**CLUB MEMORANDUM OF UNDERSTANDING**

**For Foundation Funded Grants**

This document is the official Memorandum of Understanding (MOU) provided by The Rotary Foundation (TRF) for Clubs. It is an agreement between the Club and District 5020, explaining what measures the Club will undertake to ensure proper implementation of Foundation Grant activities and management of District 5020 Community Grant and Global Grant funds. By authorizing this document, the Club agrees that it will comply with all TRF grant management requirements as specified in The Rotary Foundation Terms and Conditions for District and Global Grants after 2013 (and updated for 2015),

CONTENTS

1. Terms of Qualification

2. Club Leadership Responsibilities for Qualification

3. Financial Management for Global Grants

4. Financial Management for District Community Grants

5. Bank Account Requirements (Global Grants Only**)**

6. Document Retention

7. Report on Use of Grant Funds

8. Method for Reporting and Resolving Misuse of Grant Funds

9. Use of Grant Funds

10. Authorization and Agreement

**1. Terms of Qualification**

A. Upon successful completion of the qualification requirements, the club will receive qualified

status for a period of one Rotary year.

B. By entering into this agreement and receiving District 5020 grant funds, the club understands and confirms that the club, as an entity, is responsible for the use of grant funds, regardless of which individual(s) or group controlled the funds.

C. 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.

D. the Club must disclose any potential conflicts of interest on the Grant Application and must comply with the Conflict of Interest Policy for Grant Participants as outlined in section 7.030 of the Rotary Foundation Code of Policies.

E. the Club must cooperate with all District 5020 and TRF audits.

**2. Club Leadership Responsibilities for Qualification**

A. Aclub member must be appointed to manage club qualification and ensure that stewardship measures and proper grant management practices are implemented for all District 5020 grants.

B. The club must establish a succession plan for the transfer of grant records to ensure retention of information and documentation until the final report is accepted on the online Grant Module.

C. The club must appoint a member(s) to attend grant management and qualification training arranged by the District. The member(s) attending training will be the only club member(s) with access to the DCG Grant Module.

D. Club Officers must ensure that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest.

**3. Financial Management for Global Grants**

The club must have a written financial management plan to provide consistent administration of grant funds.

The financial management plan must include procedures to

A. Maintain a standard set of accounts, which includes a complete record of all receipts and

disbursements of grant funds

B. Disburse grant funds, as appropriate

C. Maintain segregation of duties for handling funds

D. 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

E. Ensure that all grant activities, including the conversion of funds, comply with local law.

**4. Financial Management for District Community Grants**

**A** DCGs are intended for small projects and do not require an international partner.

B DCGs will match a club contribution of 50% on the dollar to a maximum of US $3,500. (e.g. Any club contribution over $7,000 USD receives a maximum reimbursement of $3,500). Only Rotary funds are eligible for matching, third party non Rotarian funds are not eligible.

C Payment of completed DCG will be in USD using the current currency exchange rate from the RI website for the month in which the Grant is approved.

D The Club collects and records all receipts. In the event of local labor or materials in an International project a written receipt with the Projects name, activity the reimbursement is for, the amount and the name and signature of the recipient will suffice.

E. Ensure all grant activities, including the conversion of funds, are in accordance with local law.

F. Existing Club money handling procedures are sufficient for DCG’s.

**5. Bank Account Requirements (Global Grants Only)**

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.

A. 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

B. Any interest earned must be documented and used for eligible, approved grant activities, or

returned to TRF.

C. A separate account should be opened for each club-sponsored Global grant, and the name of the account should clearly identify its use for grant funds.

D. Grant funds may not be deposited in investment accounts including, but not limited to, mutual

funds, certificates of deposit, bonds, and stocks.

E. Bank statements must be available to support receipt and use of TRF grant funds.

F. The club must maintain a written plan for transferring custody of the bank accounts in the event of

a change in signatories.

**6. Document Retention**

All documents will be retained electronically on the online Grant Module.

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

A. The club must report on the use of grant funds as outlined in the Terms and Conditions for Rotary Foundation District Grants and Global Grants.

B. All reporting and record retention will be on the online Grant Module. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.

C. A completed report will consist of

1. A competed Individual Project Report with narrative and income and expense report
2. Receipts organized documenting expenses uploaded to the Documents Tab.
3. Photos of the project and Rotarians working on the project uploaded to the Documents Tab.

**8. Method for Reporting and Resolving Misuse of Grant Funds**

The club must report any potential misuse or irregularities in grant-related activity to the District Foundation Chair.

**9. Use of Grant Funds**

A. the Club acknowledges that it is responsible for the proper disbursement of Grant funds as specified in the District 5020 Grant Guidelines. Transferring District 5020 Grant funds to another Rotary Club or cooperating organization does not relieve The Club of this responsibility.

B. The Club acknowledges that it is responsible for promptly repaying to District 5020 or The Rotary Foundation any Grant funds identified by a Foundation audit as not properly disbursed or accounted for. Grants are subject to audit for 5 years following completion.

C. Unused Grant funds must be promptly returned to the Foundation.

D. Grant funds cannot be used for any project undertaken prior to the approval of the Grant or for any purpose not permitted under The Rotary Foundation Code of Policies.

E. When the number (and dollar amount) of Global Grant applications do not use all of the available DDF the District may allow for more applications to be proposed, including additional applications from clubs that have already submitted an application within the Rotary Year. However, no District 5020 Rotary Club will receive more than $40,000 total in Global Grant DDF during any one Rotary year.

F. District 5020 will not match a District 5020 Rotary Club contribution to a Global Grant where both lead Rotary Clubs are outside District 5020.

G. Permitted uses for Global Grant Funds:

1) Construction of infrastructure limited to:

i. toilet blocks and sanitation systems

ii. access roads

iii. dams

iv. bridges

v. storage units

vi. fences and security systems

vii. water/irrigation systems

viii. greenhouses

ix. basic shelter (for DCGs ONLY as defined by The Rotary Foundation (TRF))

2) Renovation, repair, and refurbishment of structures that are currently occupied

or operational in which individuals live, work, or spend a significant amount

of time. This may include the provision of new services or upgrade of utilities

(i.e., electrical, plumbing, and heating), repair of roofs, additions to existing

schools or hospitals, elevators, renovation of bathrooms, etc.

3) Domestic (in country) travel for beneficiaries and both Rotarian and non-Rotarian

professionals needed to provide direct project implementation.

4) Direct program costs, salaries, stipends, or honorariums related to project

Implementation as limited by TRF. (normally 10%)

1. Prohibited uses for Global Grant Funds:

1) Continuous or excessive support of any one beneficiary, entity, or community.

the establishment of a trust, a permanent foundation, or permanent interest bearing account.

2) Scholarships funded by Rotary Foundation grants cannot be awarded to anyone in the following categories: · Rotarians, including honorary Rotarians · Employees of clubs, districts, or other Rotary Entities, or of Rotary International · Spouses, lineal descendants (children or grandchildren by blood, legal adoption, or marriage without adoption), spouses of lineal descendants, or ancestors (parents or grandparents by blood) of persons in the above categories · Employees of agencies, organizations, or institutions that partner with the Foundation or Rotary International · Former Rotarians and honorary Rotarians who have terminated their membership within the preceding 36 months · Persons who were ineligible based on their familial relationship to a former Rotarian or honorary Rotarian, for a period of 36 months after termination of their family member’s membership Additionally, scholars may not study in a country that is banned for Rotary-funded travel. This list of banned countries is posted on Rotary's website.

 3) Grant funds can be used to establish a revolving loan fund only if the sponsors comply with all Rotary Foundation revolving loan requirements: e.g. Microcredit Loans

4) Activities that consist primarily of research-oriented projects or data collection.

5) The purchase of land or buildings.

6) New construction (without a strategic partner) of any permanent structure in

which individuals, work, or spend a significant amount of time, such as

buildings (e.g., schools, and hospitals), containers,

and mobile homes or structures in which individuals carry out any type of

activity including manufacturing and processing. If the grant depends on the

construction of a building, the construction must be funded by additional

club/district funds (non-matched cash contributions not processed by The

Rotary Foundation) or funded by another entity.

7) Renovations to complete buildings that are partially constructed (including

buildings with only the exterior completed) but have never been occupied or

operational.

8) Cash donations or stipends to beneficiaries outside of a revolving loan fund.

The Rotary Foundation will support beneficiaries through the use of goods,

education, services, and care.

9) Operating, administrative, or indirect program expenses of another

organization.

J. District Community Grant funds may be used for the types of projects or programs below:

1) District Rotary Ambassadorial Scholarships (DRAS)

2) District Community Grants (DCG)

* + 1. DCGs may be used for local and international projects.

Note. District Grant Funds may be used to fund Basic Shelter which is defined as equal to what is standard in the local community in which the grant project occurs.

* + 1. DCGs are intended for small projects and do not require an international partner.
		2. DCGs will match a club contribution of 50% on the dollar to a maximum of US $3,500. (e.g. Any club contribution over $7,000 USD receives a maximum reimbursement of $3,500)
		3. Payment of completed DCG will be in US$ using the current currency exchange rate from the RI website for the month in which the Grant is approved.
		4. DCGs are reimbursable grants.

3) For DCGs the District may also open a second or third round of applications if the available funds are not committed previously.

1. For a DCG to be approved the Club President must acknowledge the he/she is aware of the project and the Club President and Club Board approve and support the application. The approval must specify the project name and the grant writer.

**10. Authorization and Agreement**

*We, being responsible for administering grant activities for the* ***Rotary Club of \_\_\_\_\_\_\_\_\_\_\_\_\_****, certify that the club adheres to the requirements listed in this Memorandum of Understanding and will notify Rotary International District 5020**of any changes or revisions to club policies and procedures related to these requirements.*

We acknowledge that the club approves of and will support the following DCG project

Project Name:

Lead Grant Writer:

**President 2016-17: President-Elect 2016-17 (i.e. Pres. 17-18) :**

**Name: Name:**

**e-mail: e-mail:**

**Signature: Signature:**

**Date: Date:**

***RETURN THIS PAGE TO THE DISTRICT 5020 ROTARY FOUNDATION CHAIR:***

**Up through 6/30/2016 As of 7/1/2016**

**William McCarthy Judy Byron**

**bill@answersinc.net** **jabyron@shaw.ca**

**Mail:**

**PO Box 14636 522 Nootka Rd.**

**Tumwater, WA 98511 North Saanich, B.C. V8L 5K5**

**USA Canada**