

# **Club Qualification Memorandum of Understanding**

## **The Rotary Foundation**

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### **1. Club Qualification**

To participate in Rotary Foundation global and packaged 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 or view the District 6910 District Grant training video each year. Regardless of training modality, a passing score on a test of the training content must be achieved. The district may also establish additional requirements for club qualification and/or require its clubs to be qualified in order to participate in Rotary Foundation district grants. By completing these requirements, the club becomes qualified and eligible to participate in the TRF grant program.

- 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 Requirements

By accepting the grant, the club agrees that it will:

- 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
- F. Match or exceed funds provided by the grant with club funds (district grants only)

### 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 TRF grant funds.

- A. The club bank account must:
  - 1. Have a minimum of two Rotarian 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 Global Grant, and the name of the account should clearly identify its use for grant funds (not for District Grants.)
- 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.
- G. **A separate bank account is not required for District grants.** The club should use good business practices and keep good financial records - including copies of all deposits and expense receipts. A separate line of accounts must be maintained in accounting records. The account must include the name of the District Grant and list clearly deposits and expenses related to the grant. This information may be requested during an audit.  
**(Item 4.G added by District 6910 for clarity)**

### 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 record keeping 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 and receipts of funds utilized in the grant
  - 2. Club qualification documents including a copy of the signed club MOU
  - 3. Documented plans and procedures, including:

- a. Financial management plan (global grants only)
- b. Procedure for storing documents and archives
- c. Succession plan for bank account signatories and retention of information and documentation
- d. Information related to grants, including receipts and invoices for all purchases

4. Club records must be accessible and available to Rotarians in the club and at the request of the District.

5. Documents must be maintained for a minimum of 5 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 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. By authorizing this document, the club agrees to comply with all of the conditions and requirements of the MOU.*

*On behalf of theb of the undersigned agree to comply with all of the conditions and requirements of the MOU and will notify Rotary International District 6910 of any changes or revisions to theclub policies and procedures related to these requirements.*

Club President		Club President-Elect	
Term		Term	
Name		Name	
Signature*		Signature*	
Date		Date	

Club Name

*\* A name typed into this field will serve as a signature.*

Deadline for submitting this document through the DACdb Grants Module is May 15.

After signatures are completed, this form should be saved as a document file and uploaded in the document folder with the DACdb Grant Application.