

ROTARY DISTRICT 7390 CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING THE ROTARY FOUNDATION

1. Club Qualifications

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 have at least one club member complete the district's grant training each year. District 7390 has established additional requirements for 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 the remainder of the current Rotary year and the successive 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 Plan (Applicable to Global Grants Only)

The club must have a written financial management plan to provide consistent 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 (Applicable to Global Grants Only)

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
 - i. Have a minimum of two Rotarian signatories from the club for disbursements
 - ii. 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 and District 7390 reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs TRF and the District of the grant's progress and how funds are spent.

6. Document Retention (Applicable to Global Grants Only)

The club must establish and maintain appropriate recordkeeping systems to preserve important document 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:
 - i. Bank information, including copies of past statements
 - ii. Club qualification documents including a copy of the signed club MOU
 - iii. Documented plans and procedures, including:
 1. Financial management plan
 2. Procedure for storing documents and archives
 3. Succession plan for bank account signatories and retention of information and documentation
 - iv. 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 local law.

7. District Club Grant Requirements (Applicable to District Club Grants ONLY)

District 7390 has established the following additional requirements for District Club Grants:

- a. District Club Grant Intention Form and Grant Application are filed by the deadlines established by the District Grant Committee
- b. The Club will not receive District Grant Funds until the Final Report is approved by District Grants Committee
- c. The Club must maintain a complete record of all receipts and expenditures related to a District Club Grant. Records must be retained for five (5) years.
- d. Clubs cannot begin the project or expend funds towards the project until being notified by the District Grant Committee that their project has been approved
- e. The Club must file a progress report (email) six (6) months following approval of the project unless the project has been completed
- f. The Club must file a Final Report, designated District 7390 Form, within sixty (60) days of the project completion BUT no later than June 30
- g. Should the Final Report not be submitted in a timely manner, the Club will not be reimbursed for

the project and may be in jeopardy of having further projects disapproved by the District Grants Committee.

- h. Each Rotary Club may have only one District Club Grant project ongoing at any one time. The Rotary Club may also participate with one other Rotary Club in another project but may not expend funds exceeding total funds allowed by the District 7390 Grant Committee.
- i. Club records must be accessible and available to Rotarians in the club and at the request of the district.

8. 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 the Rotary Club of _____, the undersigned agree to comply with all of the conditions and requirements of the MOU for Rotary year _____ and will notify Rotary International District 7390 of any changes or revisions to club policies and procedures related to these requirements.

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