



## CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING

### THE ROTARY FOUNDATION

1. Club Qualification
2. Club Officer Responsibilities
3. Financial Management Plan
4. Bank Account Requirements
5. Report on Use of Grant Funds
6. Document Retention
7. Reporting Misuse of Grant Funds

#### 1. Club Qualification

To participate in Rotary Foundation grants, the club must agree to implement the financial and stewardship requirements in this Memorandum of Understanding (MOU) provided by The Rotary Foundation (TRF) and to send at least one club member to the district's grant management seminar each year. The district may also establish additional requirements for club qualification and/or require its clubs to be qualified in order to participate in district grants. By completing these requirements, the club becomes qualified and eligible to participate in Rotary grants.

- 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 TRF policies.
- C. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.
- D. Qualification may be suspended or revoked for 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; 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 TRF grants.

Club officer responsibilities include:

- A. Appointing at least one club member to implement, manage, and maintain club qualification
- B. Ensuring that all TRF 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 grant funds, the club must have a dedicated bank account that is used solely for receiving and disbursing TRF grant funds.

- A. The club bank account must:
  1. Have a minimum of two Rotary member signatories from the club for disbursements
  2. Be a low- or noninterest-bearing account
- B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
- C. A separate account should be opened for each club-sponsored grant, and the name of the account should 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 receipt and use of TRF 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 TRF 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 appropriate recordkeeping systems to preserve important documents related to qualification and TRF 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 and available to Rotary members 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.

## **DISTRICT 5080 ADDENDUM TO CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING**

District 5080 has determined that the following additional requirements are appropriate for a club to be qualified to receive Rotary Foundation Grant funds.

1. Club Officer Responsibilities
2. Use of Grant Funds
3. Bank Account Requirements and Financial Management
4. Publicity and Promotion

### **1. Club Officer Responsibilities**

- a) The individual appointed to manage club qualification and to ensure that stewardship measures and proper grant management practices are implemented, the Club Grant Steward, cannot be responsible for oversight of the grant-funded project or be a signatory of the grant bank account.
- b) To ensure that clubs are kept current on Foundation procedures, District 5080 requires that Rotary Clubs applying for District Grants be represented annually at a District Grant Management Seminar or complete an approved alternative qualification activity. For District Grants, the requirement is that at least two members of the Club Project Committee and the Club Grant Steward be trained and successfully complete the post-training quiz. For Global Grants, the requirement is that all three Project Contacts and the Club Grant Steward complete Rotary Foundation Grants Management Training in the Rotary Learning Center. Project contacts must complete Grant Management Recertification annually, for the life of the project.
- c) Club leaders will make sure any individual preparing a grant application is aware of the current provisions outlined in the Terms and Conditions for Rotary Foundation Global Grants, Terms and Conditions for Rotary Foundation District Grants, D5080 Addendum to TRF Terms and Conditions for District Grants, the TRF Code of Policies, the Club Qualification Memorandum of Understanding (MOU) and D5080 Addendum to the Club Qualification MOU.

### **2. Use of Grant Funds**

- a) The club acknowledges that it is responsible for the proper disbursement of grant funds as specified in the Terms and Conditions for Rotary Foundation Global Grants, Terms and Conditions for Rotary Foundation District Grants, D5080 Addendum to TRF Terms and Conditions for District Grants, the TRF Code of Policies, the Club Qualification Memorandum of Understanding (MOU) and D5080 Addendum to the Club Qualification MOU. Transferring grant funds to another Rotary club or cooperating organization does not relieve the club of this responsibility.
- b) The club acknowledges that it is responsible for promptly repaying to District 5080 or The Rotary Foundation any grant funds not properly disbursed or accounted for.
- c) Grant funds cannot be used for expenses already completed or in progress at the time of The Rotary Foundation's approval of the District Grant, nor for any purpose not permitted under The Rotary Foundation Code of Policies.
- d) Grant applications that are not funded due to a lack of available funds in any one year will not be carried forward from one Rotary year to the next.
- e) For District Grants, clubs failing to submit a final report within two months of project completion, or an interim/progress report if the project has not been completed, no later than April 30 of the program year, or misusing grant funds, will be required to repay the full amount of the grant to District 5080. In addition, the club will lose their qualification and will be ineligible for further grant funds, for District Grants or Global Grants, until all outstanding reports and supporting documentation have been filed satisfactorily, the District Rotary Foundation Committee has closed the grant, and the club has been requalified.
- f) For District Grants, all unused grant funds are to be promptly returned to the District Grant Treasurer upon completion of any grant-funded project and may not be carried forward or applied to future projects by the sponsor club. For Global Grants, refer to "Returning Grant Funds to the Rotary Foundation" for instructions.

**3. Bank Account Requirements and Financial Management**

- a) A separate bank account will be maintained exclusively for the receipt and disbursement of District Grant Funds. For the purpose of clarification: the grant account is the same as the project account. Both club funds and grant funds are deposited to this account. Expenses are paid from this account.
- b) Appropriate accounting practices in accordance with Generally Accepted Accounting Principles must ensure accountability of District Grant funds.
- c) Those individuals with signature authority for the grant account cannot be responsible for oversight of the project.

**4. Publicity and Promotion**

All grant-funded projects have a publicity and promotion requirement. Prior to or concurrent with the submission of the final report, a project story with photos or video suitable for publication in the District Digest, District website, or District YouTube channel must be submitted to the District Grants Subcommittee Chair or the District Rotary Foundation Committee Chair.

**Authorization and Agreement**

This memorandum of understanding and addendum is an agreement between the club and the District, and acknowledges that the club will undertake measures to ensure the proper implementation of grant activities and proper management of Foundation grant funds.

On behalf of the Rotary Club of \_\_\_\_\_, the undersigned agree to comply with all of the conditions and requirements of the MOU and Addendum for the current Rotary year and the project year, and will notify Rotary D5080 of any changes or revisions to club policies and procedures related to these requirements.

CLUB PRESIDENT CURRENT YEAR	CLUB PRESIDENT PROJECT YEAR
NAME	NAME
SIGNATURE	SIGNATURE
DATE	DATE
EMAIL	EMAIL
PHONE	PHONE

CLUB GRANT STEWARD – LIFE OF PROJECT
NAME
SIGNATURE
DATE
EMAIL
PHONE