

District 7040 Addendum to Club Memorandum of Understanding 2020-2021 Rotary Year

District 7040 has determined that additional requirements for a club to be qualified to receive Rotary Foundation District Grant funds are appropriate.

1. Club Leadership Responsibilities
 2. Financial Management
 3. Use of Grant Funds
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1. Club Leadership Responsibilities
 - a. The individual appointed to manage club qualification and to ensure that stewardship measures and proper grant management practices are implemented cannot be responsible for oversight of the grant funded project or be a signatory of the Grant bank account.
 - b. To ensure that clubs are kept current on Foundation procedures, District 7040 will require that **any club considering a GLOBAL GRANT will have** the sitting club President, **and two (2) of the following annually** attend a District 7040 Grant Management Seminar: President-elect, Treasurer (**Club or project**), Foundation or International Service Committee Chairs or **the Project Lead**. The exception will be for the Treasurer, if he/she has attended the two (2) preceding years' qualification sessions. In a club with a 2-year presidency as part of their **2019 revised** By-Laws, the training will be required in the President-Elect year and the first year of his/her Presidency, but not required in the final year in which he/she is President.
 - c. **If a club is considering ONLY a DISTRICT Simplified or DISTRICT Matching Grant, only two (2) of the following will need to attend a District 7040 Grants Management Seminar: sitting President, President-Elect (if not the sitting President), Treasurer (Club or Project), Community Service Chair, Foundation Chair, International Service Chair.**
 - d. Photographs of the completed/delivered project are expected with the signed Final Report to be sent to the District Rotary Foundation Chair and/or Foundation Grants Chair.
 - e. Prior to application, a Needs Assessment or statement of need from the beneficiary(ies) shall be undertaken and accompany the application for the DSG or DMG being requested.
2. Financial Management
 - a. If a common bank account is used for project funding, appropriate accounting practices must ensure accountability of Grant funds.
 - b. Those individuals with signature authority for the Grant Funds account cannot be responsible for oversight of the project.
 - c. The Treasurer will audit the Final Report and ensure receipts are properly organized before submission to the District.
3. Use of Grant Funds
 - a. The Club acknowledges that it is responsible for the proper disbursement of Grant funds as specified in the District 7040 Grant Guidelines. Transferring District 7040 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 or forfeiting to District 7040 or The Rotary Foundation any Grant funds not properly disbursed or accounted for by May 30th.
 - c. 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.
 - d. Receipts, Pro Forma and other paperwork need to be presented to the Stewardship Committee upon request in chronological order and in full detail. Currency exchange rates must be noted at the

prevailing Rotary International rate if not so noted on documentation. Scanned copies of receipts and other paperwork should accompany the final report and hard copies made available upon request.

e. Permitted uses:

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

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) new construction (without a strategic partner) of any permanent structure in which individuals live, work, or spend a significant amount of time, such as buildings (e.g., schools, homes/low cost shelters, 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.

4) renovations to complete buildings that are partially constructed (including buildings with only the exterior completed) but have never been occupied or operational.

5) international travel only to support the travel of beneficiaries from one country to another.

6) domestic travel for beneficiaries and both Rotarian and non-Rotarian professionals needed to provide direct project implementation.

7) direct program costs, salaries, stipends, or honorariums related to project implementation.

f. Prohibited uses:

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

3) the purchase of land or buildings.

4) for Global Grants, new construction (without a strategic partner) of any permanent structure in which individuals live, work, or spend a significant amount of time, such as buildings (e.g., schools, homes/low cost shelters, 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.

5) for Global Grants, renovations to complete buildings that are partially constructed (including buildings with only the exterior completed) but have never been occupied or operational.

6) cash donations or stipends to beneficiaries outside of a revolving loan fund.

The Rotary Foundation will only support beneficiaries through the use of goods, education, services, and care.

7) operating, administrative, or indirect program expenses of another organization.

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

- 1) District Simplified Grants (DSG)

- i. DSGs may be used for local and international projects.
 - ii. DSGs are intended for small projects and do not require an international partner.
 - iii. DSGs will match a club contribution at a rate of 0.50 for each dollar up to a grant size of US \$2,500. Grant applications shall be made using US\$
 - iv. Payment of completed DSG will be in US\$
- V. DSGs are reimbursable grants upon receipt of a final report accepted by the Stewardship committee.
- 2) District Matching Grants (DMG)
 - i. DMGs are intended for projects not qualifying for Global Grants.
 - ii. DMGs are international grants and require an international partner.
 - iii. DMGs will match a club contribution up to a grant size of US\$10,000.
 - iv. DMG will be paid to the District 7040 club initiating the grant request when documentation is provided that all other funding have been obtained.
- v. All checks will be written in US\$ for projects and applications will be written using US\$.
 - vi. District 7040 clubs will be held accountable for management of grant funds under the terms and conditions contained herein and as specified in the Club Memorandum of Understanding (MOU) and are responsible for providing required reports within the timeframes specified.
 - vii. **Failure to complete and report the grant within the current Rotary year.** Reporting must be completed by May 30th of Rotary year 2020-21. The D7040 club is responsible to provide final reports or documentation of expenditures. Tardy reporting or misuse of grant funds will require the club to repay the full amount of the grant to District 7040 and be ineligible for grants in Rotary year 2021-2022.
- 3) Grant funds can be used to establish a revolving loan fund if the sponsors comply with all Rotary Foundation revolving loan requirements.

8. 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 7040 Foundation or Grants Chair of any changes or revisions to club policies and procedures related to these requirements.*

President: _____ **President-Elect:** _____

Term: 2019-2020 **Term:** 2019-2020

Name: _____ **Name:** _____

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

Signature: _____ **Signature:** _____

Date: _____ **Date:** _____