

Donation Due Diligence

Club Community Projects

A priority for expenditure of a club's Community funds should always be the club's own projects. A club with a diverse range of high profile and high impact local community projects will be a vibrant club that attracts new members. A club which works on the general "raise funds and make donations" model is likely to be a club which has difficulty attracting and retaining new members. Make club community projects the club's highest spending priority.

Donation Decision Time

Many clubs consider making donations towards the end of the Rotary year when the likely year end balance of the Community account becomes clear. How should a club decide on where to direct its donations? Here's a list of funding questions for the club to consider:

- Are all the club's current projects (local and international) adequately funded?
- Is there a need for funds to increase Youth project involvement in the community?
- Has the club made an appropriate donation to the Rotary Foundation (\$US120 per member)?
- Has the club donated to the End Polio campaign this year?
- Has the club considered Rotary major projects such as Australian Rotary Health, Rotary Oceania Medical Aid for Children (ROMAC), etc.
- Are other local Rotary clubs conducting significant projects to which the club could donate?
- Can District officers or the RCL assist in suggesting appropriate Rotary projects which would benefit from the club's support?

Should the club decide to donate to a local, national or international organisation, the following information may provide a helpful guide to ensure the donation is used appropriately and has a positive impact on the intended beneficiaries.

Before Making a Donation

Before deciding to make a significant donation or running an event to raise funds for a specific not-for-profit organisation, it is a worthwhile exercise to take an objective look at the intention and make decisions based on the ethos of Rotary, the recipient organisation's record, and the impact the funds are likely to have.

Rotary Ethos

Rotary clubs run projects based on two major inputs; the volunteer nature of the human resource involved and the integrity of the Rotary club as a project partner. Does the intended recipient organisation work on the same principles? This is the first point in evaluating a potential donation.

Finding Info on Project Partner

In Australia, charities and not-for-profits are required to report annually on various aspects of their operation. The reports are published on the ACNC website (acnc.gov.au). It is easy to check various aspects of any organisation to decide if the club's hard-won community funds would have a significant positive impact.

Questions to ask:

Item	Caution point
Are the reports on the website up to date?	If reporting is behind, it may reflect on reliability or willingness to disclose
What percentage of funds are spent on staff, office costs, event costs and similar?	The higher the percentage, the fewer the \$\$ raised by the club will be spent on the actual cause or issue.
What percentage of funds is spent directly on the activity or cause being supported?	A low percentage of funds spent on the activity or cause means the \$\$ raised by the club may not be used for the cause at all.
Does the organisation receive significant government funding?	The funding from government may be sufficient to pay for the basic operations.
What is the organisation's total budget and what is the level of the surplus funds?	Money donated to organisations with high annual turnover or high surplus funds (retained earnings) may have little or no impact.

Build Relationships

If the answers to all the questions above encourage the club to donate to the organisation, remember that a donation can be an opportunity to build a close relationship with that group. Consider inviting one or more representatives to attend club meetings on a regular basis to talk to the club further about their work and the impact of the donation.

Ask the CEO or other senior staff person to join the club.

Rather than giving money for unspecified purposes, work with the organisation to identify one (or more) specific needs for the club to support. The club project could be to raise funds for the purchase of research equipment, diagnostic equipment, client care equipment, or any other identified need. This provides the club with a fund-raising goal, an option to be involved in the purchase, installation or deployment of the items and significant satisfaction on a completed project.

Negotiate with the organisation some Public Image opportunities for the club. For example, an opening or dedication ceremony, the addition of a plaque, a sign or banner in their reception area, recognition on the front page of their website for a specific amount of time, acknowledgement in their social media posts or some other suitable recognition of the partnership. If the donation is not of enough significance to warrant club recognition, perhaps this is not the right project partner.

Consider Rotary Projects

Also remember that most Rotary projects operate on a low or zero percent administration cost, are open and transparent in their accounting, promote the name of Rotary and operate using the Rotary value system. They are worthy recipients of the funds the club works hard to raise!

In the coming Rotary year consider being more focussed on Rotary.



Alma J Reynolds
D9815 Foundation Chair
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