The Rotary Foundation

Rotary District 7040





D7040 Foundation
District MOU Qualification 2026-2027
for 2027-2028 Projects

CREATE LASTING IMPACT



September 2026

This **Club Qualification** will highlight a **combination** of The Rotary Foundation and District 7040 guidelines and policies for the successful achievement of District Simplified, Matching and Global Grants, AND the Memoranda of Understanding.

There is only **ONE** district training module to be completed by **all members** involved in grants or the club leadership.

In addition to our ***own District Resource Network***, additional details and resources are found in the ***Learning Center*** on My.Rotary.org

SUMMARY OF TRAINING NEEDED

- All members complete the SINGLE District module, which focuses on the MOU and District MOU Addendum, with declaration
- Global Grant clubs do the **Grants Management Seminar**
- District Grant clubs do the **Club Service Project Essentials**

- IF a club does BOTH kinds of grants the different project teams only need to do the focused training for their grant type

Targeted Grant Specific Training

TWO FOCUSED CHOICES FOR CLUBS

Global Grants – **Grants Management Seminar** Learning Plan (new or Topped-up)

District Grants (DSG/DMG) – **Club Service Project Essentials** Learning Plan (new or Topped-up)

Learning Plans

(from the My.rotary.org/Learning Center)

Global Grants =

Grants Management Seminar

- Grants Management Overview
- Roles & Responsibilities
- Conducting Community Assessments
- Project Planning
- GG Financial Management
- Measuring & Reporting Impact
- Protecting Personal Data
- Protecting Youth Program Participants 26-27
- GG Club Qualification (MOU)

District Grants (DSG/DMG) =

Club Service Project Essentials

- Rotary's Action Plan and You
- Areas of Focus
- Service with Rotary
- Planning Your Service Efforts
- Creating a Project Budget
- Evaluating Your Project
- Minimizing risk
- Protecting Youth Program Participants 26-27
- Our Logo: Representing Rotary

MOU – Memorandum of Understanding Training



- All members must complete
- Is included in a SINGLE District module

- Declaration of understanding, done upon completion



THE MOU

The Club Memorandum of Understanding (referred to after this as the MOU) has seven sections that outline what your club needs to do in order to qualify for Rotary grants.

These sections cover developing financial management and succession plans, knowing how to report any misuse of grant funds to the district, understanding the bank account rules and what documents need to be kept, and more.

These requirements for all clubs ensure consistent stewardship of funds and transparency for global grants.

Having these processes in place before you apply for a grant means you'll have a much easier time managing and implementing your project when you receive the funds.



Best Practices

Share the MOU with all club members involved in Rotary grants.

Verify each year that the club is meeting the MOU requirements.

CLUB OFFICERS

Club Officer Responsibilities

Although club officers may assign tasks to other members, **it is ultimately the president and president-elect who are responsible for ensuring that the club complies with the MOU**, including implementing the policies and procedures for qualification and grant management.



Conflicts of interest

Any club member who has a conflict of interest cannot serve on the grant committee or be a signatory on the project's bank account. A conflict of interest occurs when someone is in a position to make or influence a decision about a grant that could benefit themselves, their family, their business, or an entity for which they serve in a paid or voluntary leadership or advisory position.

A perceived or actual conflict of interest needs to be resolved, before a grant application can be approved. How that occurs is determined on a case-by-case basis.

Best Practices

Clearly delineate the responsibilities for the grant by assigning each role to the member most qualified for it.

Ask someone who previously served as a primary grant contact to review grants to ensure good stewardship and management practices.

FINANCIAL MANAGEMENT PLAN

The oversight requirements for Rotary grant funds are greater than those for funds from most private or corporate sources.

Adhering to your financial management plan is essential for proper oversight, good stewardship, and consistent administration of grant funds.



Your club's financial management plan should include detailed, club-specific procedures that are reviewed regularly.

Best Practices

Involve members who have finance or auditing experience in developing the plan.

Make the plan detailed but easy to understand so that members who don't have finance or auditing experience can adhere to it.

Compare your plan with other clubs' plans.

BANK ACCOUNTS

The club should have a separate bank account for each club-sponsored grant.

If that's not possible, ensure that the funds from each grant are properly tracked.

Other funds managed by your club cannot be mixed in with Rotary grant funds.

In addition, clubs need to have a succession plan to ensure a smooth transition of information and documentation in case the signatories on the account can no longer fulfill their responsibilities.



Best Practices

If payments are made electronically by one person, maintain records showing that the payment was approved by at least one other signatory.

Use a chequing account that records disbursements and other transactions on the bank statements.

Keep duties separate and promote transparency by not having bank signatories as members of the grant committee.

REPORTING

Your club is responsible for fulfilling all Foundation reporting requirements for club-sponsored grants.

This means submitting REPORTS* by April 30th annually.

If your club doesn't file the reports as required, it could lose its eligibility to participate in Rotary grants. **Global Grant reports adhere to the Foundation Schedule – See Grants Management Seminar*

Clubs are responsible for any overages on a grant, and for returning any unused funds.

The district is responsible for reporting to The Rotary Foundation about how funds are used.



Best Practices

Designate someone to monitor the reporting process.

Make sure that reports are written as the project is being implemented.

All reports, receipts, photographs must be uploaded to the District Grant module.

All funding and receipts must balance, and be in USD.

DOCUMENT RETENTION



Clubs need to establish a system for retaining all grant documents.

These documents include bank statements, receipts, and procedures relating to the MOU.

The retention system can be a combination of electronic and physical files that fits the club's needs.

Maintaining documents helps clubs comply with local law, ensure transparency, and prepare for grant reporting, audits, and financial assessments. It also enables the club to respond quickly to requests from the Foundation, the district, and individual members.

Best Practices

Maintain physical files in a single location.

Create electronic copies that can be emailed or placed on a shared network.

Back up electronic files regularly to a flash drive or secure website.

Keep extra copies of physical files in a location separate from the originals.

Use a secure online storage service that allows you to share documents so people can review them.

Design a document retention system that works best for your club.

Ensure that any documents containing personal data are processed lawfully under applicable privacy laws.

MISMANAGEMENT

Clubs and districts need to actively work to prevent any misuse or mismanagement of grant funds and investigate any allegations of this.

Clubs need to report any potential or substantiated misuse or mismanagement of grant funds to the district.

The Rotary Foundation will work with the district and club to resolve matters.



Best Practices

Make sure that anyone authorized to spend grant funds knows what the money can and cannot be used for.

Review the MOU and the grant terms and conditions every year.

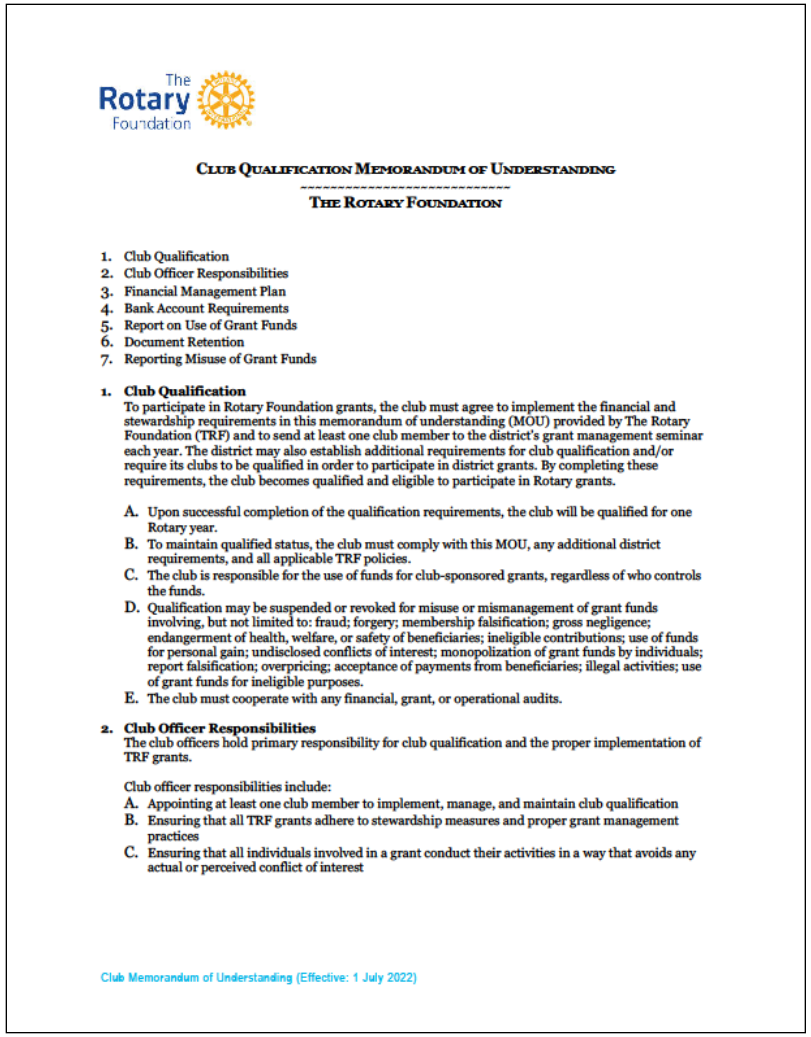
Establish guidelines within your club about how you'll conduct any investigation.

District 7040 Addendum to the MOU –

Specific Details for District Grants

Consists of:

- Club Leadership Responsibilities
- Grant Applications/Reports
- Financial Management
- Use of Grant Funds
- Authorisation & Agreement



The Rotary Foundation

CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING

THE ROTARY FOUNDATION

1. Club Qualification
2. Club Officer Responsibilities
3. Financial Management Plan
4. Bank Account Requirements
5. Report on Use of Grant Funds
6. Document Retention
7. Reporting Misuse of Grant Funds

1. Club Qualification

To participate in Rotary Foundation grants, the club must agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU) provided by The Rotary Foundation (TRF) and to send at least one club member to the district's grant management seminar each year. The district may also establish additional requirements for club qualification and/or require its clubs to be qualified in order to participate in district grants. By completing these requirements, the club becomes qualified and eligible to participate in Rotary grants.

A. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year.
B. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable TRF policies.
C. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.
D. 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.
E. The club must cooperate with any financial, grant, or operational audits.

2. Club Officer Responsibilities

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

Club officer responsibilities include:

A. Appointing at least one club member to implement, manage, and maintain club qualification
B. Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices
C. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest

Which Club Leaders Are Responsible?

- Presidents & Presidents-Elect – who sign the MOUs as Officers of the club **(secretary will substitute for PE if President is doing a consecutive year in office)**
- Club/Project Treasurers – who are involved with the project payments, records and bank accounts
- Specified Committee Chairs, Project Leads, Other club members – who are actually working on the project

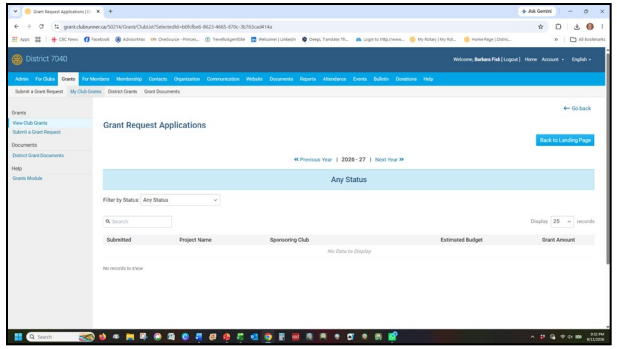
Who Does the *Detailed* Grant Training? *(minimum 3)*

- Treasurer (Club or Project) *(required)*
- ONE of *(required)*
  - Foundation Chair
  - International Chair
  - Community Service Chair
- Project Lead *(required)*
- Any other club members involved with the grant *(optional)*



Grant Applications/Reports

ALL District Grant applications, reports, budget, final receipts, photographs, summary are completed on the **District Website Grants Module *(on Clubrunner!)***





Clubs must be qualified **prior** to gaining access to the Module

Applications must be in no later than **April 30th** annually (Yr 1)

Completed reports must be in no later than **April 30th** annually (Yr 2)

Grant Applications/Reports

Applications need:

- Details of the project, Rotarian involvement, expected outcome
- Labour and material estimates/proformas, balanced budget
- A community assessment OR Statement of Need from the beneficiary



Reports need:

- Tallied receipts upholding the application estimates or showing variances
- Summary of project details (number of Rotarians involved, what work was done, the outcome and impact of the project)
- Photographs of the project underway, people involved, and the project's completion, along with appropriate Rotary signage

Financial Management



- Clear separation of operational and grant funds
- Dedicated retention of documents
- **District Simplified** grants are paid when the project is **COMPLETED** (up to $2500 USD – 1:1 match)
- **District Matching** grants are paid **UPFRONT** (up to $5000 USD)
- Balanced financial reports must accompany final reports, and underused funds returned to the District

Use of Grant Funds





DSG – Small, local projects, completed in under 10 months

DMG – Larger, international projects, not eligible for a Global Grant, completed in under 10 months



ALL projects must adhere to the Rotary Foundation Terms & Conditions for District Grants

Authorisation & Agreement, at the bottom of the MOU

Simply Sign & Send In!

President	President-Elect
Term: 2026-27	Term: 2027-2028
Name:	Name:
Email:	Email:
Signature:	Signature:



Congratulations on completing the MOU Qualification module for grant projects in the 2027-2028 Rotary year!

Fill in the MOU Declaration to have your work recorded by the District Grants Team, and to gain access to the District Grants Module.

Click here → MOU Declaration