

**DISTRICT 6310**  
**MEMORANDUM OF UNDERSTANDING FOR DISTRICT GRANTS**  
**2020-2021 ROTARY YEAR**

**1. Club Qualification**

To participate in Rotary Foundation District Grants, the club must agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU) and to send at least one (1) club member to district's District Grant Seminar each year.

- A. The club must have filed a Club Foundation Giving Goal for the latest year requested.
- B. Yearly contributions from the club and its members to the Annual Fund of The Rotary Foundation are necessary to be eligible for a District Grant. The District Grant Committee will review the club's giving in the three years previous to the year in which the District Grant is made.
- C. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year.
- D. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable TRF policies.
- E. The club is responsible to the District for the use of funds for club-sponsored projects funded in part by the District Grant, regardless of who controls the funds.
- F. 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.
- G. The club must cooperate with any financial, grant, or operational audits.
- H. For multi-club projects funded in part by the District Grant, one club in this District must be designated as the lead club. This club must maintain control of grant funds and project records. The lead club must be qualified under the terms of the Memorandum of Understanding. Additional clubs contributing only funds to the project are encouraged, but not required, to be qualified also.

**2. Club Officer Responsibilities**

The club officers hold primary responsibility for club qualification and the proper implementation of District Grants.

Club officer responsibilities include:

- A. Appointing at least one club member to implement, manage, and maintain club qualification
- B. Ensuring that all District Grant projects 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 consistent administration of District Grant funds.

The financial management plan must include procedures to address the following:

- 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**

If a Club is going to write three (3) or more checks for a District Grant project, the club must have a dedicated bank account that is used solely for receiving and disbursing District 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 the District.

- C. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
- D. Bank statements must be available to support receipt and use of District Grant funds.
- E. 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 will adhere to all District reporting requirements, providing complete reports and records to the district on District Grant projects. Grant reporting is a key aspect of grant management and stewardship, as it informs the District 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 District 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
  - 2. Club qualification documents including a copy of this 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 local law.
    - D. If the District establishes a district-wide process for storing records and documents related to qualification and implementation of District Grants, the club will participate.

**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 District 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 2020-2021 and will notify Rotary International District 6310 of any changes or revisions to club policies and procedures related to these requirements.*

**Club President 2019-2020**

**Club President 2020-2021**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_