

# D5610 Grants Financial Management Plan 2019-2020

*revised 6-19-2020*

**Purpose and Overview:** The purpose of this document is to organize and present the plan for managing the District 5610 Rotary Foundation finances for The Rotary Foundation (TRF) grants programs. The scope of this plan is limited to those finances pertaining to the District's stewardship over District Designated Funds (DDF) used for:

- District CAP and 5610 Grants managed through the District Grant issued by TRF;
- Polio Plus;
- Rotary Peace Fellows and Global Grant Scholarships;
- TRF Disaster Response Grants;
- Vocational Training Team Grants;
- Programs of Scale Grants;
- Global Grants as defined and specified by TRF; and
- new grant programs promoted by TRF.

Specifically excluded from the scope of this plan is the management of District 5610 operational finances and any other finances having to do with District operations.

This document is to be signed by the current District Governor (DG) and District Foundation Committee Chair (DFCC). The District 5610 Rotary Foundation Committee includes six voting committee chairs: the DFCC, Grant Subcommittee Chair (Grants Chair), Stewardship Subcommittee Chair (Stewardship Chair), Fundraising Subcommittee Chair (Fundraising Chair), the International Service Chair (ISC), and PolioPlus Subcommittee Chair (PolioPlus Chair). The Foundation Committee includes these six non-voting members: District Raffle Chair, Paul Harris Society Chair, Annual Fund Chair, Permanent Fund Chair, Rotary Peace Fellowships and Scholarships Subcommittee Chair, and District Vocational Training Team Subcommittee Chair. The DG and District Treasurer are advisors.

The District will have the opportunity and responsibility to manage that portion of DDF designated for District Grants. In addition, this plan will cover Global Grants and Disaster Response Grants when receiving those funds into our district. This plan also presents a process for spending DDF funds that allows maximal involvement of District 5610 Rotarians.

**Guiding Principles:** The guiding principles behind the District's administration of the District and Global Grants are:

- All projects funded with District and Global Grant money must comply with TRF rules.
- The funds to be applied for District and Global Grants came from the clubs of the District. All qualifying clubs will be afforded the opportunity to participate in TRF grant opportunities.
- Clubs are encouraged to form partnerships that enable larger projects and promote inclusion of more Rotarians.
- It is desired that the funds granted result in a lasting benefit to the target population.
- In the case of District-supported Global Grants, preference will be given to international projects in developing countries, and host projects within our local communities.
- It is desirable that clubs partner with outside, third-party organizations to expand the impact of the projects. However, all projects funded by a District or Global Grant must be proposed, managed and directed by Rotarians.

- All activities associated with District or Global Grants must be verifiable, attainable, and subject to audit.
- The District's administration of District and Global Grants will in all particulars be in conformance with the requirements and intents of the TRF Memorandum of Understanding (MOU).

### **Spending Plans and Allocation of DDF:**

- **District Grants.** The District Grants Spending Plan Committee, composed of the DFCC, Grants Chair, and DG, will create the spending plan for each year at the beginning of the Rotary year to establish the District Grant DDF spending plan for the year.
  - **CAP Grants.** CAP Grants have a maximum limit of \$1,000 total project budget, which can be adjusted by the District Grants Spending Plan Committee as needed to provide the widest possible distribution of funds to clubs. Each club is limited to one CAP grant application per Rotary Year. Qualified CAP grants will be awarded before 5610 grants.
  - **5610 Grants.** These are intended to address larger projects, including those with multiple club sponsors.
- **Global Grants.** The Global Grants Spending Plan Committee, composed of the DFCC, ISC, DG, PolioPlus Chair, and Rotary Peace Fellowships and Scholarships Subcommittee Chair, will create the spending plan for each year at the beginning of the Rotary year to establish the allocation of the global portion of DDF received into the district each year and any carry over funds rolled over from prior years. Carry over funds must be applied to global projects and programs. The committee may meet during the course of the year to respond to applications for use of unused and carry over funds. The ISC will maintain a spreadsheet of global grant funding, obligations, and promises of funding for reporting and tracking purposes.
- The maximum amount allowed by TRF for District Grants will be automatically allotted to the District 5610 District Grant program unless special circumstances as determined by the DFCC, DG, ISC, and Grants Chair suggest otherwise.
- Decisions will ideally be arrived at by consensus. If a vote is necessary to make a decision, and a tie results, the DG shall have final decision authority.
- The Stewardship Chair, the District Governor Elect, and the District Governor Nominee may be invited to attend the spending plan meetings for oversight and training purposes.

**Administration of District and Global Grants:** The process for the submittal and evaluation of 5610 and CAP Grant applications and the allocation of District Grants funds will be as follows:

- 1. Club Qualification to Receive District Grant Funding:** Clubs submitting applications for 5610 and CAP Grants must be qualified. To be qualified, the club's officers must have signed the Club MOU, be current on all RI and District dues and current on all TRF and District grant reporting. At least one club member must attend the Grants Training Seminar each year. Clubs must be in good standing with the Internal Revenue Service.
- 2. District Grant Application:** Clubs will submit grant applications available on the District website for CAP grants and 5610 grants. All grant applications and reports are submitted through a website management portal, [matchinggrants.org](http://matchinggrants.org), or other site as determined by the District Foundation Committee.
- 3. Schedule for District Grant Applications:** The timing for submittal of 5610 and CAP grant applications will be promulgated each year.
- 4. Processing the District Grant Applications:** The Grants Chair will review the CAP and 5610 grant applications as they are received and work with the respective clubs to resolve any content or format issues relating to the application.
- 5. District Grant Funding Determination:** As soon as practical after the deadline for CAP and 5610 grant applications, the District Spending Plan Committee will meet to review each application and determine a project funding plan for the proposed projects given

the constraints of the funds available for District Grants. The Committee's determination will be final with no appeal allowed. (The rationale for this policy is to avoid delays in the funding of the approved grants.)

- 6. District Block Grant Funding Application:** The Grants Chair will make -application to TRF for the current year District Grant block funding according to the will of the Committee. The DFCC and DG will then authorize the District Spending Plan through the TRF online form.
- 7. District Grant Funding Determination Dissemination:** The determination regarding funding of the proposed CAP and 5610 grants including a summary of the respective projects will be disseminated to all clubs in the District by the Grants Chair as soon as practical after the District Spending Plan Committee has determined the funding plan.
- 8. Funding Procedure for District Grants:** Funding of the approved projects will be accomplished as soon as practical after the District Spending Plan has been approved by TRF and the check deposited in the grants checking account. Funding will be accomplished as follows:
  - The Grants Chair assigns a unique number to each grant.
  - The Grants chair will prepare and submit the application for the District Grant to TRF. Upon TRF approval of the District Grant, TRF will deposit the funds into the designated District 5610 grants checking account reserved exclusively for grant funds.
  - The Grants Chair will send the District Spending Plan, annotated to include the assigned grant numbers to the Stewardship Chair.
  - The Stewardship Chair will prepare and sign the checks funding the CAP and 5610 approved grants. He or she will then forward the checks to the DFCC.
  - The DFCC will verify and countersign the checks and forward them to the DG.
  - The DG will again verify the check amounts and payees are in accordance with the District Spending Plan, and then make arrangements for the checks to be sent or presented to the respective recipients.
  - Authorized Signers for the District Foundation checking account are the DFCC, DG, Grants Chair, Stewardship Chair, and District Treasurer. In the event either the Stewardship Chair or the DFCC are not available to sign grant checks, any of the other authorized signers may sign grant checks. In the event both the DFCC and Stewardship Chair are unavailable, then the Grants Chair must be one of the signers of grant checks.
- 9. Funding Procedure for Host Global Grants:**
  - TRF assigns a unique number to each grant.
  - After TRF approves the application for a Global Grant, it requests the bank information for the funds. A separate bank account for each grant will be set up by each respective global grant project committee.
  - The primary contact on the Global Grant will provide the bank information to the Stewardship Chair. With approval from the DFCC, the Stewardship Chair will provide the information to TRF.
  - When the funds are deposited in the designated bank account, the Stewardship Chair will notify the Host Global Grant primary contact.
- 10. District Grant Reporting Requirements:** As a stipulation of receiving a CAP or 5610 Grant, the sponsoring club will commit to comply with the following reporting requirements.
  - A. Progress Report:** Interim progress reports must be completed as required by the Foundation Committee until the project is completed.

- B. Final Report: Within 60 days of project completion, a final report must be completed online containing the following:
  - A summary of the project indicating what was done with respect to each of the project goals as set forth in the grant application.
  - A complete financial accounting of how the full project money was spent in detail including copies of all receipts or invoices for items purchased and services contacted.
  - Answers to questions posed on the final report form.
  - Photographs and a short description documenting the project for a news release. (Optional)
- C. Any other reporting requirements stipulated by TRF.
- D. If the District Grant funds and the matching club funds are not fully spent, unspent DDF must be returned to the district. For example, the club project totaled \$8,000 (\$4,000 DDF and \$4,000 club funds). \$7,000 was spent on the project. The club returns \$500 to the District making the 50/50 split at \$3500 DDF and \$3500 club funds.

**11. Global Grant Reporting Requirements:** Each respective project or district committee is responsible for reporting as required by TRF. Host global grant projects will be reported by the project committee; global scholarship grants will be reported by the Rotary Peace Fellowships and Scholarships Subcommittee Chair, VTT projects will be reported by the District Vocational Training Team Subcommittee Chair, and so on. Should a report become due and a vacancy impedes the reporting, the DFCC will assign a person reasonably familiar with the project to report to TRF. All active global grants projects will be reported to District 5610 Rotarians as requested and at least annually.

**12. Annual District and Global Grants Activity Report:** Each year, the Grants Chair will report, at the annual district business meeting, a summary report of the status of all CAP and 5610 grants funded during the year. This report will include a listing of all numbered grants issued with the following information:

- Status reports (in progress or complete);
- Final report submitted;
- Any problems known.

Each year at the same meeting, the ISC will report on all global grant activity including:

- A list of all host projects and status;
- A list of all global grant projects funded with District 5610 DDF, including PolioPlus, scholarships, peace fellowships, VTTs, and any other global grant activity;
- An accounting of all DDF funding for the current Rotary year and the estimated amount of carry over funds to the next Rotary year.

Both reports will be presented to the DFCC prior to the annual business meeting in sufficient time to allow for review and amendment by the DFCC.

**13. Resolution of Problems Noted:** The DFCC will review the reports and take actions as appropriate to resolve any problems noted in the Grants Chair's and ISC's reports and forward the report to the DG.

**14. District and Global Grants Record Keeping:** The Grants Chair will maintain a series of files of the following with retention times of five years:

- A. An individual paper or electronic file (retention period = five years after the final report is received and approved) for each CAP and 5610 Grant containing:
  - the original application as reviewed by the District Spending Plan Committee prior to funding;
  - copies of invoices and receipts;
  - photos (if any);

- interim reports (if any); and
  - the final report.
- B.** A copy of the District Grant Spending Plan.
- C.** A copy of the bank account statements for the current funding year.
- D.** A copy of the ISC's annual report.
- 15. Grants Financial Accounting:** The Stewardship Chair will be responsible for:
- A.** Maintaining a General Ledger in accordance with Generally Accepted Accounting Principles.
- B.** Maintain receipts of all expenditures of \$75 or greater. (Note: this does not pertain to receipts for expenditures made by the various clubs as they execute the grants projects, rather, only to expenditures made by the Foundation Committee.)
- C.** Ensure that all banking activities, including the conversion of funds, are in accordance with local law.
- D.** Adhere to all TRF bank account requirements as follows:
- The bank account should be low or non interest bearing; any interest earned will be documented and used on eligible, approved grant activities or returned to TRF.
  - Perform monthly bank reconciliations and retain them electronically.
  - Annually, at the request of the Grant Financial Assessment Committee, the Stewardship Chair will make available to the DFCC and the Grant Review Committee selected by the DG, the General Ledger and Bank Statements.
- 16. Signatory Authority and Custodianship of District Foundation Grant Bank Account:**
- A.** All disbursements will be made by a check drawn on the Grants checking account. There will be no cash disbursements.
- B.** Two signatures are required on all disbursement checks. The following positions have signing authority: DG, DFCC, Grants Chair, Stewardship Chair, and the District Treasurer.
- C.** When one of these positions has a change of personnel, the most senior individual will ensure that new signature cards are completed with the bank within 60 days of the change.
- 17. Grant Financial Assessment:** A Grant Financial Assessment Committee will be appointed by the DG and will be composed of at least three active Rotarians who are independent and financially literate, each of whom is a member in good standing of a different club in the district, and at least one of whom is a current member of the District Leadership Team and one of whom is a Past District Governor. One member of the committee must have professional accounting and audit experience. The committee members must be free of any conflict of interest and specifically may not be any of the following:
- Members of any club or district grant project committee
  - Member of the Foundation Committee
  - The District Governor-Elect, District Governor, or immediate past District Governor.
  - Any Rotarian planning to be a project contact or a recipient of Rotary grant funds during the term of the Financial Assessment Committee
- Alternately, the Foundation Committee may select an outside District Foundation Committee to perform an assessment of District 5610 grants, as long as that District is not a partner in a Global Grant.
- The Grant Financial Assessment Committee will annually, at a time selected by them, perform a financial assessment in accordance to the current District Qualification

Memorandum of Understanding. The written report of the Grant Financial Assessment Committee will be submitted to the DFCC and the DG within 30 days of the end of the Rotary year. The committee report will be made available to all District 5610 Rotarians no later than three months following the close of the Rotary year.

- 18. Resolution of Discrepancies and/or Misuse of Funds:** The DFCC will take actions to resolve any discrepancies and/or misuse of funds noted by the Grant Financial Assessment Committee and report said action to the Committee and the DG along with an action plan to prevent the repetition of any such discrepancies. Any discrepancies identified by others and presented to the DFCC, will also be resolved and included in the report.
- A.** A copy of the Grant Financial Assessment Committee report and all follow up reports will be provided to the DGE and DGN for information.
  - B.** TRF will be notified of any discrepancies and/or misuse of funds as soon as they are identified. The DFCC will work with TRF to resolve these issues. Resolutions could include returning of funds to the District or TRF. It could also include denial of future requests for DDF for a period of one to three years, depending on the severity of the discrepancy or misuse of funds. It is possible, if severe enough, that the club charter could be pulled.
- 19. Report to the District of Grant Activity:** Annually, in the month of July or August, the DFCC will transmit to all clubs in the District a summary report regarding the District Grant activity during the previous Rotary year. The DG, DGE, DGN and all members of the Foundation Committee will receive a copy of this report.
- 20. Annual review and evaluation of this Grants Financial Management Plan:** Annually, within one month prior to or after the end of the Rotary year (that is in either June or July), the Foundation Committee, DG and DGE will meet to assess the operational performance of this Grants Financial Management Plan. The purpose of this review is to determine if the procedures work to the satisfaction of those involved and if the plan serves the clubs of the District well. It is specifically not the purpose of the review to perform an assessment on the financial records. Changes in the procedures will be made in accordance with paragraph 22 below. This review will be initiated by the DFCC or the DG and may be done electronically.
- 21. Disaster Response Financial Management:** Should District 5610 be a recipient of any Disaster Response Grant funds, they will be deposited in the District Grants bank account and disbursed in the same way funds for District Grants are disbursed. Any such financial activity will be reported and administered within the system established herein for District and Global Grants. The only difference being the particular identification of the subject Disaster Response Grant.
- 22. Changes to this Grants Financial Management Plan:** If, from time to time, it is needed to make changes to this financial plan to better serve the clubs of the District or to correct a deficiency in the plan such changes may be proposed to the DFCC who will transmit the proposed change(s) to all members of the Foundation Committee for comment. Any comments received will be resolved and the resulting proposed changes to the plan will be made and promulgated. A clean document will be presented to the current DG and DFCC for signed approval and the date of approval will be noted at the end of the document.

*Signed by:* Kristine Ina Winter, District Governor, 2019-2020

*Signed by:* Mike Gibson, District Foundation Committee Chair, 2017-2020

*Date approved:* June 22, 2020