



District Simplified Grants (DSG) Frequently Asked Questions 2006/2007

Q. How do I request a DSG?

A. Every year, districts can request a DSG by filling out the DSG request form available through the first quarter DSG mailing or at www.rotary.org. Before submitting a DSG request, it is strongly recommended that districts review the DSG Best Practices manual to become familiar with the DSG process. The request process begins in the year prior to actual implementation of grant funds (the planning year) and is as follows:

- **Requests** - DSG requests are accepted from 1 July through 31 March of the planning year.
- **Approval** - DSG grants are approved by TRF from 1 August through 15 May of the planning year.
- **Payment** - Districts must meet all preconditions for payment 6 months from the beginning of the program year OR the date of the grant announcement letter, whichever date is later, or the grant will be cancelled.

Adherence to these timelines helps to ensure the timely processing of current and future District Simplified Grants.

Q. How do districts report on a DSG grant?

A. The Rotary Foundation strongly recommends that districts plan for the reporting process as soon as or before they submit the request for a DSG. The reporting process includes progress reports as well as a final report:

- **Progress Reports** - Districts will need to submit a progress report to TRF within 12 months of grant payment OR as soon as they have collected individual project summaries containing expenditures totaling at least 50% of the total grant award. Progress reports are due at least every 12 months thereafter until the grant is fully expended with a final report submitted.
- **Final Reports** - Submission of the final report is required within two months of the full expenditure of grant funds.

Please note that delays in reporting will affect availability of future DSG. It is not recommended that districts wait the full 12-month period between a progress report and a final report. Early submission of reports will allow districts to avoid delays on the approval of future DSG grants (see 50% rule below).

Q. What form do I use for a DSG progress report?

Districts should use the official TRF District Simplified Grant Report form (available at www.rotary.org) for the progress report. Please include a complete list of all individual projects to be covered by the DSG on the Summary of Individual Projects in the report form. However, districts need only submit Individual Project forms (last page of the report form) for those projects completed by the time of the submission of the progress report. Individual project forms for those projects still in progress would be included in the final report.

Q. What should be included in a DSG progress or final report?

A. DSG reports include the following:

- A statement of income and expense – in the case of District Simplified Grants, this would include a distribution list containing descriptions of the projects funded and the amounts distributed to each project;
- A bank statement that correlates to the district's statement of income and expense;
- An individual project summary for each project funded through the DSG. Each individual summary should include:
 - A narrative statement about the beneficiaries of the project;
 - An itemized list of expenditures;
 - A detailed description of the project; and
 - A description of Rotarian oversight, management, and involvement in the project.

For your convenience, these items are clearly outlined in the DSG Report form and more details can be found in the *DSG Terms and Conditions* available on the Rotary website or in the first quarter DSG mailing.

Q. *Are receipts required with the report?*

A. Districts do not need to submit receipts or copies of receipts to TRF with their DSG reports. However, districts are required to maintain receipts along with reports at the district level for a period of at least five years. Your local laws may require the maintenance of receipts for longer than five years. Receipts should be appropriately cross-referenced with the district's statement of income and expense. The Rotary Foundation reserves the right to request copies of receipts or to conduct an audit at any time.

Q. *What is the 50% rule, and how will it affect my district?*

A. TRF requires that a district submit DSG reports that include eligible expenditures totaling at least 50% of one DSG before payment is made on another DSG. This requirement ensures that significant progress is made on the expenditure of grant funds before TRF sends additional funds to the district to administer. Un-used grant funds should not accumulate at the district level.

Q. *Why can a district operate only two paid-open District Simplified Grants at a time?*

A. The Trustees established District Simplified Grants with the expectation that a district will receive, distribute, and report on the use of grant funds within one year. The limitation of two paid-open DSGs at a time encourages district leaders to implement and report on grant-funded projects in a timely manner.

Q. *My district is sponsoring a DSG totaling over US\$25,000. Where can I find instructions regarding the independent financial review?*

A. An annual independent financial review is required for all DSGs over US\$25,000. Instructions for independent financial reviews are contained in the *DSG Terms and Conditions*. An Independent Financial Review form is also available for use by the accounting professional conducting your review. Instructions and the form can be downloaded from Rotary's website at www.rotary.org or requested from your Grant Coordinator. It is recommended that districts submit independent financial reviews in conjunction with their DSG reports.

Q. *How should we track the expenditure of funds while we implement our DSG project(s)?*

A. As detailed financial information is required for reports, it is recommended that districts and/or clubs use accounting computer software to track grant expenditures. All receipts related to grant-funded expenditures should be maintained at the district level for at least five years, and as long as required by your local laws.

Q. *Do we need to create a special bank account for DSG funds?*

A. It is strongly recommended that each district maintain a separate account for each DSG awarded. Multiple DSGs can be active at one time; therefore, financial accounting will be facilitated if funds for different grants are not commingled within the same account. Two or more Rotarians should be signatories on all grant-related accounts.

Q. *Who is our main contact for eligibility questions?*

A. Your district grants subcommittee chair and district Rotary foundation committee (DRFC) Chair are useful resources for basic eligibility questions. These officers are in frequent contact with TRF and will be able to request clarifications about program criteria. Project revisions should be authorized by the district to avoid possible suspensions. Details about program criteria and eligibility are also contained in the *DSG Terms and Conditions*, which can be downloaded from Rotary's website at www.rotary.org.