

# Rotary Foundation District Grants and Global Grants

## District 6860 Policies and Procedures Supplement



Revised January 16, 2016

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### Overview

This District 6860 Policies and Procedures Supplement outlines the policies and procedures that District 6860 will undertake to comply with requirements The Rotary Foundation specifies in the District Memorandum of Understanding. Additionally this document outlines the steps that the clubs of district 6860 will undertake to comply with district 6860 requirements as outlined in the Club Memorandum of Understanding (Club MOU). District 6860 will provide training, support and assistance to clubs in District 6860 to become a qualified club and to apply for global and district grants.

This document is intended to be used as a reference in conjunction with TRF Grant Management Manual, and Terms and Conditions for Rotary Foundation District Grants and Global Grants.

## Grant Funding and Allocation Policy

### District Grants

The district will request up to the maximum amount allowed for District Grants (currently 50% of the SHARE amount). In order for the district to obtain the maximum amount, clubs will be required to submit applications to the District Grants Committee by July 15 of the program year.

Each club that meets the criteria as outlined in the TRF Grant Manual and District 6860 Policies and Procedures Supplement (i.e. qualified club) will be eligible to apply for district grant funds. A maximum award amount will be determined annually by the program year DG and District Rotary Foundation Chair (DRFC) based on available DDF for the program year.

### Global Grants

Global Grants require a minimum project size of \$30,000, and accordingly, a sponsoring club is encouraged to seek assistance and group collaboration from other clubs within the district. Only one club can be the lead and that club must be qualified to submit and manage a global grant.

Clubs wishing to apply for Global Grants must consult with the DG and DRFC **before** DDF funds will be committed for a Global Grant project. District 6860 will match club cash contributions 1:1 with DDF contingent upon the availability of DDF and upon approval by the program year District Governor. The District Governor has the discretion to allocate additional DDF for clubs contributing more than \$50,000 in cash, contingent upon availability of DDF.

Requests for DDF in support of global grants must be made in writing to the District Governor and District Rotary Foundation Chair by the Club President. Provide a brief description of the project, list partner club(s) name(s) and district number(s), amount of DDF requested, and verification that the clubs has raised funds for a cash contribution to the Annual Fund in the amount of DDF requested for the grant. If other clubs in D 6860 are contributing cash contributions to the project in support of the DDF request, list the clubs and amounts they are each contributing.

Clubs are required to commit a cash contribution in the amount of DDF being requested for the global grant. These funds will not be used for the budget of the grant but should be submitted to the Annual Fund of TRF once the global grant has been approved. Cash funds from the club(s) must be in addition to, not in lieu of, the club's regular giving TRF Annual Fund.

In addition, clubs in District 6860 may have only one open global grant at a time. DDF for additional global grants will not be approved until previous grants have been completed and closed out. This funding model is specific to District 6860. Other districts may award DDF to clubs based on their own established criteria.

District 6860 Club Cash Contribution	District Designated Fund Match
\$7500	1:1

## Examples of Funding for Global Grants:

Club Cash Contribution to TRF Annual Fund	District Designated Funds	World Match from TRF	Total
\$15,000	\$15,000	\$15,000	\$30,000
\$30,000	\$30,000	\$30,000	\$60,000
\$100,000	\$100,000	\$100,000	\$200,000
\$200,000	\$200,000	\$200,000	\$400,000

## Global Grants

Rotary Foundation Global Grants support larger, international projects with sustainable, measurable, high-impact outcomes in one or more of six areas of focus that correspond to the Foundations' mission.

Peace and conflict resolution/prevention

Water and sanitation

Education and basic literacy

Disease prevention/treatment

Maternal and child health

Economic and community development

Global grants that are developed by clubs and districts will receive a match from the Foundation's World Fund. These grants can be used to support humanitarian projects, global scholars or vocational training teams. Qualified districts/clubs must sponsor global grant projects with other qualified districts/clubs. Non-qualified clubs/districts are not eligible for global grant funds. Global Grants have a minimum World Fund Match of \$15,000 and maximum of \$200,000.

## Global Grant Application Review Procedures

Applications are accepted by The Rotary Foundation only through the on-line web portal on a rolling basis throughout the year. It is strongly suggested that clubs consult with the district's Global Grants Subcommittee Chair and DRFC throughout the process to help ensure the project meets the guidelines established by TRF and the district. Even though applications are submitted to TRF for approval; the DG and DRFC have final approval of DDF funds provided in support of the project and must authorize the grant application.

### Additional Items for Global Grants

- Clubs must be current with Rotary International and District dues and any other district financial obligations
- Clubs must be current on all Global Grant and District Grant reports
- Minimum overall project size is \$30,000
- Application must follow all TRF grant requirements and timelines
- Club must be qualified with a current MOU on file at the district level
- Global Grant requests can only be submitted through the on-line RI website portal
- Guidance from the Global Grant Subcommittee prior to and throughout the application process is highly encouraged
- The club must request DDF in writing to the DG and DRFC
- The Host Country Club and Host Country District must both be qualified as stated under the Terms and Conditions for District Grants and Global Grants and Club MOU

## District Grants

District grants fund small-scale, short-term activities that address needs in your community and communities abroad. Each district chooses which activities it will fund with these grants. For international projects, Clubs are encouraged, but not required to partner with a local host district or club.

District grants may be used to fund a variety of district and club projects and activities including:

- Humanitarian projects, including service travel and disaster recovery efforts
- Scholarships for any level, length of time, location, or area of study
- Vocational training teams, which are groups of professionals who travel abroad either to teach local professionals about a particular field or to learn more about their own

## District Grant Application Review Procedures

District 6860 will implement a system of training clubs and accepting applications for district grant funds. Clubs must complete annual qualification requirements prior to submitting a grant application(s). Applications must be submitted by July 15 of the program year in which the project is proposed. Applications submitted after the July 15 deadline will not be considered.

For each program year the DRFC and DG will determine the maximum amount that a Club may request in DDF for district grants. This maximum limit will be based upon the available DDF for district grants for the program year. The District does not guarantee that Clubs will receive the maximum award requested for district grants and should plan accordingly to adjust project budgets as needed in the event that the grant is not fully funded.

Applications for District Grants will be reviewed by members of the District Grant Subcommittee. Upon successful review, the District Grants Subcommittee will submit recommendations for approval to the program year District Governor (DG) and District Foundation Chair (DRFC) for final submission to The Rotary Foundation (TRF).

The process of approval of grant applications and submission to TRF may take several weeks. Clubs must not begin implementing their projects until they have been notified that their grant has been approved. Subject to TRF approval of the District Block Grant requested, district grants funds will be mailed to sponsoring clubs once funds have been transferred to the District Grant bank account.

## The District Grant Application Process

Only qualified clubs may apply for district grants (see section on Club Qualification in this District Policies and Procedures Supplement)

- The maximum amount of funding that a club may request is established annually by the DRFC and program year DG.
- Clubs may submit more than one application. The combined total request for the all grants may not exceed the maximum award limit established for each club.
- Qualified clubs must submit their applications through the DaCdb grant module. Hard copies, faxes, or applications via email or snail mail will not be accepted.
- Clubs should submit final reports for the grants as soon as completed. All projects must be completed and **reported on by June 15 of the program year in which the grant was awarded.**

- Clubs may begin planning, but must not begin implementing their projects until officially notified by the District Grant Subcommittee that their project has been approved for funding by The Rotary Foundation. Expenses incurred prior to approval of the grant cannot be reimbursed.

District Grant Applications for DDF will be evaluated and recommended on the following:

- Project supports the mission of The Rotary Foundation
- Adherence to the Terms and Conditions for Rotary Foundation District Grants
- Qualification of proposing Club by the District
- Impact on the community
- Per capita giving to the Annual Fund
- Involvement of Rotarians, Rotaract and Interact clubs in the project
- Proportion of Club funds that will be contributed to the project in relation to the amount of DDF requested
- Promotion of Rotary awareness locally

### **Use & Reporting of District Grant Funds**

District Grant funds may only be used for expenses as approved in the club's district grant application. Any changes in the intended use of grant funds must be approved in advance by the District Grant Subcommittee Chair, DRFC, DG and TRF.

A final report is due for each grant within 30 days of the date that the project is completed, using the DaCdb grant module. Paid receipts, copies of checks and all other financial documentation must be presented with the Final Report to equal the value of the grant award.

All projects must be completed and reported on **no later than June 15 of the program year in which the grant was awarded**. Clubs that do not meet this deadline must agree to reimburse the District for the grant amount unless an extension has been approved by the District Rotary Foundation Chair (DRFC). Failure to provide the proper documentation as outlined within the Grant Management Manual can result in a Club being required to return the Grant Award to the District and disqualification in the next program year for receiving a Grant.

### **Reporting and Resolving Misuse of Grant Funds**

All reports of misuse of Grant Funds will be tracked, investigated and resolved by the District Rotary Foundation Chair in collaboration with the District Grant Audit Committee. The procedure used will be as follows:

All reports of misuse of Grant Funds must be signed by one or more individuals involved or having knowledge of the District's grant activities. The District Rotary Foundation Chair will conduct an investigation into all reports of misuse of grant funds.

The District Rotary Foundation Chair will acknowledge receipt of the written report of misuse in writing, and copy the District Governor and the District Grant Audit Committee Chair.

The District Rotary Foundation Chair and District Grant Audit Committee will conduct an investigation and produce written progress reports not less frequently than monthly after its receipt of the report of misuse, with a final written

report within ninety (90) days of the receipt of the misuse of funds unless an extension of thirty days or less for filing is authorized by the District Governor for good cause.

This report shall be submitted to the District Governor and to the person or persons who made the Report of Misuse.

In the event that the District Rotary Foundation Chair and District Grants Audit Committee determine that there was misuse or irregularities in any grant related activity, the Final Report must be submitted to The Rotary Foundation to include a determination as to how the District should act to fairly and equitably resolve the situation.

No new grant applications will be approved for any club, individual, or organization with reported misuse of funds or irregularity until the situation has been resolved.

For grants paid through the District Grant Account, payment will be stopped for activities, clubs individuals or organizations with reported misuse or irregularity until the situation has been resolved.

After investigating and determining consequences, the District Rotary Foundation Chair will report any potential misuse or irregularities in grant-related activity to TRF and indicate how the district will act to resolve the situation.

After a 6-month period, unresolved cases will be reported to TRF for action.

## **Report on Use of Grant Funds to the District**

The district's grant subcommittee chairs (Global Grants and District Grants) will maintain detailed reports from clubs on the use of District Grant and Global Grant funds.

The District Rotary Foundation Chair shall provide a report annually at District Conference, and members of all clubs are invited to attend. The report will include a summary of expenditures for each club and project that received funding. In addition, this information will be posted on the district website and will be included in the District Governor's final newsletter. The report will include the following for each project:

- Name of the project
- How much money was awarded
- Total expended
- Brief description of each project
- Sponsoring and Cooperating District 6860 Clubs
- Cooperating Host District and Host Country Club(s)

In addition the DRFC will submit a summary of the breakdown of the expenditure of Global Grant DDF in a report which will include a summary of the carryover of District Grant Funds as follows:

- Beginning Carryover
- New Grant Fund Allocation
- Grant Funds Expended
- Ending Carryover

Additionally, the DRFC will provide written reports for Fall and Winter Leadership meetings of the district Finance Committee, Council of Governors and general session. Reports to Finance Committee and Council of Governors should

be submitted to the chair of each of these committee prior to the leadership meeting. Reports should include a summary of the use of DDF available, DDF funds used, and DDF funds committed for the program year.

## **Financial Management**

### **Bank Account for TRF Grant Funds (DDF Account)**

The District will maintain a bank account referred here as the DDF Account, with a federally insured financial institution, in accordance with applicable law, to be used only for TRF Grant Funds.

All source documents related to DDF will be retained by the Treasurer, and will include but not be limited to:

- A copy of the District 6860 action approving expenditures from DDF
- Receipts for all expenditures from the account
- All deposit tickets or notices of direct deposits by wire or other transfers into the DDF Account
- All notices from the bank
- Documents for the establishment of the account
- Copies of the initial and all successive signature cards establishing the signatories on the account

Funds received from TRF from the 50% allocation of DDF funds for District Grants will be deposited into this account as well as any other funds related to District Grants that may come into the possession of D6860 if any should be received.

The account signatories will be the District Executive Director, the District Rotary Foundation Chair and the District Treasurer.

The signature of two of the three signatories is required on every check and withdrawal from this account.

Disbursements under \$500 may be issued with a single signature if approved in writing, including email, by one of the other two signatories.

Funds will be disbursed from this account, only as appropriate, for grants approved by the District Grant Committee in accordance with TRF and D6860 policies and as approved in the Grant Application.

Proposed changes in the use of District Grant funds will be submitted in writing to the District Grant Committee for approval prior to any expenditure that is not in accordance with an original DDF Grant Application.

Grant funds not disbursed pursuant to approved District Grants must be kept in the DDF Account without diversion, except for direct payment for grant activities or to return funds to TRF.

One or more bank accounts may be opened as necessary in the case of a district managed Global or District Grant with numerous expenditures administered by someone other than the district treasurer. Such arrangements will be subject to the approval of the District Grant Committee.

### **Accounting**

It should be the duty of the District Treasurer to maintain a standard set of accounts on software approved by the District Governor. All entries to the set of accounts in the system will include appropriate reference to source documents.

The set of accounts will be in sufficient detail to provide for an informative balance sheet and income statement for each class and type of DDF expenditure.

In most cases, the expenditures will be for disbursement to clubs for approved District Grants in those or other categories but may also be for District Grants managed at the district level.

In the case of DDF funded projects that involve numerous expenditures directly out of the grant account, appropriate subaccounts will be maintained.

If the district manages District Grants, then a separate set of accounts paralleling the accounts above should be established as applicable.

Entries to the chart of accounts will include appropriate references to source documents as applicable and should identify the specific grant for which the expenditure is related.

- Treasurer will maintain/retain all of the aforementioned defined documents and records for no less than five (5) years
- All grant activities, without exception, must be in accordance with local law
- The Treasurer will perform monthly bank reconciliations

### **Transferring the Custody of the Grant Account**

The plan for transferring the custody of the District Grant Account in the event of a change in leadership is as follows:

- The then current District Governor, the District Rotary Foundation Chair, and the District Treasurer will be authorized signatories on the account as previously discussed herein.
- During the month of June of each year the incoming District Governor, the incoming District Foundation Chair and the incoming District Treasurer, if applicable, will sign the bank signatory forms to be effective on the first day of July next.
- After a District Governor's year, a District Rotary Foundation Chair's or a District Treasurer's term has ended the District Treasurer shall cause each and any such signature to be removed as an authorized signature on the DDF Account as soon as practicable.

### **Document Retention**

All documents that are required to be maintained by the District are to be accessible and available to the members of the District Grant Committee, District Officers and Directors, Rotarian project sponsors including Club Officers and Directors of participating clubs. Furthermore, any District Rotarian may request access to such documents from the District Governor and such access will not be unreasonably withheld.

Electronic facsimile copies of required documents shall be maintained for a minimum of five (5) years

District bank account records originals are to be maintained for a minimum of five (5) years



In the case of District level projects that are not sponsored by a club, original documents are to be maintained for a period of five (5) years. Required documents will be maintained in electronic format on an external hard drive and in hard copy format and will be maintained by D6860.

The documents that must be maintained and available to TRF for audit include, but are not limited to:

- All bank account information
- Copies of past bank statements
- Documentation of change in payee signatories, if any
- Terms and procedures of the District's Financial Management Plan
- The General ledger with all of the itemized deposits, withdrawals, expenditures and journal entries
- The procedure for storing documents and archives
- Grant application documents
- Grant reports from sponsoring clubs or other participants
- Copies of receipts, invoices and other grant documentation
- Completed project photos where applicable

### **Procedures for Storing Documents and Archives**

District 6860 clubs that sponsor either District or Global Grants shall be required to provide electronic copies of all reports, documents and receipts in the list enumerated above and as outlined with the TRF Grant Management Manual.

Clubs that are in possession of original hard copies as enumerated above shall maintain these documents in a secure location that can be easily accessed by club members and the District Grant Committee. Electronic copies of all grant reports as listed above shall be provided to and maintained by the District Grant Committee.

Electronic storage for identified club level documents will be through the District and Club Database (DaCdb) using the secure file storage feature. Any additional fees associated for this or additional storage space will be provided through the annual District Grant as an operating expense.

Any and all records as above described in the possession of the District Rotary Foundation Chair or Grants Committee Chair or other district officers at the end of his/her term shall be transferred to the applicable successor as soon as practicable after the commencement of the successor's term.

In addition to the above described documents, the records and documents required to be retained include but are not limited to:

- The Annual Report from the District Rotary Foundation Grant Audit Committee
- Copies of all liability insurance and/or copies of travelers' insurance policies
- Copy of the District Qualification Application submitted to TRF
- Copy of the District Qualification approval from TRF
- Documentation of grant management and qualification training for qualified clubs
- Copies of qualified Club MOUs
- District Grant and district-sponsored Global Grant information including:
  - Copies of all applications for District Grants and District sponsored Global Grants
  - Copies of all Grant Agreements

- Copies of all reports submitted to TRF
- Information collected from Clubs and entities receiving District Grant Funds, including receipts and invoices for all purchases made with grant funds and any and all written or electronic correspondence related therein.

### **District TRF Grant Audit Committee**

The District Grant Audit Committee shall consist of three members. The terms shall be for three years. The committee reports to the district's Finance Committee. Members of the committee must be active Rotarians who are independent and financially literate.

Members of the committee may not include: members of any grant project or, members of District Grants Committee; the TRF Chair, The District Governor-Elect, the immediate Past District Governor, or the District Governor; not any member of the District Finance Committee, nor any Rotarian who is, or plans to be, a project contact or a recipient of grant funds during the term of the Audit Committee.

The District Audit Committee must examine all the expenditures of the DDF Account to ensure that funds were used for the intended purpose, that proper records were maintained, and that a system of controls over expenditures has been in place. The examination should include:

- The selection of a sample of disbursements and reconciliation to supporting documentation
- A review of the full listing of expenditures to ensure funds were expended in a manner consistent with the terms and conditions of the grant awards
- Identification of the purchasing procedure used, and
- A review of the bank reconciliations to confirm that they were prepared correctly and that the opening balances match the financial records of the grant activities and bank statements

The District Audit Committee shall make a report of its findings to the District within three (3) months of the completion of each Rotary year.

### **Club Qualification**

A Club cannot participate in District Grants or Global Grants unless it is qualified. Qualification is required annually due to the turnover of club leaders. The DRFC will maintain a list of qualified clubs. For District 6860 there will be two levels of club qualification:

- Global Grants
  - All qualifications as outlined in the TRF Grant Management Manual and the District Policies and Procedures Supplement including a properly signed and documented Club Memorandum of Agreement (Club MOU)
  - Be current on all Rotary International and District dues
  - Be current on all Grant reporting requirements
  - Clubs members must contribute to the Annual Fund of The Rotary Foundation
  - Other requirements that the district deems necessary and that are reasonable, achievable, and fair to all clubs.

- District Grants
  - All details as outlined in the TRF Grant Management Manual and the District Policies and Procedures Supplement
  - For each program year that a Club is applying for a District Grant, clubs will be required to attend a designated District Grant Club Qualification Seminar or a Grant Management Seminar
  - Be current on all Rotary International and District dues
  - Be current on all Grant reporting requirements
  - Club members must contribute to the Annual Fund of The Rotary Foundation
  - Other requirements that the district deems necessary and that are reasonable, achievable, and fair to all clubs.

## District Qualification

The District Governor, District Governor-elect and District Rotary Foundation Chair shall hold primary responsibility for district qualification, in addition to overseeing the implementation of TRF grants.

A District Memorandum of Understanding (MOU) must be signed by the program year District Governor and District Rotary Foundation Chair. The District MOU authorizations are completed online through the R.I. Grant Application Tool.

Succeeding District Governors must submit their MOU authorizations no later than 30 days after the start of their terms.

## Training

The primary trainers will be the District Rotary Foundation Chair (DRFC) and members of the Global Grants Subcommittee and District Grants Subcommittee. They will develop an agenda that will cover training requirements set forth in the District MOU and Rotary Foundation Terms and Conditions for District Grants and Global Grants. Additional elements will include materials from the TRF Grant Management Manual, District 6860 Policies and Procedures Supplement, Club Memorandum of Agreement and general best practices. Additional elements will be added as deemed necessary for successful club qualification.

**The District Grant Club Qualification Seminar** is intended for Clubs that wish to apply ONLY for District Grants. The seminar will count toward a Club's qualification in District Grant participation provided the club meets all other requirements as outlined under the Club Qualification section of this document. The primary audience for the training is the club president-elect, club Foundation chair, and club members who will be responsible for coordinating district grant projects. Club training will include hands-on training for use of the grant module through DaCdb. Seminar attendees should have a basic knowledge of DaCdb prior to the seminar and should bring their laptops with them to the training seminar.

**The Grant Management Seminar** is required for those clubs that will participate in Global Grants. This seminar will also meet the training requirement related to club qualification for clubs applying only for District Grants. The primary audience for the training is the club president-elect, club Foundation chair, and club members who will be responsible for coordinating global and/or district grant projects.

## District Grant Committee Duties

The district grants committee is comprised of the District Rotary Foundation Chair (DRFC), District Governor (DG), Global Grants Subcommittee Chair (GGC), and District Grants Subcommittee Chair (DGC). Additional members may be added as needed to assist with Global and District Grants and club qualification.

The district grants committee is responsible for managing, promoting and encouraging implementation of District and Global Grants and for providing training and oversight of the club qualification process. The committee helps clubs participate in educational, vocational, and humanitarian activities.

Specific duties include:

- Oversee the qualification of clubs
- Serve as district experts and resources on all Rotary Foundation grants
- Ensure implementation of stewardship practices, including reports to The Rotary Foundation on all grants
- Create and implement a district policy that outlines the distribution of district grant funds for clubs and the district
- Follow and enforce the terms and conditions of grant awards for district and global grants; disseminate and conduct club education on the terms and conditions for district and global grants
- Work with the District Rotary Foundation Committee Chair (DRFC) to disburse grants funds and to ensure that proper records of grant are maintained for reporting purposes
- Provide input on district Designated Fund distribution
- Report any potential misuse or irregularities in grant-relative activity to the DG and The Rotary Foundation and conduct the initial local investigation of any report of misuse

## Glossary of Terms and Acronyms

DDF	District Designated Funds
DG	District Governor
DGC	District Grants Subcommittee Chair
DGE	District Governor-Elect
DGN	District Governor-Nominee
DRFC	District Rotary Foundation Chair
GGC	Global Grants Subcommittee Chair
MOU	Memorandum of Understanding
TRF	The Rotary Foundation
Club Qualification	

The successful completion of requirements (including training and signing a Club Memorandum of

Understanding) whereby a club becomes eligible to apply for grants through The Rotary Foundation.

## SHARE

Through the SHARE system, contributions to The Rotary Foundation are transformed into grants that fund local and international humanitarian projects, scholarships, and activities, such as vocational training teams. At the end of every Rotary year, contributions directed to the Annual Fund-SHARE from all Rotary clubs in the district are divided between the World Fund and the District Designated Fund, or DDF.

At the end of three years, your district can use the DDF to pay for Foundation, club, and district projects. Districts may use up to half of their DDF to fund district grants. The remaining DDF may be used for global grants, or donated to PolioPlus, the Rotary Peace Centers, or another district. The program year District Governor determines how these funds will be allocated.

## World Fund

The World Fund provides the necessary funding for our highest priority activities around the globe. While 50% of SHARE-designated contributions are applied to the World Fund, you can also direct your entire gift to the fund. The Foundation uses the money to pay for grant and program opportunities available to all Rotary districts.