

**THE ROTARY FOUNDATION**  
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**CLUB MEMORANDUM OF UNDERSTANDING**  
**2024-2025**

This document is the official Memorandum of Understanding (MOU) provided by The Rotary Foundation (TRF) for all clubs. It is an agreement between the club and its district, explaining what measures the club will undertake to ensure proper implementation of Global and District Grant activities and management of Rotary Foundation Global and District Grant funds. By authorizing this document, the club agrees that it will comply with all Foundation requirements.

Each club that receives grant funds from the Rotary Foundation District Grant will be held responsible for implementing the club MOU.

1. Terms of Qualification
2. Club Leadership Responsibilities for Qualification
3. Financial Management
4. Document Retention
5. Report on Use of Grant Funds
6. Method for Reporting and Resolving Misuse of Grant Funds

**1. Terms of Qualification**

- A. Upon successful completion of the qualification requirements, the club will receive qualified status for the period of July 1, 2025 thru June 30, 2026.
- B. By entering into this agreement and receiving Rotary Foundation grant funds, the club understands and confirms that the club, as an entity, is responsible for the use of grant funds, regardless of which individual(s) or group controlled the funds.
- C. The club must disclose any potential conflicts of interest, and must comply with the Conflict-of-Interest Policy for Grant Participants as outlined in the Rotary Foundation Code of Policies; the Terms and Conditions for Rotary Foundation District Grants, and the District Grants Funding Policy. All documents can be found on the District 6540 website under the Foundation District Grants page and on DACdb under the District Grants area.
- D. The club must cooperate with all District 6540 and TRF audits.

**2. Club Leadership Responsibilities for Qualification**

- A. A club member must be appointed to manage club qualification and ensure that stewardship measures and proper grant management practices are implemented for all TRF grants.
- B. The club must establish a succession plan for the transfer of grant records to ensure retention of information and documentation.
- C. The club president-elect or a club-designated appointee must attend grant management and qualification training arranged by the district. If an officer of the club is not available to attend, the club president may designate any two club members to attend.

**3. Financial Management – Global Grants Only**

- A. The club must maintain a bank account to be used only for Rotary Foundation Global Grant funds in accordance with applicable laws.
  1. The account should be low or noninterest bearing, and any interest earned must be documented and used on eligible, pre-approved grant activities or returned to TRF or the district.
  2. Grant funds may not be deposited in investment accounts including but not limited to: mutual funds, certificates of deposits, bonds, and stocks.
  3. Two Rotarian signatories are required on checks and withdrawals.

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- B. The club must create a financial management plan that includes measures to:
  - 1. Maintain a standard set of accounts, including a complete record of all receipts and disbursements, and maintain receipts for all expenditures equal to or over US\$75 or more (or those of any amount required by applicable law).
  - 2. Disburse grant funds, as appropriate, directly to Rotarians, vendors, and beneficiaries as approved in the grant application. Grant funds not immediately disbursed must be kept in the established project account without diversion, except for direct payment for grant activities or to return funds to the district or TRF.
  - 3. Maintain separate statements of income and expenses, noting interest earned and recoveries if applicable.
  - 4. Maintain a general ledger that separates funds according to each project.
  - 5. Establish an inventory system for the control of equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities.
  - 6. Perform monthly bank reconciliations.
  - 7. Maintain a plan for transferring the custody of the bank accounts in the event of a change in leadership.
  - 8. Ensure all grant activities, including the conversion of funds, are in accordance with local law.

#### **4. Document Retention**

- A. The club must create a document maintenance system or club archives to maintain original documents for a minimum of five years or longer if required by applicable law, including, but not limited to:
  - 1. Documents relating to qualification.
  - 2. All records and documentation of policies and procedures required by the club MOU.
  - 3. Documentation related to grants, including original documents for all grants, copies of proposals and applications, copies of grant agreements, copies of reports submitted to TRF and the district, receipts and invoices for all purchases made with grant funds, written or electronic correspondence.
- B. Documents must be stored in a known location that is accessible to club Rotarians and must be provided to TRF or the district upon request or in the case of an audit.

#### **5. Report on Use of Grant Funds**

The club must report on the use of grant funds as outlined in the Terms and Conditions for Rotary Foundation District Grants and Global Grants.

#### **6. Method for Reporting and Resolving Misuse of Grant Funds**

The club must report any potential misuse or irregularities in grant-related activity to the District.