 district grants are funded by TRF solely with an allocation from DDF based on Annual Giving from three (3) years prior.
- b. Each Rotary year D5500 may submit a single grant request (in the form of a *Spending Plan*) to TRF requesting to use up to 50% of the district's SHARE allocation.

X. Global Grant (GG) Community Assessment

Since TRF specifically states that Global Grant funds may not be used to cover the cost of completing the required GG community assessment, a D5500 District Grant may be requested to accomplish this requirement within the following guidelines.

- a. That the use of D5500 district grant funding is intended to contribute toward meeting the expenses of accomplishing the required GG community assessment but is not necessarily intended to fully fund the cost of the assessment. Use of grant funds are not limited to travel but may be used for valid GG community assessment expenses.
- b. That the request for district grant funding for a GG community assessment will be submitted in the same manner as any other district grant project and clubs are, therefore, required to provide a D5500 District Grant Application, matching club cash contribution, and a Final Report IAW existing D5500 district grant guidelines.
- c. That the GG must be given the initial approval of the D5500 Grants Subcommittee to proceed. A memorandum from the subcommittee must be submitted with the D5500 District Grant application.
- d. That D5500 district grant funding will be used for the GG community assessment only. Funds are not to be used to fund other travel or any other work not directly associated with accomplishing the community assessment.
- e. That if a club chooses to use a D5500 district grant to help accomplish a GG community assessment, that grant will be considered the clubs one district grant until closed out with a Final Report.

X. Special Considerations

- a. **International Projects.** All D5500 district grant projects executed in another country must include a local International Rotary club partner to assist with oversight and local administration of the project.

- b. **Construction.** While D5500 district grant funds may not be used to purchase land or buildings, they may be used to fund limited, new construction within the perimeters of the approved grant.
- c. **Competitive Bids.** D5500 encourages Rotary clubs to use a competitive bidding process when selecting a major supplier.
- d. **Conflict of Interest.** If a major item or service (in excess of \$1,000) is provided by a Rotarian, a Rotarian's business, or a family member of a Rotarian, then an explanation must be included in the *Final Report* explaining why the item or service was not a conflict of interest and why it was in the best interests of the project and the Rotary club to use the selected source.
- e. **Travel Arrangements and Insurance Coverage.** All travelers are responsible for making their own travel arrangements. They may work with Rotary International Travel Service (RITS) or they may make their own arrangements. Travelers are also responsible for obtaining their own travel insurance, which may be purchased with grant funds.
- f. **Failure to Comply.** Rotary clubs that fail to adhere to TRF or D5500 policies and guidelines in implementing and financing grant projects must return all district grant funds in their entirety and may be barred from receiving future D5500 grants for a period of up to five (5) years.