



DISTRICT 6960
(2022-23)
MEMORANDUM OF UNDERSTANDING

~~~~~

**I. THE ROTARY FOUNDATION**

1. Club Qualification
- 1A. Club Qualification District 6960 Specific Criteria
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

4- **Club Qualification** To participate in Rotary Foundation district, global and packaged grants, a club shall complete the process of qualification, and agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU).

- 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.

**1A. Club Qualification, District 6960 Specific Criteria**

- A. To be qualified, the club shall agree to the club MOU and send at least one club member to the district Rotary Foundation grant management seminar.
- B. The Club must give the District TRF Chair a completed MOU for the 2022-23 year by June 30, 2022.
- C. Club dues to the District and Rotary International and Semi-Annual reports must have been filed no later than August 31, 2021 and February 28, 2022, respectively.
- D. No TRF or District Grant paperwork from the Club shall be past its due date at the time an application is approved or when District funding will be made.



E. Club President-Elect (President 2022-2023) must have attended PETS, or a substitute Training approved by the District Governor.

2. **Club Officer Responsibilities** The club president holds primary responsibility for club qualification and the proper implementation of TRF grants.

Club president 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 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
  - a) Have a minimum of two Rotarian signatories from the club for disbursements.
  - b) 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 financial assessments. Documents may be retained by paper or electronically.

- 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 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 law.
7. **Reporting Misuse of Grant Funds** The club must report any potential or actual environment in the club that suggests the misuse of grant funds.

## **II. District 6960 Requirements (Added by District 6960)**

1. The Club acknowledges that failure by the club to timely satisfy the requirements of TRF may negatively impact the ability of the District and its other clubs to participate in TRF projects. Consequently, compliance with both TRF and additional District requirements is necessary for clubs to receive District support of TRF related activities. Clubs with past deficiencies shall not receive District support until the deficiency is corrected.
2. District TRF related club support. The District supports clubs in conjunction with TRF by (i) approving club participation as a sponsor of any TRF global grant project; (ii) by awarding District Grants from the portion of DDF funded in cash to the District, and (iii) by allocating noncash DDF to assist in funding club global grant projects.
3. The club shall timely file all reports, and other documents related to any Global or Packaged Grant for which the club is responsible.
4. The club shall meet all TRF requirements for any Global or Packaged Grant as set forth in the Memorandum of Understanding.
5. The club shall always be a qualified club.
6. The club will complete a final report for each District Grant, and submit to the District Grants Chair, along with copies of all receipts of expenditures made, within 45 days of the completion date, and interim reports as requested by the District Grants Committee Chair.
7. The club shall reimburse the District promptly, or immediately upon request, any funds advanced or paid to the club by the District which are either unused, misused, or for which adequate documentation is not provided in a timely manner.



**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 conditions and requirements of the MOU.*

*On behalf of the Rotary Club of \_\_\_\_\_, the undersigned agree to comply with all the conditions and requirements of the MOU for Rotary year **2022-2023** and will notify Rotary International District 6960 of any changes or revisions to club policies and procedures related to these requirements.*

| <b>Current Club President</b> |           |
|-------------------------------|-----------|
| <b>Term</b>                   | 2021-2022 |
| <b>Name</b>                   |           |
| <b>Signature</b>              |           |
| <b>Date</b>                   |           |

| <b>Club President-elect</b> |                             |
|-----------------------------|-----------------------------|
| <b>Term</b>                 | 2022-2023 year as President |
| <b>Name</b>                 |                             |
| <b>Signature</b>            |                             |
| <b>Date</b>                 |                             |