



District 7120 Rotary Foundation Grant Policies

A. Financial Management Plan

1. The District Foundation Committee Grants Chairperson shall maintain a standard set of accounts for the administration of all grants which will include a complete record of all receipts and disbursements of grant funds. Each grant received by the District shall be accounted for separately. Any disbursement of \$75 and above shall require a written receipt. Disbursements less than \$75 shall require a written memorandum of its purpose.
2. A Grant Manager shall be appointed by the Governor (“DG”) in consultation with District Rotary Foundation Committee Chair (“DRFCC”) for every grant and shall be responsible for its implementation. For the District Grant (also known as the District Grant) the **Grant Manager shall be the District Grant Committee Chair.**
3. Grant funds shall be disbursed by the Grants Chair only as appropriate and recommended by the Grant Manager and as approved in the grant application directly to clubs, Rotarians, vendors and beneficiaries. Receipt of grant funds shall be acknowledged in writing by the recipient to the Grants Chair within 30 days of receipt of funds. Grant funds not immediately disbursed must be kept in the established project account without diversion or commingling, except for direct payment for grant activities or to return funds to The Rotary Foundation (“TRF”).
4. There shall be a segregation of duties for handling grant funds. Deposits and disbursements shall be the responsibility of the Grants Chair. Reconciliation of bank statements shall be the responsibility of the Treasurer.
5. The Grant Manager shall 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. Any purchases of goods, equipment or services in excess of \$10,000 shall be procured by a competitive bidding process with the award going to the lowest responsible bidder unless good cause is shown that an award to a higher bidder is in the best interest of the project.
6. The DG, Governor-Elect (“DGE”), and DRFCC shall ensure that all grant activities, including the conversion of funds, comply with all applicable laws and that all financial transactions and project activities related to the grant are conducted at least at the level of standard business practices.

B. Annual Financial Assessment

1. The annual financial assessment required by paragraph 5 of the District Memorandum of Understanding (MOU) shall be conducted by a District Rotary Foundation Audit Committee (Audit Committee) which shall perform the functions as set forth in paragraph 5 of the District MOU.
2. The Audit Committee shall be appointed by the DG and shall be composed of at least three members. At least one member of the Audit Committee must be a PDG, one member must have accounting or audit experience, and one member should have grant experience if possible. No member of the committee shall be directly or indirectly involved with TRF grants. Each member of the committee shall serve a term of three years and said terms shall be staggered as determined by the DG. The DG shall appoint a member of the Audit Committee to serve as chairperson for a three-year term.



3. The Audit Committee shall complete a report of its annual financial assessment and present it to the DG, DRFCC and each Rotary club within three months after the end of each Rotary year. The report shall detail the Audit Committee findings regarding compliance and recommendations for corrective action if appropriate. The DG and DRFCC shall be responsible to ensure that all corrective action recommended is completed within three months of receipt of the report.
4. The Audit Committee shall also be responsible for investigating and reporting any allegations of misuse or mismanagement of grant funds at the request of the DG or DGE.

C. Bank Account Requirements

1. The District shall open a separate bank account for each district-sponsored grant including a separate account for the District Grant (also known as the District Grant) and a separate account for each district sponsored Global Grant. The name on the account shall clearly identify its use for grant funds. The account shall be a low or noninterest bearing account. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
2. Authorized signatures on the account shall be the DG, DRFCC, Grants Chair, and Treasurer. Two signatures are required on every check.
3. Check Payment Procedure. Upon submission and recommendation of the Grant Manager with appropriate documentation attached (receipt, invoice etc.) the Grants Chair shall cause a check to be drawn which shall be signed by the Grants Chair and DRFCC (or any of the other authorized signatories if either or both are unavailable) and issued to the payee. The Treasurer shall be notified immediately of each check issued by the Grants Chair to be entered into the check register.
4. Custody of the bank accounts shall reside with the District Treasurer. In the event of a change in the office of Treasurer the custody of all account records shall be delivered to the successor Treasurer and the outgoing Treasurer shall cause his/her name to be deleted as an authorized signatory and the successor Treasurer shall be added as an authorized signatory. The DG, Grants chair, and DRFCC shall cause his/her name to be deleted as an authorized signatory at the end of his/her term and the name of the successor DG, Grants Chair and DRFCC shall be added.
5. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks or any other investment instrument.
6. Bank statements must be available to support receipt and use of TRF grant funds.
7. Any service charges or administrative fees incurred shall be charged to the administrative portion of the grant.

D. Report on Use of Grant Funds

1. The DG shall annually report, or cause a report to be presented, at a district meeting such as the District Assembly, District Conference, Rotary Foundation Seminar or any other meeting where all clubs are invited to attend that details all expenditures for each project that received funding and the names of the districts, clubs and individuals who received grant funds.
2. The DG shall provide a written financial report on all grants in the DG's final monthly newsletter.



E. Document Retention

1. Bank records and any other documents provided to the Treasurer which formed the basis for making disbursements from a grant account shall be maintained by the Treasurer or his/her successor. Said records shall be maintained for a minimum of 7 years.
2. All other records required to be retained by paragraph 8 of the District MOU shall be retained by the DRFCC and his/her successor for a minimum of 7 years.
3. All records retained in accordance with this policy shall be secured in a safe and dry environment as determined by its custodian.
4. Upon the expiration of the 7-year period records shall be reviewed for the purpose of determining whether they should be destroyed or retained for an additional period. The DG shall determine in writing which record(s), if any, shall be retained for an additional period and the remaining records shall be destroyed as directed by the DG.
5. District records shall be accessible and available to Rotarians in the district and any independent firm retained to complete the annual financial assessment of the grant program.

F. Method for Reporting and Resolving Misuse of Grant Funds

1. Any Rotarian or other individual involved in a grant shall report any information concerning the misuse and/or mismanagement of grant funds at the earliest possible time to the DG. If the DG is implicated in the misuse or mismanagement of grant funds, the report shall be made to the DGE. Said report may be made anonymously.
2. Upon receiving any information concerning possible misuse and/or mismanagement of grant funds the DG or DGE shall convene the District Audit Committee to investigate the report to determine whether misuse or mismanagement has occurred.
3. The Audit Committee shall complete its investigation as quickly as practicable and not longer than 30 days (or such additional time as the DG/DGE may authorize) from the date it received the report from the DG/DGE, and shall advise the DG/DGE of its findings whether misuse or mismanagement occurred and its recommendations as to any corrective action to be taken.
4. The DG/DGE must report any potential or substantiated misuse or mismanagement of grant funds to TRF and take such further action as may be appropriate.
5. In the event the audit committee finds misuse or mismanagement of grant funds or failure to adhere to the terms and conditions of the Club MOU or District Addendum the DG will send a copy of said report to the club(s) involved with the grant with a request to submit such additional information including proposed corrective action as it deems appropriate within such time as the DG may determine. Upon receipt of any additional information or upon the expiration of the time to submit additional information, the DG shall, after due deliberation, determine what corrective action shall be taken, which may include suspension or revocation of the qualified status of the club(s) together with such actions required of the club to regain qualified status. Said determination shall be delivered to the club in writing with a copy to the DRFCC and TRF. To the extent practicable any open grants of the offending club(s) at the time of said determination shall become the responsibility of the District to complete.



G. Global Grant Application Procedure

1. Before using the on-line application process at Rotary International, a club must first receive approval for a grant proposal from the District Rotary Foundation Grants Chair (DRFGC).
2. The District Foundation Committee Chair (DRFCC) or DRFGC will post a proposal form on the district website.
3. Copies of the completed proposal form must be sent to the DG, the DRFCC, and DRFGC.
4. Upon approval by the DG, DRFCC, and DRFGC, and the DRFCC Vice-Chair, the Grants Chair will inform the Club that it can proceed with the on-line application for the global grant.

H. Global Grant for Graduate Scholarship policy and procedure

1. A Global Grant to support a graduate scholarship abroad requires a minimum \$30,000 budget, \$15,000 DDF matched by \$15,000 from the World Fund.
2. The DGE will announce no later than February 1st of the DGE year if the district will reserve \$15,000 of DDF to support a global grant for a scholarship during his or her DG year.
3. Candidates interested in applying for a graduate scholarship will submit the District 7120 Global Scholarship Application Form to the District 7120 Scholarship Committee Chair. The form is posted on the District website.
4. The Scholarship Committee will meet and reach a decision on the candidate.
5. The selected candidate must apply to the University and graduate department of their choice.
6. The candidate must show proof of insurance in keeping with Rotary Foundation requirements.
7. As soon as the applicant provides proof of admission into the graduate program and has proof of insurance, the District Scholarship Committee Chair will initiate the global grant application, with the District Foundation Grants Chair and the District Foundation Committee Chair as the other two committee members for the global grant.
8. The Global Grant should be submitted by 1 April if a September program start date is anticipated.

I. District Grants/Scholarships

1. District Grants are awarded to clubs in the spring of each year (April-May). The grant is for the following Rotary year (referred to as the “implementation year”) and work and expenses on the approved project may not occur before July 1 of the implementation year **unless otherwise notified by the Grants Chair**. Upon completion of the project each club awarded a District Grant is required to file a final report with the District by **May 15 (add in by the date specified on the application and at the Grant Management Seminar)** of the implementation year. Upon receipt of the final report the District will pay the grant to the club.
2. In the case of a District Grant for a scholarship no award shall be made to a child or grandchild of a Rotarian. In the event the scholarship has been awarded, paid, and proof of attendance at the designated educational institution is obtained by May 15 of the implementation year a final report shall be submitted to the District for payment of the grant.



3. In the event a club has paid out the scholarship by May 15 but is unable to file a final report because it has not received proof of attendance by the recipient of the scholarship to the designated educational institution, the club shall file a progress report by May 15 requesting payment of the District Grant from the District. The club will then be responsible for filing a final report upon receipt of evidence that the student attended the designated educational institution.
 - A. In the event a club is unable to make payment of the scholarship before May 15 it shall file a progress report requesting payment of the DSG from the District. The club shall open a separate bank account to be used solely for receiving and disbursing the grant funds. The grant funds shall be paid into this account. The account shall require a minimum of two Rotarian signatories from the club for disbursements, and the administration of the account shall otherwise be in accordance with paragraph 4 of the Club Memorandum of Understanding. A final report of the DSG shall be submitted upon payment of the scholarship and receipt of proof of attendance together with copies of the bank statements for the bank account showing deposit and disbursement of the grant funds.
 - B. In the event that a club spends grant funds before July 1 of the implementation year (unless notified otherwise by the Grants Chair), said club shall be subject to such corrective action as may be appropriate under the circumstances including revocation of the grant. Such action will be taken on a case by case basis and the final decision of any corrective action will be made by the DG.

J. Waiver of Requirements for newly chartered Clubs

A newly chartered Club shall be granted a waiver for two years commencing with the year of their charter from any per capita contribution requirement for qualification for a District Grant.