

The 5% Surcharge on Global Grant Funding

The Rotary Foundation adds a five percent surcharge to club contributions toward a Global Grant. For example, a club donating \$1,000 toward a grant would actually send \$1,050 to the Foundation when the grant is approved.

This charge covers internal costs, and keeps the Foundation transparent in its disclosures about project funding. The surcharge went into effect at the suggestion of auditors, who wanted to see the Foundation clearly disclose how internal expenses were being met.

As a result, the Foundation's already-high rating by Charity Navigator improved. The Rotary Foundation has extremely low operating costs, because so much of the work is done by volunteers. The surcharge helps to cover the cost of support staff and administration expenses to oversee the grants and the Foundation's endowments.

Your club does have an optional way to fund a project without paying the five percent surcharge. We don't recommend it, but it is possible: you would send a check directly to the Global Grant project account that the host club has established for the grant.

If you do this, you will avoid paying the administrative surcharge. However, you must manage currency conversion, fund transfer costs, and the accounting involved. The Foundation must receive a record of the transfer. Your pledge will not be counted as a gift to the World Fund, because it goes directly to the project, which means your club will not get TRF credit for the gift, nor Paul Harris recognition.

It's up to you, but the district team and the Foundation Committee strongly recommend you add the surcharge and submit your funds through The Rotary Foundation, sending a check to the home office in Evanston.

It is important that you take this surcharge into account when making a pledge toward a Global Grant. Your club will be responsible for this additional 5% over and above what you wish to contribute to the project.

If you have any questions, please contact District Rotary Foundation Chair, Lawrence Furbish lkfurbish@mac.com or Global Grants Coordinator, Dave Underhill dave.underhill.nh@gmail.com.

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