

# CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING

For Rotary Year 2024-2025

## The Rotary Foundation

(District 5870 annotated version)

### 1. Club Qualification

To participate in Rotary Foundation Global Grants, District DAP Grants and/or District Career and Technology Scholarships, your club must agree to:

- a. Implement the financial and stewardship requirements contained in this memorandum of understanding (MOU)
- b. Send its incoming president to the district's grant management training seminar each year
- c. Have a minimum of one additional club member who has attended the district's grant management training seminar within the past 12 months

In addition to the foregoing Rotary Foundation requirements, District 5870 has established the following add-on requirements in order for your club to be eligible to participate in District DAP Grants and/or District Career and Technology Scholarships. The club must:

- a. Be current on paying all RI and District per capita dues.
- b. Submit a copy of the club's IRS Form 990, 990N and/or 990T filed as required by the U.S. Internal Revenue Service for the Rotary Year ending (RYE) on **June 30, 2023**.
- c. Be current on all TRF and District grant reporting requirements.
- d. Have closed any open District Assistance Program (DAP) Grant it has received in a prior year.
- e. Have set a challenging but realistic Annual Fund goal on or before **July 1, 2024** that is at least as much as the club contributed in Rotary Year **2023-2024**.
- f. Club goals entered into Rotary Club Central

By completing these requirements, your club becomes qualified and eligible to participate in Rotary Foundation and District grants with the following understanding:

- a. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year
- b. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable Rotary Foundation policies
- c. The club is responsible for the use of funds for club-sponsored grants regardless of who in the club controls the funds
- d. Qualification may be suspended or revoked for the misuse or mismanagement of grant funds involving, but not limited to: fraud; forgery; membership falsification; gross negligence; endangerment of health, welfare, or safety of beneficiaries; ineligible contributions; use of funds for personal gain; undisclosed conflicts of interest; monopolization of grant funds by individuals; report falsification; overpricing; acceptance of payments from beneficiaries; illegal activities; and the use of grant funds for ineligible purposes

- e. The club must cooperate with any financial, grant, or operational audits

## 2. Club Officer Responsibilities

The club officers hold primary responsibility for club qualification and the proper implementation of Rotary Foundation and District grants and District Vocational Scholarships. Club officer responsibilities include:

- a. Appointing at least one club member to implement, manage, and maintain club qualification
- b. Ensuring that all Rotary Foundation and District grants adhere to stewardship measures and proper grant management practices
- c. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest.

## 3. Financial Management Plan

The club must have a written financial management plan to provide consistent administration of grant funds. The financial management plan must include procedures to

- a. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds
- b. Disburse grant funds, as appropriate
- c. Maintain segregation of duties for handling funds
- d. Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities
- e. Ensure that all grant activities, including the conversion of funds, comply with local law

## 4. Bank Account Requirements

In order to receive **Global Grant** funds, the club must have a dedicated bank account that is used solely for receiving and disbursing Rotary Foundation grant funds. District 5870 has waived the requirement to have a separate bank account in order to receive District DAP Grant and Career and Technology Scholarship funds unless those funds are in excess of \$20,000.

- a. The club bank account must:
  - 1) Require at least two Rotarians from the club to sign for disbursements
  - 2) Be a low- or non interest-bearing account
- b. Any interest earned must be documented and used for eligible, approved grant activities, or returned to either the Rotary Foundation or District 5870
- c. A separate account will be opened for each club-sponsored grant, and the name of the account must clearly identify its use for grant funds
- d. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks
- e. Bank statements must be available to support the receipt and use of Rotary Foundation grant funds
- f. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories

## 5. Report on Use of Grant Funds

The club must adhere to all Rotary Foundation reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs TRF of the grant's progress and how funds are spent.

## 6. Document Retention

The club must establish and maintain an appropriate recordkeeping system to preserve important documents related to qualification and Rotary Foundation grants. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.

- a. Documents that must be maintained include, but are not limited to:
  - 1) Bank information, including copies of past statements
  - 2) Club qualification documents including a copy of the signed club MOU
  - 3) Documented plans and procedures, including:
    - a) Financial management plan
    - b) Procedure for storing documents and archives
    - c) Succession plan for bank account signatories and retention of information and documentation
  - 4) Information related to grants, including receipts and invoices for all purchases
- b. Club records must be accessible, available to Rotarians in the club and at the request of the district
- c. Documents must be maintained for a minimum of five years, or longer if required by local law

## 7. Reporting Misuse of Grant Funds

The club must report any potential and real misuse or mismanagement of grant funds to the district. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.

## Authorization and Agreement

This memorandum of understanding is an agreement between the club and District 5870 and acknowledges that the club will undertake measures to ensure the proper implementation of grant activities and proper management of Rotary Foundation grant funds. By authorizing this document, the club agrees to comply with all of the conditions and requirements of the MOU.

On behalf of the Rotary Club \_\_\_\_\_ the undersigned agree to comply with all of the conditions and requirements of this MOU for Rotary year 2024-2025 and will notify District 5870 of any changes or revisions to club policies and procedures related to these requirements.

Club President for 2024-2025	
Name	
Signature	
Date	

Club President-elect for 2024-2025	
Name	
Signature	
Date	