



## **Terms and Conditions of Matching Grant Award**

**YOU MUST AGREE TO THE FOLLOWING TRUSTEE REQUIREMENTS  
PRIOR TO THE IMPLEMENTATION OF YOUR MATCHING GRANT PROJECT:**

### **I. Matching Grant Criteria**

Matching Grants support the international service projects of Rotarians. Matching Grants projects are based on international partnership: Rotary clubs/districts in at least two countries (a partner outside the project country and a partner within the project country) must work together to plan, implement, and complete the project. Each grant must:

- A. Assist in the development of stronger Rotary networks as clubs from different nations work together to implement projects that have been initiated by a Rotary club in a project location, with the aim of providing sustainable development
- B. Be submitted according to the Matching Grants Business Cycle
- C. Be implemented after the grant application is approved by the Foundation

In addition to what is noted above, all primary host sponsors (in the project country) of Matching Grants are limited to a maximum of five open Matching Grants at any one time.

### **II. Rotarian Involvement**

Rotarians from both partner clubs/districts must be actively involved in each Matching Grant project, and are responsible to The Rotary Foundation (TRF) for the conduct of the project and for reporting on it. Rotarian activities in relation to the grant project must be reported to TRF.

The required Rotarian activities are as follows:

- A. Matching Grants (US\$5,000-25,000):
  - 1. Maintain communication and dialogue with each other and with TRF for the life of the project
  - 2. Establish a committee of at least three Rotarians for both host and international partners to oversee the project. All three committee members must belong to the primary club for club-sponsored projects or belong to clubs in the district for district-sponsored projects. Any change in the project committee must be formally communicated to TRF, and documents in relation to the project must be handed over to the new committee to ensure successful transfer of responsibility and execution of the project.
  - 3. Jointly assess community needs and plan the project
  - 4. Provide a paragraph in the progress and final reports outlining all non-financial participation
  - 5. Visit the project site on an as-needed basis. The international partner must share information via correspondence or by visiting the project site.
  - 6. Manage grant funds
- B. Competitive Matching Grants (US\$25,001-150,000): All of the above and
  - 1. Provide evidence of a community needs assessment
  - 2. Provide information indicating how the project is viable and will be maintained
  - 3. Provide evidence of community involvement and ownership

- C. The following are suggested additional activities for both partner Rotary clubs/districts:
1. Manage the project on-site
  2. Form a Rotary Community Corps which supports aspects of the project
  3. Provide volunteer service and train volunteers
  4. Donate or seek out donations of money goods and services to continue or expand project
  5. Act as liaison with government agencies and customs officials
  6. Provide representation on central project committee with cooperating organizations/government agencies
  7. Promote the project to local media and at Rotary district and zone meetings
  8. Provide technical expertise in implementation of project
  9. Design or assist in design of project
  10. Travel to work with project community or share technology and expertise at project site
  11. Attend major project events and ceremonies, where feasible
  12. Share expertise and technology via correspondence
  13. Arrange shipping supplies, equipment, or materials to project country

### **III. Partner Contributions**

The following information applies to all partner contributions:

- A. Matching Grant partner contributions are considered restricted giving to TRF and are not included in district contribution totals.
- B. Paul Harris Fellow (PHF) Recognition Credit will only be granted for sponsor contributions sent to TRF, RI's international office(s), or its fiscal agent(s); and PHF Recognition Credit will not be granted for sponsor contributions sent directly to the project.
- C. Partner contributions above and beyond the amount specified in the Matching Grant Agreement and sent to TRF, RI's international office(s), or its fiscal agent(s) will be credited as Annual Giving to TRF and will not be forwarded to the project (such contributions will be included in district contribution totals).
- D. Contributions sent to TRF prior to Trustee approval of the Matching Grant may not be available for a specific grant.
- E. Contributions from the participating clubs/districts must be at least equal to the amount being requested from TRF. In addition, a significant portion of the contributions must come from outside the project site country.
- F. TRF will match up to 50% of cash contributions and up to 100% of DDF contributions.
- G. TRF will only accept contributions for a Matching Grant submitted by Rotary clubs and districts that are contributed by Rotarians, clubs and districts, or raised as part of a fundraiser
- H. Project budgets can be supplemented by funds from non-Rotary sources, such as funds contributed by a cooperating organization, beneficiary, or other party with a vested interest in the project; however, TRF cannot match such funds. TRF will only match funds contributed by Rotary clubs/districts. In addition, TRF will not match the value of any goods or services donated to the project.

- I. A minimum contribution of US\$100 will be required for all host partners. This can be in the form of cash contributions from the host partner or DDF from the host district.
- J. Once a Grant is approved the financing cannot be changed.
- K. If a grant project is cancelled, all contributions must be returned to TRF (with the exception of any funds that were sent to the project directly). These contributions will most often be directed back to the club's or district's Annual Programs Fund account as a part of general giving to the Foundation. The funds will not be returned to the Sponsors.
- L. Grant funds cannot be used as a contribution to The Rotary Foundation or as a contribution for any Humanitarian Grant.

#### **IV. Matching Grant Funding and Payment**

Matching Grant funds will not be released until all of the following conditions are met:

- A. TRF has received a signed Matching Grant Agreement Form from the primary partner Rotary clubs/districts (signed by the current club presidents or district grants subcommittee chairpersons, as appropriate)
- B. The sponsor contributions have been received either by TRF, RI's international office(s), its fiscal agent(s), or deposited into the Rotary club/district-controlled project account as identified on the Payee Information Form (documentation verifying this must be provided)
- C. TRF has received information regarding an appropriate payee for the grant. Please note the following:
  - 1. Matching Grants must be paid to a Rotary club/district-controlled account. If local laws permit, a separate project account should be opened up for each grant project so that no grant funds are commingled. All accounts must have at least two signatories required for each transaction.
  - 2. Matching Grants will not be paid to an individual, cooperating organization or beneficiary.

#### **V. Stewardship of TRF Funds**

Matching Grant awardees must:

- A. Treat TRF grant funds as a sacred trust to be constantly safeguarded from loss, misuse, or diversion
- B. Assure competent and thorough oversight of the project with clear delineation of responsibility, proper fiscal management, and full transparency regarding project activities and financial transactions
- C. Use grant funds only for eligible purposes as outlined in TRF-established grant criteria and detailed on the approved project budget, which shall be strictly interpreted:
  - 1. Any deviation from the approved budget or changes in the implementation of the project must receive prior written authorization from TRF.
  - 2. Funds expended on unapproved or ineligible items and/or for unapproved or ineligible purposes must be refunded to TRF.
- D. Conduct all financial transactions and project activity relating to the grant at least at the level of standard business practices and always in consonance with the Declaration of

Rotarians in Business and Professions and in the full spirit of The Four Way Test. This requires:

1. Maintaining regular accounts of all transactions and retaining original receipts and invoices for a minimum of five years (or more, if required by local law/regulations)
  2. Keeping grant funds in the established project account without diversion, except for direct payment of project expenses and/or to return funds to TRF
  3. Establishing an inventory system for the control of equipment and other assets purchased with grant funds, and maintaining records for items that are purchased, produced, and/or distributed through the project
- E. Exercise the highest care to the prevention of even the appearance that TRF grant funds are being used in an improper manner. Such care is expected to go beyond that afforded to the use of private or corporate funds.
- F. Disclosure of any possible conflicts of interest. All individuals involved in a program grant and/or award shall conduct their activities in a way that avoids any actual or perceived conflict of interest. A conflict of interest is a relationship among individuals through which an individual involved in a program grant or award causes benefit, or could be perceived to cause benefit, for such individual or such individual's family, personal acquaintances, business colleagues, business interests, or an organization in which such individual is a trustee, director, or officer. Any and all disclosures must be explained prior to grant approval:
1. A fair, open, and thorough request for proposals or bidding process must be conducted to ensure that the best services are secured at a reasonable cost, despite any connection between a vendor and a Rotary Entity. Possible conflicts of interest may arise when a Rotary Entity is considering business in which funds will be paid to a Rotarian; a goods and/or services provider owned or managed by a Rotarian, or employees of agencies, organizations, or institutions partnering with TRF.
  2. If a Rotarian serves on the board or has professional responsibilities in relation to a cooperating organization, vendor or beneficiary involved with a Matching Grant, he/she may NOT serve on the project committee;
- G. Report immediately any irregularity in grant-related activity to TRF
- H. Return any unused funds and/or interest earned to TRF at the completion of the project. If more than US\$200 in project funds remain once the project is completed, these funds MUST be returned to The Rotary Foundation, as this portion of the funding constitutes the Foundation's contribution to the project. Once returned, these contributions will be credited to the World Fund. The funds will not be credited back to the Sponsors.

## **VI. Reporting and Auditing Requirements**

TRF Trustees require Matching Grant awardees to adhere to the following:

- A. Submit progress and final reports
1. Progress reports are required every twelve months after the initial payment is received, detailing the project's progress. Final reports are due within 2 months of the project's completion. Both progress and final reports must include the following:
    - a. A detailed description of the project
    - b. How Rotarians from the international partner club/district participated in the project
    - c. How Rotarians from the host partner club/district participated in the project
    - d. A full description of Rotarian oversight and management
    - e. A statement of income and expense
    - f. A bank statement which correlates to the statement of income and expense

- g. Where expressly requested, receipts appropriately cross-referenced to the statement of income and expense
  - h. A narrative statement about the beneficiary
  - i. The role of the cooperating organization (if applicable)
  - j. Photo proof that shelter recipients are occupying the homes (Low Cost Shelter projects only)
2. New applications will be returned without processing if project partners have not provided timely progress reports for current grants or have overdue final reports (this includes overdue reports for all grant types). This will affect both the international partner and the host partner in the project country.
- B. Provide an annual independent financial review (*encouraged for all grant awardees and required for grants over US\$25,000 or as requested by TRF*)
- 1. Annual independent reviews must be carried out by an appropriately licensed, chartered, or certified accountant or accounting firm which has no direct linkages with the project to be examined. The appointment of such an independent accounting firm or accountant must be made by the district governor of the project district (where the funds were sent). TRF reserves the right to appoint the independent annual reviewer as necessary.
  - 2. The agreed-upon procedures for the independent annual review must include the following:
    - a. A determination of whether the funds received for the project were expended in a manner consistent with the approved project budget and, if not, why not
    - b. A determination of whether a standard set of accounts was maintained to include a complete record of all receipts and disbursements and receipts maintained for all expenditures in excess of US\$25
    - c. An examination of expenditures to ensure funds used for intended purpose, proper records maintained and a system of controls over expenditure is in place. This examination should include the following:
      - Selection of a sample of disbursements and reconciliation to supporting documentation
      - A review of the full listing of expenditure to ensure funds were expended in a manner consistent with the Terms and Conditions of the grant award
      - Identification of the purchasing procedure used
    - d. A determination of whether funds were held in an interest-bearing bank account and documentation of how interest earned was used
    - e. A review of bank reconciliations to ensure they were prepared correctly and in a timely manner and that opening and closing balances agreed to the financial records of the project and bank statements
    - f. A determination of whether Rotarians control bank accounts and two signatures are required for all disbursements
    - g. A determination of whether all project activities including the conversion of funds are in accordance with local laws and regulations
  - 3. The independent annual review must be submitted to TRF no later than 12 months after the first payment is received and every 12 months thereafter until the project partners are notified by TRF that the grant period of the project is officially completed.
  - 4. The responsibility for annual independent annual reviews for all grants rests with the primary partners, the cost of which may be shared among all sponsoring Rotary clubs, Rotary districts, or other grantees. If the grantees cannot provide for these costs, they may apply for up to US\$500 per year for the life of the project on the original grant application for this purpose.
- C. Cooperate with TRF Audits
- 1. TRF reserves the right to conduct an audit of or send a monitor to any grant, regardless of size, at any time. A site visit is required for those grants with award amounts of US\$50,001 or more.

2. In addition, TRF reserves the right to review the project at any time, require the submission of additional documentation, and suspend any or all payments if in its sole discretion progress is not considered to be satisfactory.
3. The sponsoring club or district will maintain detailed, accurate, and complete financial records throughout the life of the grant and for a period of five years, or more if required by local law, after the grant closure date. These financial records would include original receipts, canceled checks, invoices, etc. Further, if the grant is selected to receive an audit, the sponsoring club or district must maintain all documentation until such time as TRF advises the documents may be discarded.

## **VII. Appropriate Grant Implementation**

- A. The use of grant funds from TRF must:
  1. Address a humanitarian condition that benefits a community in need
  2. Have significant Rotarian involvement and visible Rotary identification
  3. Demonstrably benefit a community as a whole and not an individual person
  4. Exclude any liability to TRF or Rotary International except for the amount of the grant
  5. Be consistent with the criteria, procedures, and policies of the PolioPlus program and the World Health Organization for projects involving vaccines and immunizations
  
- B. Grant funds cannot be used:
  1. For the purchase of land and buildings. If the grant depends upon the construction of a building, the construction must be funded by additional (that is non-matched) club/district funds or funded by a cooperating organization. TRF will not release grant funds until such construction is completed.
  2. For activities involving the construction of any structure in which individuals live, work, or engage in any gainful activity (such as buildings, containers, and mobile homes) or structures where individuals carry out any type of activity including manufacturing, processing, maintenance and/or storage. Construction of infrastructure such as service roads, wells, reservoirs, dams, bridges, latrines, toilet blocks, and water supplies and other similar structures is acceptable.
  3. For activities involving the renovation of structures, including the provision of new services or upgrade of utilities (i.e. electrical and plumbing), in which individuals live, work, or engage in any gainful activity such as (buildings, containers, and mobile homes) or structures where individuals carry out any type of activity including manufacturing, processing, maintenance, and/or storage
  4. For salaries, stipends, or honorariums for an individual or individuals working for a cooperating organization or beneficiary
  5. To support the operating or administrative expenses of any organization
  6. For post-secondary education activities, research, or personal, or professional development
  7. For excessive support of any one beneficiary, cooperating organization, or project
  8. For any purposes other than those approved by TRF
  9. To reimburse expenses incurred prior to approval of the grant, to help fund already existing projects, or to pay for activities primarily sponsored by a non-Rotary organization
  10. For the establishment of a permanent foundation, trust, or permanent interest-bearing account; nor may grant funds be invested in fixed-term deposits, as this would entail moving the funds out of the designated project account for purposes other than payment of project expenditure. Grant projects can involve the establishment of a revolving loan fund, with the approval of TRF, but must include training and detailed information regarding recipient payback schedules.
  11. To directly benefit a Rotarian; an employee of a club, district or other Rotary entity, or of Rotary International; or a spouse, lineal descendant (child or grandchild by blood or legally adopted child), a spouse of a lineal descendant, or

- an ancestor (parent or grandparent by blood) of any living Rotarian or Rotary employee
12. To duplicate any existing Foundation or other Rotary-sponsored program
  13. For international travel or international travel related expenses
  14. To sponsor projects designed to help any individual(s) to obtain an academic degree or professional advancement, or for any individual(s) to attend a seminar, conference, or international exchange. Projects can involve educational training, but the training must be short-term in nature and provide for basic educational/professional needs only.
  15. For community beautification or general service projects that are not humanitarian in nature

### **VIII. Time Limits**

TRF has established deadlines for the payment and implementation of Humanitarian Grants. Therefore,

- A. If a pending Matching Grant project file remains unapproved for more than six months, the grant will be withdrawn.
- B. If an approved Matching Grant project file remains unpaid for more than six months, the grant will be cancelled.
- C. If a paid Matching Grant project file is not implemented within 12 months, the grant will be cancelled and the sponsors will be required to return the funds.

### **IX. Cooperating Organizations**

A grant conducted in cooperation with another organization must meet the following conditions:

- A. The Rotary partner(s) must clearly demonstrate that the project is initiated, controlled, and conducted by the Rotary clubs or districts involved; Rotarians must participate in giving their time, resources, and personal involvement to the project.
- B. The local Rotary clubs or district (where appropriate) must have knowledge of the cooperating organization and provide a letter of endorsement for the organization that states that it is reputable and responsible and that the organization is registered and acts within the laws of the project country.
- C. The organization cooperating in such projects must agree to participate and cooperate in any financial review of activities connected with the project and explain how it will be participating in the project.
- D. An annual limit of eight grants can be made in cooperation with another organization.
- E. A spending plan system should be adopted, such that there is mutual agreement between the Rotary partner(s) and the cooperating organization regarding items/services and respective costs before purchases are made, to maintain Rotarian control over expenditure of grant funds and help avoid possible disputes.

## **X. The Rotary Foundation's Policies on Population Growth and Development**

TRF supports the programs of Rotary International, including their aims and objectives with respect to RI's statement on Population Growth and Development. Matching Grant funds may be used to support the following types of population growth projects:

- A. Prenatal medications/vitamins
- B. Birthing medications
- C. Newborn baby screenings
- D. Surgical instruments to help with births
- E. Prenatal screening
- F. Ultrasound equipment (as long as it is used for diagnosing and treating patients)
- G. Education and training
- H. Public health education
- I. Family planning training
- J. Information on sexually transmitted diseases
- K. Community health training
- L. Balanced diet and nutrition awareness

## **XI. Matching Grant Rotary Name and Emblem Use Guidelines**

The following guidelines on the use of the "Rotary" name and emblem are RI policy. Please follow them when naming your project and in any literature you may develop.

### **A. Rotary Name:**

1. The RI Board has determined that any use of the "Rotary" name without a further qualifier, such as the name of a Rotary club or a Rotary district, refers to the international association, RI.
2. New project names or programs not under the exclusive control of RI, when using the name "Rotary," must include the name of the participating Rotary club(s) or district(s) and should not use the name "International."
3. If using the words "Rotary" and "Foundation," these words must not appear together but must be separated by additional identifying information, such as the name of the participating Rotary club(s) or district(s).
4. Ongoing programs not under the exclusive control of RI and not conforming to these guidelines should be renamed to provide this additional identifying information (i.e. the name of the participating Rotary club(s) or district(s) must be included when using the name "Rotary").
5. The naming of any project that does not conform to the guidelines must receive specific RI Board approval.

### **B. The Rotary Emblem:**

1. The Rotary Emblem, like the Rotary Name, represents the international association, RI.

2. Whenever the Rotary Emblem is used for a project, program, or activity not under the exclusive control of RI, the name of the participating club(s) or district(s) should also be used in addition to the emblem; should appear directly adjacent to the emblem; and be of a size of equal prominence to the emblem.
3. Any reproduction of the Rotary Emblem must meet RI's proper emblem specifications. (See the *2007 Manual of Procedure*, Chapter 17. Camera-ready art can be obtained through your Club and District Support representative.) No alterations, modifications, or obstructions of the Rotary Emblem are permitted. The emblem must be faithfully reproduced and always appear in its entirety.
4. The Rotary Emblem may be reproduced in a single color or in two colors. When it is reproduced in two colors, it must be reproduced in its official colors of royal blue [PANTONE® 286 Blue] and either metallic gold [PANTONE® 871 Metallic Gold] or gold [PANTONE® 123C or 115U Gold (yellow)]. The Rotary Emblem should never be printed in more than two colors.
5. The RI Bylaws discourage any joint use of the RI Emblem with the emblem or logo of another organization (“The use of such name, emblem, badge, or other insignia in combination with any other name or emblem is not recognized by RI.” *RI Bylaws, Article 18.020.*)

If you have questions, please contact TRF at:

Matching Grants

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