**District 7890 Rotary Foundation Financial Management Plan**

This is District 7890’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 funding model.

Specifically excluded from this plan does the management of those District 7890 funds have to do solely with District operations.

The District 7890 Rotary Foundation Committee includes the District Rotary Foundation Chair, District Governor, Subcommittee Chairs of Grants, District Fundraising, Polio, Annual Giving, Endowment/Major Gifts, Paul Harris Society, VTT, Stewardship and Alumni. The District Governor-elect, District Governor-nominee and District Governor-nominee Designate are welcome to participate in meetings.

The District Grants Committee includes the Grants Subcommittee Chair, the Stewardship Chair and the District Rotary Foundation Chair, with the consent and approval of the District Governor. The District Rotary Foundation Chair and the District Governor establish the percentage of funds to be allocated to the District Grant. The provisions of this management plan will apply to both District and Global Grants.

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.
* Guidelines for District Grants are posted on the District web page.
* Because the District spending plan must be developed for the use of 80% of District grants funds before the District can complete Rotary International’s on-line application for the grant, club project applications for District Grant funds should be submitted to the District Grants Chair no later than July 1st. (revised 12/17)
* 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.
* In order to avoid monopolization of grant funds by individuals or clubs in the district, no more than 3 active Global Grant projects using DDF shall be allowed at any given time on Global Grant requests directly or indirectly sponsored by a club or a Rotarian in the club.
* Clubs shall submit the District Designated Fund Request form prior to activating a Global Grant project if the funding involves DDF from the District.
* The District’s administration of District and Global Grants will, in all particulars, conform 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 proposals 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/ Addendum to the Club MOU (revised 11/18) and being current on all Rotary Foundation grant reporting and District and Rotary International dues. Attendance at the Grants Management Seminar is a requirement for District Grants and Global Grants.
2. The Application for District Grant-funded projects is available on the District web page: <http://www.rotarydistrict7890.org>. (revised 12/17)
3. Schedule for District Grant Applications: A timeline for the District Grant process will be promulgated each year. It is anticipated that the deadline for these applications will be July1st of each year. (revised 12/17)
4. Processing District Grant Applications: The Grants Subcommittee Chair, District Rotary Foundation Chair, District Stewardship Chair and District Governor will review District Grant applications and will work with the respective clubs to resolve any content or format issues relating to the application. (revised 12/17)
5. District Grant Funding Determination: As soon as practical after the deadline for District Grant Applications, the District Grants Committee will review each application and determine a spending plan for the proposed projects, taking into account the funds available. A simple majority of the District Grants Committee members will determine if funding will be granted. The review of applications may occur by e-mail. (revised 12/17)
6. Decisions made by the District Grants 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: Clubs that have submitted District Grant Applications will be notified by e-mail whether their project has been approved or not once the District spending plan has been approved by The Rotary Foundation and the District Grants Committee has been notified. (revised 12/17)
	1. The Grants Subcommittee Chair will complete the online application, including the spending plan, for the District Grant. When TRF funds are received by the district, they will be deposited in the Rotary District 7890 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.
	2. Since a District Grant is a reimbursement grant, projects must be completed and all required documentation (i.e., project report, receipts, etc) submitted to the Grants Subcommittee Chair in order to receive the grant reimbursement funds. District Grant reimbursement checks for club projects are **only made payable to the club**, not to any other entity (i.e., vendors, charities, etc). Please note that since this is a reimbursement grant to the club, a club does not have to open a separate bank account to manage the funds. 4/21 (7/1/22)
	3. If a club fails to complete the project by May 1st or submit the final Project Report by May 1st, they will no longer be eligible to receive the grant reimbursement funds for that project. The District Grants Committee may use these grant funds for another proposed club or District initiated project after receiving approval from TRF. (revised 12/17) (7/1/2022)
	4. The District Treasurer will prepare checks indicating the Club’s name, date and the amounts of the respective checks. The check will then be presented at one of the club’s meetings or be sent to the lead Rotarian listed on the grant. 4/21
8. Club District Grant Reporting Requirements\*: As a condition of receiving funds from a District Grant the sponsoring club will comply with the following reporting requirements:
9. The Grants Subcommittee Chair will provide Clubs with the District Grant Final Report form.
10. The project must be completed and final report submitted by May1st. (revised 12/17)
11. The final report must include:
12. A detailed and clearly organized report of all expenses;
13. Copies of receipts for items purchased;
14. A detailed account of Rotarian participation in the implementation of the grant, which reflects the required Rotarian activities; and
15. 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 7890's ability to participate in this program in the future.

1. If the District Governor, District Foundation Committee and the District Grants Committee deem it appropriate, District Managed Grant funds can be used for District led and implemented scholarships, Vocational Training Teams and/or service projects, but the Service Projects will have priority over the other projects in the event the available funds will not cover the requested funds. (7/1/22)
2. 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.
3. District Grants Record Keeping: The District Grants Chair, District Rotary Foundation Chair and the District Treasurer will store the following documents for the current fiscal year. After the Annual Financial Assessment takes place, the documents will be stored for 5 years in the district’s secure storage facility.

The Grants Subcommittee Chair will store:

1. An individual file for each District Grant containing the following information --
2. the original application
3. copies of invoices and receipts
4. photos
5. the final report
6. Copy of the District Grant as approved
7. Copies of reports submitted to The Rotary Foundation

 The District Foundation Chair will store:

1. District and Club qualification documents for Global and District Grants
2. Attendance sheets for the Grant Qualification seminars and webinars

 The District Treasurer will store:

 District Grant Bank Account information

* 1. All bank account information and past statements
	2. Documentation of any changes in payee signatories

 3.) The general ledger itemizing and explaining deposits and withdrawals.

1. District Grants Financial Accounting: The District Treasurer, in consultation with the Grants Subcommittee Chair will be responsible for the following:
2. Maintain a record of receipts and grants disbursements
3. Ensure that all banking activities, including the conversion of funds, are in accordance with local law.
4. Adhere to all The Rotary Foundation bank account requirements as follows--

 (1)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.

 (2)The name on the account will be “**Rotary District 7890 District Grant”.**

 (3) Grant funds may not be deposited in investment accounts of any kind.

 D. Perform monthly bank reconciliations and retain them electronically.

E. Annually, following the conclusion of each Rotary year (June 30), the District Treasurer will make available to the District Financial Oversight Committee the District Grants Financial Accounting books: General Ledger, Balance Sheet and Bank Statements.

F. The District Foundation Chair or the Chair of the District Finance Committee will arrange for the annual financial review to be performed by the District Financial Oversight Committee. The District Financial Oversight Committee arranges for an independent accounting firm to perform a review.

1. Signatory authority and custodianship of District Grant Bank Account:
2. No cash disbursements are allowed.
3. Holders of the following positions shall have signing authority: District Rotary Foundation Chair, District Treasurer and the Overall Grants Chair. When the holder of a position changes, the District Rotary Foundation Chair or District Governor will ensure that new signature cards are completed by July 1st or as soon as possible after a personnel change. Checks require two signatures.
4. Funding Procedure for Global Grants (Bank Account held in District 7890):
5. The Global Grants website assigns a unique number to each grant.
6. After the application for a Global Grant is submitted to The Rotary Foundation, The Foundation will request bank information for the funds. 4/21
7. The primary contact on the Global Grant requests bank information from the District Treasurer. With approval from the District Foundation Chair and District Grants Subcommittee Chair, the treasurer will set up a separate account for the Global Grant. The account name will include District 7890 and the Global Grant number.
8. 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.
9. 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 Grants Subcommittee Chair for approval and signature; it then will be submitted to the District Treasurer for a second signature.
10. The District Treasurer will notify the District Foundation Chair and District Governor that the money is being expensed.
11. 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. It will be co-signed by a second signatory.
12. The District Treasurer will verify that check amounts and payees are in accordance with the check request, sign the check along with a second signatory and mail it.
13. Financial Assessment\*:
14. The District Stewardship Chair will review all documents related to District 7890 grants in order to verify that the district is following the steps required of a good steward of The Rotary Foundation’s funds periodically. The District Rotary Foundation Chair and District Governor will work together with the Grants Chairs to resolve any issues of concern. Any discrepancies or any misuse of funds that cannot be rectified immediately will be reported to The Rotary Foundation. (71/22)
15. A Year End \*independent financial assessment shall be done by an Accounting Firm selected by the District Treasurer with the approval of the District Finance Committee. (7/1/2022)

\*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)

1. A written report by the Accounting Firm will be submitted to the District Foundation Chair and the District Governor by December 31st. (7/1/2022)
2. Method for Reporting and Resolving Misuse of Grant Funds:
	* 1. The District Foundation Chair, consulting with the Stewardship Chair, will resolve any discrepancies or misuse of funds noted by the District Financial Oversight Committee. Additionally, any individual may report in writing possible misuse of grant funds to the District Governor, the District Rotary Foundation Chair, and the Stewardship Chair. The District Rotary Foundation Chair will take action to resolve reports of possible discrepancies or misuse of funds.
		2. The Rotary Foundation will be notified of any discrepancies and/or misuse of funds as soon as they are identified. The District Rotary Foundation Chair will work with The Rotary Foundation to resolve these issues.
3. Reporting on Grant Activity to all clubs in the District:
4. The District will report on the use of all district designated funds (DDF) to its member clubs by providing a report annually at the district conference during a meeting to which all clubs are invited or eligible to attend, including a breakdown of expenditures for each project that received funding and the names of districts, clubs and individuals to which grant funds were distributed.
5. Financial information on such grants will also be reported in the governor’s monthly newsletter, shared via email, or posted to the District Website.
6. The District will adhere to all grant reporting requirements of The Rotary Foundation (TRF) and cooperate with all TRF grant audits.
7. Changes to District 7890 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 Rotary Foundation Chair who will submit the proposed changes(s) to all members of the District Rotary Foundation Committee for comment. Any comments received will be resolved and any resulting proposed changes to the plan will be published. 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 plan.

1. All misuse of funds incidents will be kept in an active file (for five years or until the incident is revolved to the signature or E mail agreement of the Finance and Oversight Committee heads and the Foundation chair).
2. The information will be stored with the grant files.

6/13/2016 (1)

9/9/16 (2)

12/16/17, 4/19

11/20/2020

7/1/2022