

Purpose and Overview: The purpose of this document is to present the plan for managing the District Rotary Foundation finances for the Rotary Foundation. As such, 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 Grants, District Grants, Polio Plus, Rotary Peace Scholars, Rotary Packaged Grants, and Global Grants (where applicable) as defined and specified by The Rotary Foundation (TRF) in the various documents. 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 and District Foundation Chair. The District Rotary Foundation Committee includes five (5) voting committee chairs: the Foundation Chair, Grants Subcommittee Chair, Stewardship Subcommittee Chair, Fundraising Subcommittee Chair, and PolioPlus Subcommittee Chair. The Fundraising Chair has the following non-voting subcommittees: District Raffle, Paul Harris Society, Annual Fund, and Permanent Fund. Additional non-voting committees are Rotary Peace Fellowships and Scholarships Subcommittee, and District Vocational Training Team Subcommittee. The District Governor and District Finance/Treasurer Chairs are advisors.

The District will have the opportunity and responsibility to manage that portion of DDF designated for District Grants. This amount may be as much as 50% of the total District's DDF in any given year. In addition, this plan will cover Global Grants when receiving Global Grant funds into our district.

The key to the successful management of the finances related to District and Global Grants is based on an effective process of administering the applications for and allocation of all grants.

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. Thus the distribution of District and Global Grant funds will be based on each club's APF giving per capita.
- However, it is desired that the available grant funding be spread as widely as possible among the clubs applying for District and Global Grants. Thus, it is encouraged that smaller clubs form partnerships to sponsor projects.
- It is desired that the funds granted result in a lasting benefit to the targeted population. Thus, it is desirable that clubs join together in partnership to sponsor a single project that can be larger, have a broader and more lasting impact and include more Rotarians from the District.
- In the case of District-supported Global Grants, preference will be given to international projects in developing countries, and partnership 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 Grant must be proposed, managed and directed by Rotarians.
- All activities associated with District Grants must be verifiable, attainable, and auditable.

- The District's administration of District and Global Grants will in all particulars be in conformance with the requirements and intents of the Rotary Foundation Memorandum of Understanding (MOU).

The Plan:

Spending Plan, Allocation of DDF: The Foundation committee composed of Foundation chair, Grants chair and District Governor will create the spending plan for each year at the beginning of Rotary year, to establish the District Designated Fund spending plan for the year.

Administration of District Grants: The process for the submittal and evaluation of District Grant applications and the allocation of District Grants will be as follows:

1. **Club Qualification to Receive District Grant Funding:** Clubs submitting applications for District Grants must be qualified. To be qualified each club must have signed the Club MOU, be current on all RI and District Dues and current on all TRF grant reporting. Attendance at the Grants Management Seminar is recommended but not a requirement for District Grants. However, it is a requirement for Global Grants.
2. **District Grant Application:** Clubs will submit grant applications available on the District website for CAP grants and District grants.
3. **Schedule for District Grant Applications:** The timing for submittal of District Grant applications will be promulgated each year.
4. **Processing the District Grant Applications:** The Grants Chair will review the District 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 practicable after the deadline for District Grant applications, the Foundation 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. A simple majority of the five (5) Foundation Committee members being present will constitute a quorum for this meeting.
6. **District Grant Funding Resolution:** The Grants Committee Chair will make a formal resolution regarding the grant funding plan indicating the will of the Committee. While a consensus is desired, a simple majority of votes of those present in favor of the plan placed in motion, seconded and discussed will be sufficient to approve the resolution. The resolution of the Committee will be final with no appeal allowed. (The rationale for this policy is to avoid, to the maximum extent possible, any delays in the funding of the approved grants.)
7. **District Grant Funding Resolution Dissemination:** The resolution regarding funding of the proposed District Grants including a summary of the respective projects is to be submitted to the Rotary Foundation for approval and funding of the District DDF grant. This spending plan will be disseminated to all clubs in the District as soon as practicable after the Chair has determined the funding plan but in no event more than 10 days after the resolution is made.

8. **Funding Procedure for District Grants:** Funding of the approved projects will be accomplished as soon as practicable after the funding plan has been approved. Funding will be accomplished as follows:

- The District Grants committee assigns a unique number to each grant.
- After approval of the grants, the Grants chair will prepare the formal request for submission to TRF of the Grant request. Upon receipt of the funds, they will be deposited in the Rotary District 5610 District Grant Account.
- The Chair will send the District Grants resolution, annotated to include the assigned grant numbers to the District Stewardship Subcommittee Chair.
- The District Stewardship Subcommittee Chair will prepare a check request list indicating the grant number, the payees' names, addresses, bank information (if it is a wire transfer) and the amounts of the respective checks. The check request list will be sent via email.
- The Foundation Chair will prepare the checks per the instructions.
- The District Stewardship Subcommittee Chair will verify the check amounts and payees are in accordance with the District Grants resolution and sign the checks and then arrange that the checks are delivered to the District Governor.
- The District Governor will again verify the check amounts and payees are in accordance with the District Grants resolution, sign the checks and then make arrangements for the checks to be sent to the respective recipients.
- When necessary, the District Stewardship Subcommittee Chair or the Foundation Chair can sign a check, but not both.

9. **Funding Procedure for Global Grants:** Funding will be accomplished as follows:

- The Rotary Foundation 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.
- The primary contact on the Global Grant will request the bank information from the District Stewardship Subcommittee Chair. With approval from the Foundation Chair, the District Stewardship Subcommittee Chair will provide the information to TRF.
- When the funds are in a separate designated bank account, the District Stewardship Subcommittee Chair will notify the Global Grant primary contact.
- The District Stewardship Subcommittee Chair will approve the disbursement via email. If it is a wire transfer, the Chair will forward the request to the District Governor for approval.
- The District Stewardship Subcommittee Chair will prepare the checks per the instructions from the primary contact on the Global Grant. If it is a wire transfer, the Chair will prepare the wire transfer.

- The Foundation Chair will verify the check amounts and payees are in accordance with the check request and sign the check.
- The District Governor will again verify the check amount and payees are in accordance with the check request and sign the check. The District Stewardship Subcommittee Chair will mail the check.
- When necessary, the District Stewardship Subcommittee Chair or the Foundation Chair can sign a check, but not both.

10. Club District Grant Reporting Requirements: As a stipulation of receiving a District Grant the sponsoring club will commit to comply with the following reporting requirements:

- a. Progress Report: If the project is not done, an interim progress report must be completed online by March 31 of the grant year, and every six months after that until completed.
 - A brief progress report which will describe both the advances made in fulfilling the project as described in the application and mention of any obstacles that have been experienced in the project. Mention should be made regarding the planned solutions to the problems.
 - A summary accounting of how the money has been spent by major categories.
 - An estimate of the remaining time to completion.
- b. Final report: within two months of project completion or no later than March 31 of the grant year, 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 all receipts or invoices for items purchased and services contracted.
 - A list of Rotarians who participated in the project and a brief description of what each did on the project.
 - 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, unmatched 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. Annual District Grants Activity Report: Each year the Grants Chair will submit to the Foundation Chair, at the District Assembly with PETS, a summary report of the status of all District 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

12. Resolution of Problems Noted: The Foundation Chair will review the report and take action as appropriate to resolve any problems noted in the Grants Chair's report and forward the report to the District Governor.

13. **District Grants Record Keeping:** The Grants Chair will maintain a series of files of the following with the indicated retention times:
- a. An individual file on the website for each District Grant containing (retention period = five years after final report is received and approved):
 - the original application as reviewed by the Foundation Chair prior to funding
 - a copy of the cancelled check sent to the sponsoring club to fund the grant
 - copies of invoices and receipts
 - photos
 - interim reports (if any)
 - the final report
 - b. A copy of the District Grant resolutions (retention period = five years)
 - c. A copy of check requests made to fund the approved grants (retention period = five years)
14. **Grants Financial Accounting:** The District Stewardship Subcommittee Chair will be responsible for the following:
- a. Maintaining a General Ledger in accordance with Generally Accepted Accounting Principles.
 - b. Maintain receipts for all expenditures of \$75 or greater. (Note: this does not pertain to receipts for expenditures made by the various clubs as they execute the granted projects, rather, only to expenditures made by the Foundation Chair.)
 - 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.
 - The name on the account will be **“Rotary District 5610 Grant Account”**.
 - Grant funds may not be deposited in investment accounts of any kind.
 - e. Perform monthly bank reconciliations and retain them electronically.
 - f. Annually, within 30 days after the end of each Rotary year, the District Stewardship Subcommittee Chair will make available to the Foundation Chair and the Grant Review Committee selected by the Foundation Chair the General Ledger, Income Statements, Balance Sheet and Bank Statements.
15. **Signatory authority and custodianship of District Foundation Grant Bank Account:** The following will apply:
- 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: District Governor, Foundation Chair, Grants Chair, District Stewardship Subcommittee Chair.
- 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.

16. **Grant Review:** A Grant Review Committee will be appointed for a three-year term by the District Governor 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 Audit Committee

The selected Grant Review Committee will be approved by the clubs in the District at the Assembly session of the District Conference.

Alternately, the Foundation Committee may select an outside District Foundation Committee to perform an assessment of D5610 grants, as long as that District is not a partner in a Global Grant.

The Grant Review Committee will annually, at a time selected by them, perform a financial assessment. The following is taken from the Rotary Foundation - District Memorandum of Understanding: *“An independent financial assessment is an evaluation of financial controls and compliance conducted by an independent, financially literate person or entity that has no direct links to the funds being examined or relationship with the club or district. The assessment is substantially smaller in scope than an audit or review and does not express an opinion on the financial statements taken as a whole.” (Section B, Paragraph 2)*

The written report of the Grant Review Committee will be submitted to the Foundation Chair and the District Governor within 90 days of the end of the Rotary year.

17. **Resolution of Discrepancies and/or Misuse of Funds:** The Foundation Chair will take action to resolve any discrepancies and/or misuse of funds noted by the Grant Review Committee and report said action to the Grant Review Committee Chair and the District Governor along with an action plan to prevent the repetition of any such discrepancies. Any discrepancies identified by others and presented to the Foundation Chair, will also take action to resolve said discrepancies and/or misuse of funds.

- a. A copy of the Grant Review Committee report and all follow up reports will be provided to the DGE and DGN for information.

- b. The Rotary Foundation will be notified of any discrepancies and/or misuse of funds as soon as they are identified. The Foundation Chair will work with The Rotary Foundation to resolve these issues. Resolutions could include returning of funds to the District or The Rotary Foundation. 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.
18. **Report to the District of Grant Activity:** Annually, in the month of July or August, but no later than the District Conference, the Foundation Chair 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.
 19. **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 this review to perform an audit on the financial records. Changes in the procedures may be made by majority vote of the review committee.
 20. **Global Grant Financial Management:** Should District 5610 be a recipient of any Global 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 Grants. The only difference being the particular identification of the subject Global Grant.
 21. **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 Foundation Chair 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 note indicating the superseding plan will be added to the end of the plan indicating the date of the revision and the date of the superseded version of the plan.

Signed by Nancy Moose, District Governor, 2013-14

Signed by Bruce Nearhood, District Foundation Chair

Date approved April 11, 2014