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|  | Club Qualification Memorandum of Understanding  2024-25 Rotary Year  The Rotary Foundation  Rotary District 5650 |

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8. **Club Qualification**

To participate in Rotary Foundation grants, which includes global and district grants, as a lead club or any participating club, all clubs agree to:

* 1. Execute and submit this Memorandum of Understanding (MOU).
  2. Send at least two club members to the district grants management seminar each year.
     1. RECOMMENDED - Club Presidents, Club Treasurers, Treasurers of Club Foundations should participate in a GMS to ensure understanding of the financial requirements including the separate account required for managing all funds for the project.
     2. REQUIRED - members completing grant applications must participate in a GMS
  3. Implement the financial and stewardship requirements in this MOU and as provided by The Rotary Foundation (TRF)
  4. Club must submit goals on Rotary Club Central for Membership, giving to the Annual Fund, and  giving to Polio Plus
  5. Adhere to any additional requirements established by the district or Rotary International.

By completing these requirements, the club becomes qualified and eligible to participate in the TRF grant program for the current Rotary Year.

* 1. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year (beginning July 1).
  2. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable TRF policies.
  3. The club is responsible for the use of grant funds.
  4. 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.
  5. The club must cooperate with any financial, grant, or operational requirements and audits.
  6. The club may lose eligibility for grants based on non-compliance with grant stewardship and reporting requirements or other expectations as outlined by TRF or Rotary District 5650.

1. **Club Officer Responsibilities**

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

Club officer responsibilities include (but are not limited to):

* 1. Appointing at least two club members to implement, manage, and maintain club qualification.
  2. Ensuring that all TRF grants adhere to stewardship measures, financial requirements, terms and conditions, reporting requirements, and proper grant management practices.
  3. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest; ensure compliance with the Conflict of Interest Policy for Grant Participants as outlined in section 10.030 of The Rotary Foundation Code of Policies.

1. **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. Acknowledge TRF grant funds immediately upon receipt and, if sent by check, negotiate the check within 60 days of receipt (see bank account requirements).
  3. Disburse grant funds, as appropriate, and only as approved in the application. Any exceptions to this must be approved by the District Grants Committee.
  4. The club is responsible for the use of funds and for securing receipts for club-sponsored grants, regardless of who orders the items, such as a beneficiary organization. The club maintains control of the funds and disburses funds only for actual expenses of the project to appropriate vendors. It is not appropriate to “hand the funds over” to the beneficiary organization though they can purchase items and then request reimbursement.
  5. Maintain segregation of duties for handling funds.
  6. 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.
  7. Ensure that all grant activities comply with local law.

1. **Bank Account Requirements**

In order 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
     1. Have a minimum of two Rotarian signatories from the club for disbursements.
     2. Be a low- or noninterest-bearing account.
  2. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
  3. A separate account must be maintained for grant funds, and the name of the account should clearly identify its use for grant funds. The funds cannot be placed in any other club account.
  4. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
  5. Bank statements, images of checks and deposit ticket copies must be available to support receipt and use of TRF grant funds.
  6. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories.

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

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.

* 1. The club must adhere to all TRF and District 5650 reporting requirements.
  2. Interim and final reports may be required and must be submitted using the designated report process and forms..

1. **Document Retention**

The club must establish and maintain appropriate recordkeeping 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:
     1. Bank information, including copies of past statements, check images and deposit tickets.
     2. Information related to grants, including receipts and invoices for all purchases.
     3. Club qualification documents including a copy of the signed club MOU.
     4. A copy of the Grant Application and all supporting documents.
     5. Documented plans and procedures, including:
        1. Financial management plan.
        2. Procedure for storing documents and archives.
        3. Succession plan for bank account signatories and retention of information and documentation.
  2. Club records must be accessible and available to Rotarians in the club and at the request of the district.
  3. Documents must be maintained for a minimum of five years, or longer if required by local law.

1. **Reporting Misuse of Grant Funds**

The club must report any potential and real misuse or mismanagement of grant funds to the District Stewardship Chair. 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 this 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 2024-25 and will notify Rotary International District 5650 of any changes or revisions to club policies and procedures related to these requirements.*

*REQUIRED SIGNATURES:*

*(Be sure to enter the club name in the above paragraph.)*

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| **Club President 2023-24** | |  | **Club President 2024-25** | |
| **Printed Name** |  |  | **Printed Name** |  |
| **Signature** |  |  | **Signature** |  |
| **Date** |  |  | **Date** |  |

*ADDITIONAL SIGNATURES – ONLY IF REQUESTED BY THE DISTRICT:*

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| --- | --- | --- | --- | --- |
|  | |  |  | |
| **Title** |  |  | **Title** |  |
| **Printed Name** |  |  | **Printed Name** |  |
| **Signature** |  |  | **Signature** |  |
| **Date** |  |  | **Date** |  |

Sign and Scan the completed Memorandum of Understanding to: DistrictGrants@rotarydistrict5650.org.