



# YOUR DISTRICT

## Foundation Committee Grant Management Plan





# DISTRICT 9620 GRANT MANAGEMENT PLAN

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## **DISTRICT 9620 GRANT MANAGEMENT PLAN**

### **1.0 Overview and Purpose**

- 1.1 The purpose of the Grant Management Plan is to ensure the effectiveness of the District grant management process. Rotary District 9620 has established this Grant management Plan to define the administration process, stewardship of the District Rotary Foundation funds, facilitation of Club projects and to meet the requirements and mission of the Rotary Foundation.
- 1.2 **District Grants.** District grants are block grants available annually that enable clubs and districts to address immediate needs in their communities and abroad. Districts may request up to 50 percent of their District Designated Fund for one grant annually Districts manage and disburse these funds to support district- and club-sponsored activities.
- 1.3 **Global Grants.** Global grants offer clubs and districts opportunities to participate in strategically focused, high-impact activities. These grants fund large- scale, international humanitarian projects, vocational training teams, and graduate and postgraduate scholarships that have sustainable, measurable outcomes in one or more of Rotary's areas of focus. Global Grant projects must have a minimum total budget of \$30,000 US. This includes the World Fund award (minimum \$15,000US and maximum \$200,000US), which is based on a 100 percent match of District Designated Fund allocations. All global grants must be sponsored by two clubs or districts: a host sponsor in the country where the activity takes place and an international sponsor outside that country. A needs assessment that explores the pressing concerns in the project location as well as the club and community resources available to address them is required.
- 1.4 Specifically excluded from the scope of this plan is the management of District 9620 operational finances and finances having to do with District 9620 programs and/or projects.
- 1.5 The District Foundation Committee comprises the following members:

**Foundation Coordinator**

Foundation Treasurer

Foundation Secretary

Grants Sub-Committee Chair

Stewardship Sub-Committee Chair

PolioPlus Chair

Paul Harris Society and Fundraising Chair

Peace Fellowships Chair

Global Scholarships Chair

District Governor (Ex Officio)

District Governor Elect (Ex Officio)

The and the District Governor Nominee and the Immediate Past District Governor are invited guests.

## **2 Administration of District Grants**

**2.1 Grant Submissions.** The following paragraphs define the process for submission of District Grants

2.1.1 Clubs must qualify to be eligible to receive a District Grant by having at least one, but preferably two or more, of their members complete the Grants Management Seminar (Face to Face or online) or by completing the relevant Grant Management modules in the online Rotary Learning Centre and sign the Club MOU (sample attached at Annex A). All members should be encouraged to complete the on-line qualification.

2.1.1 Applications for District Grants will be called for in November each year for grants in the following Rotary Year. Applications will close end April each year.

2.1.2 Clubs can submit up to 3 applications for District Grants in any one year. Each application should be prioritised in order of preference.

2.1.3 Clubs must develop and maintain a Grant Administration and Financial Management Plan. A sample Club Grant Administration and Financial Management Plane is attached as Annex B.

2.1.4 Whilst not mandatory, club contributions towards the project for which the grant is being sought, will receive favourable consideration by the Grants Sub-Committee.

2.1.5 Whilst there is no limit to the amount clubs can request in their District Grant applications, clubs should be mindful of the limited availability of DDF and the fact that the committee will be looking to distribute funds fairly across the District. Combining with other Clubs in the District for grants for larger projects is encouraged as it will allow larger amounts to be sought.

**2.2 Grant Funding Exclusions.** District 9620 grant funding cannot be used for any of the following activities:

- a. Continuous or excessive support of any one beneficiary, entity, or community without good reason.
- b. The establishment of a foundation, permanent trust, or long-term interest-bearing account.
- c. The purchase of land or buildings
- d. Fundraising activities
- e. Expenses related to Rotary events such as district conferences, conventions, institutes, anniversary celebrations, or entertainment activities
- f. Public relations initiatives, unless they are essential to carrying out the project
- g. Project signs that cost more than \$1,000
- h. The operating, administrative, or indirect program expenses of another organization, with the exception of expenses allowed within the project management allocation for global grants
- i. Unrestricted cash donations to a beneficiary or cooperating organization
- j. Activities for which the cost has already been incurred
- k. Transportation of vaccines over national borders without prior approval of appropriate government and regulatory authorities in the originating and recipient countries
- l. Travel to National Immunization Days

- m. Immunizations that consist solely of the polio vaccine
  - n. Study at a university that hosts a Rotary Peace Centre in the same or similar academic program as Rotary Peace Fellows
- 2.3 **Grant Assessment.** Grants shall be assessed by the Grants Committee as they are received.
- 2.3.1 The Committee will assess the applications for their validity and clubs will be advised accordingly. This is not an approval process but rather advice that the submission meets the relevant Grant criteria. Where a grant application fails to meet the requirements, the Grants Sub-Committee will work with the respective Club to resolve any content or format issues where possible. Note that the Rotary Foundation will have final say on the validity of a grant application when it assesses the overall District Grant application.
- 2.3.2 Following closing the date for District Grant applications, all valid submissions will be assessed by the Grants Sub-Committee which will make recommendations for approval by the District Governor, District Governor Elect, Foundation Coordinator and the Grant Sub-Committee Chair. Clubs will be advised by the Grant Sub-Committee Chair in a timely manner following such approval.
- 2.4 **Grant Funding Process**
- 2.4.1 Grant approval must be obtained before the project, subject to the grant is started (this does not exclude planning prior to approval).
- 2.4.2 The Club is responsible for the proper disbursement of grant funds
- 2.4.3 The Club is responsible for prompt repayment to the District of any funds not used, not properly dispersed or not properly accounted for.
- 2.4.4 Normally funding will be allocated to clubs on a reimbursement basis. However, clubs, as part of their application, may submit a request for funding in advance along with justification for that request. The Committee will consider such requests on a club by club basis, based on the following criteria and at the full discretion of the Committee (approval of payment in advance should not be assumed by clubs):
- a. The Club's Grant Management Plan.
  - b. The Club's reasons for requesting advanced funding as provided in their application.
  - c. The Club's history with respect to proper Grant management
- 2.4.5 Clubs will be advised at the time of approval of the Grant as to the funding arrangements agreed by the Grants Sub-Committee. That is:
- a. on a reimbursement basis;
  - b. total approved funds (or part thereof) in advance; or
  - c. on a progress payment basis agreed by the Committee.
- 2.5 **Payment and Reporting**
- 2.5.1 **Disbursement of District Grant Funds.** District Grant funds will be paid into the nominated Club bank account by the District Foundation Treasurer either as a reimbursement or an advance depending on the approved funding arrangements as specified in paragraph 2.4.5.
- 2.5.2 Payment on a reimbursement basis will be contingent upon the Grants Sub-Committee receiving original or certified copies of invoices and/or receipts for project expenditure. These must detail what goods and services were purchased.

- 2.5.3 Clubs who receive funds in advance will be required to acquit those funds on a regular basis (timeline to be agreed). Clubs not complying with the agreed reporting timeline may be required to return the unspent funds and subsequently receive funds on a reimbursement basis only.
- 2.5.4 **Reporting.** Clubs receiving District Grants must provide the following reports to the District Grants Sub-Committee:
- a. Quarterly Progress Report, and
  - b. Final Report within 2 months of completion of the project, and before the end of the Rotary year

### **3 Administration of District Global Grants**

- 3.1 The following paragraphs define the process for submission of District Global Grants (i.e. where the bank account is held by District 9620)
- 3.1.1 Grant details are submitted via the Global Grant website which assigns a unique number to the Global Grant application.
- 3.1.2 After the Rotary Foundation approves the application for a Global Grant, it requests bank information for the funds.
- 3.1.2 The Foundation Treasurer will open a separate bank account in the name of **Rotary District 9620 Global Grant #...** The account(s) will be subject to the Bank Account Requirements listed below.
- 3.1.3 The Grants Sub-Committee Chair will be the primary contact for all District Global Grants.
- 3.1.4 When the funds are deposited in the Global Grant Account, the Foundation Treasurer will advise the Grants Sub-Committee Chair.
- 3.1.5 The Grants Sub-Committee Chair will then prepare a written request for payment of funds in accordance with the requirements of the approved Grant. The request should indicate the preferred method of payment (cheque, Electronic Funds Transfer), the payee, the amount and the relevant currency, bank details and in the case of payment via cheque, the payees address details. Invoices and/or other approved documentation must accompany the request and be forwarded to the Foundation Committee Chair, the Foundation Treasurer and the District Governor for approval.
- 3.1.6 On approval, the Foundation Treasurer will raise the relevant payment documentation. Any withdrawal or transfer of funds requires two signatories. Authorised signatories are the District Governor, the District Finance Director, the Foundation Coordinator, the Grants Sub-Committee Chair and the Foundation Treasurer.
- 3.1.7 The Foundation Grants Sub-Committee Chair will maintain all records of each District Global Grant.

### **4 Bank Account Requirements**

- 4.1 The District shall maintain a District account to be used solely for the Rotary Foundation District Grant funds, in accordance with applicable laws. The account shall be low or non-interest bearing. Any interest earned must be documented and used on eligible, approved Grant activities, or returned to The Rotary Foundation.
- 4.1.1 The name of the account will be **Rotary District 9620 Rotary Foundation Account.**

- 4.1.2 Bank statements shall be reconciled monthly.
- 4.1.3 Two signatures are required on transfers and withdrawals. Authorised signatories shall be any two of District Governor, District Finance Director, the Rotary Foundation Coordinator, the Grants Sub-Committee Chair and the Foundation Treasurer. When one of these positions has a change of personnel, the most senior individual will ensure that signatories are updated at the bank.

## **5 Accounting Records and Practices:**

- 5.1 The District Rotary Foundation Committee Treasurer will ensure the establishment and maintenance of a standard set of accounts to provide a complete record of financial activity.
- 5.2 A reconciled report on each of the accounts under the control of the District Rotary Foundation Committee (DRFC), will be tabled by the Foundation Treasurer at each meeting of the Foundation Committee and at the District 9620 Board meetings.
  - 5.2.1 The reconciliation report is to record the following details:
    - a. The amount of funds received from Rotary International,
    - b. Funds dispersed to date,
    - c. Funds committed but not yet dispersed,
    - d. Uncommitted funds balances.
  - 5.2.2 Additional reporting will include the status of projects under the governance of the District Rotary Foundation Committee (DRFC), including the following:
    - a. Draft projects known to the Committee,
    - b. Projects submitted but not approved,
    - c. Projects approved but not yet funded,
    - d. Projects Funded but not yet completed.
- 5.3 **Segregation of Duties.** The Foundation Treasurer will handle all grant funds and maintain the accounts and will not be associated with approving or leading grants.

## **5.4 The Stewardship Subcommittee**

- 5.4.1 The Stewardship Subcommittee will oversee the financial governance of the District Rotary Foundation Committee and will be responsible for ensuring that the Foundation Accounts are operated and managed as per the requirements of the Foundation Memorandum of Understanding, (MOU). This governance will include procedural and documentation review and retention.
- 5.4.2 The Stewardship Subcommittee will:
  - a. Undertake a random stewardship audit of at least 15% of District Grants within each Rotary year
  - b. Establish and maintain a recordkeeping system for grant related documents.



- c. The documents must be accessible and available for review by Rotarians in the District for a period of up to five years after completion of the grant. Documents may be maintained in either paper or electronic form. If electronic media are used, appropriate backups must be established to ensure recovery in the event of computer system failure.
- d. Documents that must be maintained include, but are not limited to,
  - (i) Bank information, including copies of past statements
  - (ii) Club qualification documents, including:
    - 1. Signed club Memorandum of Understanding, (MOU), documents, and
    - 2. Qualified as completing a grant management seminar in the current year
- e. District Grant, District-sponsored Global Grant, and District-sponsored Packaged Grant information, including:
  - (i) Information collected from clubs and entities receiving District grant funds
  - (ii) Receipts and invoices for all purchases made with grant funds.
- f. Documented plans and procedures, including:
  - (i) Grant Management Plan
  - (ii) Procedure for storing documents and archives
  - (iii) Succession plan for bank account signatories
  - (iv) System to track reports of misuse and/or mismanagement of grant funds
- g. Annual report from the financial assessment and use of grant funds.

5.5 **Inventory System.** Stewardship Subcommittee will establish and maintain an inventory system for equipment and other assets purchased with grant funds. This inventory will include records for items that are purchased, produced, distributed, or disposed of through grant activities.

5.6 **Local Laws.** The District, all Clubs, and any cooperating organizations will comply with local laws in the conduct of all grant activities.

## 6 **Annual Financial Assessment**

6.1 This Grant Management Plan and its implementation shall be assessed annually. The financial assessment is to be an evaluation of financial controls and compliance. The District shall create a Rotary Foundation Audit Committee to conduct the Annual Financial Assessment.

- 6.1.1 The District Rotary Foundation Assessment Committee (DRFAC) must at least three members one of whom is a Past District Governor or a person with audit experience.
- 6.2.1 The assessment may be substantially smaller in scope than an audit or review but must include:
- a. Confirmation that the District adhered to its Grant Management Plan
  - b. An examination of expenditures for District Grants, District-sponsored Global Grants, and District-sponsored Packaged Grants that includes:
    - (i) Reconciling a selection of disbursements against their supporting documentation
    - (ii) Reviewing the full listing of expenditures to ensure that funds were expended in a manner consistent with the terms and conditions of the grant award
    - (iii) Confirming that a competitive bidding process was conducted for all significant expenditures
    - (iv) Reviewing the process to disburse funds to ensure that proper controls have been maintained.
  - c. A determination that all financial transactions and project activities related to the grant were conducted at least at the level of standard business practices:
    - (i) Confirmation of adherence to the Rotary Foundation document retention requirements
    - (ii) Other procedures that the district Rotary Foundation Audit Committee deems necessary
  - d. A report of the findings from the Annual Financial Assessment, which must be given to all Clubs in the District within three months of the end of each Rotary year

## **7 Reporting and Resolving Misuse of Grant Funds**

- 7.1 The District will track, investigate, and resolve reports of misuse or mismanagement of grant funds.
- 7.2 The Stewardship Subcommittee will establish and maintain a system to facilitate and track reports of misuse and/or mismanagement of grant funds.
- 7.3 In the event of any allegations or audit findings indicating misuse, the Stewardship Subcommittee, in consultation with the District Foundation Coordinator, will establish an investigation team of at least two Rotarians to promptly investigate and report their findings. The extent and depth of the investigation will be commensurate with the circumstances.
- 7.4 The District Foundation Coordinator will promptly report any potential or substantiated misuse or mismanagement of grant funds to The Rotary Foundation.