

# LEAD YOUR DISTRICT

## Rotary Foundation Committee

2015-18



This is the June 2014 edition of *Lead Your District: Rotary Foundation Committee* (300), formerly known as the *District Rotary Foundation Committee Manual*. It is intended for Rotarians responsible for the Foundation at the district level in 2015-16, 2016-17, and 2017-18. The information in this publication is based on the Constitution and Bylaws of Rotary International, the Bylaws of The Rotary Foundation, and The Rotary Foundation Code of Policies. Changes to these documents by the triennial Council on Legislation override policy as stated in this publication.

In an effort to streamline publications, this resource has been significantly shortened to include only what you need as a district Rotary Foundation committee chair. *The Rotary Foundation Reference Guide* (219) is your key resource for basic Rotary Foundation information, and the *Grant Management Manual* (1000) is your source for all grant information. You can also find information about grants at [www.rotary.org/grants](http://www.rotary.org/grants).

Please share this resource with the members of your committee and direct them to the resources mentioned above for more information.

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# 1

# DISTRICT COMMITTEE STRUCTURE



Your committee is made up of experienced and dedicated Rotarians who work together to assist the governor in educating, motivating, and inspiring Rotarians to participate in our Foundation. Your committee serves as the connection between the Foundation and club members. The governor is a voting member.

## DISTRICT ROTARY FOUNDATION COMMITTEE CHAIR

You will provide leadership and continuity to the district Rotary Foundation committee throughout your three-year term. Working with each governor-elect and governor during your term, you will ensure enduring performance for the committee. Under the governor's leadership, you will work with the committee to plan, coordinate, and evaluate Foundation activities.

### RESPONSIBILITIES

- » Work with the district training committee to customize and provide Foundation sessions at the presidents-elect training seminar and district training assembly each year.
- » Encourage clubs to offer at least two programs about the Foundation each year, including one in November, Rotary Foundation Month.
- » Coordinate and promote all district fundraising and program participation. Encourage annual and major gifts to our Foundation.
- » Decide, in consultation with the governor and governor-elect, how to distribute the District Designated Fund (DDF) and authorize the use of funds for grants.
- » Help the governor-elect gather input from club-level Rotarians to establish Foundation goals for the upcoming year.
- » Ensure that reports on district-sponsored programs and activities are submitted to the Foundation on time.
- » Serve as a member of all subcommittees, maintain contact with them to stay informed of their progress, and directly support them as needed.
- » Assist in selecting qualified recipients for Foundation awards.
- » Qualify the district and its clubs to use Rotary Foundation grants.

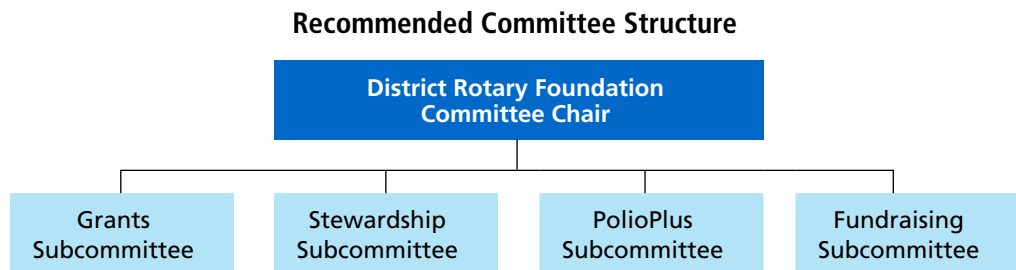
- » Ensure that all clubs are able to qualify for Rotary Foundation grants and attend grant management seminars.
- » Confirm that clubs that apply for global grants are qualified.
- » Encourage clubs to find current Foundation information at [www.rotary.org](http://www.rotary.org).

The Rotary Foundation works directly with the district Rotary Foundation committee chair and the four main subcommittee chairs.

## DISTRICT ROTARY FOUNDATION SUBCOMMITTEES

Your Rotary Foundation subcommittees reflect activities related to the implementation of Rotary grants. Depending on the interests of the district, other subcommittees can be added.

Subcommittee chairs, appointed by the governor, become members of the district Rotary Foundation committee. These appointments should be based on program participation and financial contributions to The Rotary Foundation. Once the names of the chairs of these subcommittees are reported online, Rotary will send more information on their respective topics.



### GRANTS SUBCOMMITTEE

Your grants subcommittee manages and promotes implementation of Rotary Foundation grants and participation in the Rotary Peace Centers program. This subcommittee helps clubs participate in grant-funded educational, vocational, and humanitarian activities.

#### RESPONSIBILITIES

- » Serve as a district expert and resource on all Rotary Foundation grants.
- » Follow and enforce the terms and conditions of grant awards for district and global grants; disseminate the terms and conditions and conduct club education on them.

- » Create and implement a district policy that outlines the distribution of grant funds for clubs and the district.
- » Work with the district Rotary Foundation committee chair to disburse grant funds and to ensure that proper records of grant activity are maintained for reporting purposes.
- » Work with the stewardship subcommittee to ensure good stewardship and grant management practices, including reporting, for all club- and district-sponsored grants.
- » Establish and maintain grant management record-keeping systems.
- » Distribute applications to potential Rotary Peace Fellows and select qualified applicants.
- » Conduct orientation (at the multidistrict level, when possible) for all Rotary Peace Fellowship and scholarship recipients and vocational training team members before their departure or upon their arrival.
- » Coordinate districtwide Rotary Foundation alumni activities.
- » Provide input on District Designated Fund distribution.

The grants subcommittee may be organized in several ways. For example, you may want to appoint additional subcommittees for district grants, global grants, Rotary Peace Fellows, and alumni. Please note that only the designated grants subcommittee chair will be able to access records in the online grant application tool. Information about [Rotary Peace Centers](#) is communicated through the grants subcommittee chair.

### RESOURCES

- » [www.rotary.org/grants](http://www.rotary.org/grants)
- » *Grant Management Manual*
- » [Reconnections](#) newsletter for news about Rotary alumni
- » [Regional Rotary Foundation coordinators \(RRFCs\)](#)

## STEWARDSHIP SUBCOMMITTEE

Your stewardship subcommittee is responsible for ensuring the careful management of Rotary Foundation grant funds and for educating Rotarians on proper and effective grant management.

This is an important role that helps districts actively monitor grants. It allows you to take active measures to ensure that larger grant awards are used for their intended purpose.

### RESPONSIBILITIES

- » Assist with implementation of the district memorandum of understanding, including development of the financial management plan.

- » Help qualify clubs and assist with grant management seminars.
- » Work with the grants subcommittee to implement responsible stewardship and grant management practices, including reporting, for all club- and district-sponsored grants.
- » Monitor and evaluate stewardship and grant management practices for all club- and district-sponsored grants.
- » Ensure that everyone involved in a grant avoids any actual or perceived conflict of interest.
- » Create a procedure for resolving any misuse or irregularities in grant-related activity, report any misuse or irregularities to The Rotary Foundation, and conduct initial local investigations into reports of misuse.
- » Ensure that the annual financial assessment of the financial management plan and its implementation is conducted appropriately.

The stewardship subcommittee may be organized in several ways. For example, you may want to appoint additional subcommittees for reporting, misuse investigation, requirements of local laws, and annual financial assessment.

### RESOURCES

- » [\*Grant Management Manual\*](#)
- » [District Memorandum of Understanding](#)
- » [Club Memorandum of Understanding](#)

## POLIOPLUS SUBCOMMITTEE

Your PolioPlus subcommittee educates Rotarians and the community about the Foundation's polio eradication efforts and organizes related fundraisers.

### RESPONSIBILITIES

- » Encourage donations for PolioPlus from Rotarians, clubs, the district, and the District Designated Fund.
- » Organize at least one PolioPlus district fundraiser per year.
- » Work with the Foundation committee chair, district public relations committee, and the governor to recognize exemplary club and district activities related to polio eradication.
- » Assist the governor and the district trainer with PolioPlus presentations during Rotary Foundation training at district meetings.
- » Coordinate with national and regional PolioPlus committees and governmental and other agencies in the implementation of polio eradication activities.
- » Provide input on District Designated Fund distribution.

PolioPlus subcommittees are organized according to the status of the disease in the district. You may want to appoint additional subcommittees to focus on promoting Rotary’s polio eradication work or on fundraising. Subcommittees in polio-endemic countries may work more closely with national PolioPlus committees. You should encourage club presidents to appoint a club PolioPlus committee.

### RESOURCES

- » [End Polio Now website](#)
- » [End Polio Now – Make History Today flier](#)
- » [Advocacy Toolkit flier](#)

## FUNDRAISING SUBCOMMITTEE

Your fundraising subcommittee manages and monitors Foundation fundraising and recognition in the district.

### RESPONSIBILITIES

- » Assist and advise clubs on setting fundraising goals and on strategies for achieving them.
- » Organize club and district fundraising activities.
- » Motivate, promote, and advise clubs on all Rotary Foundation fundraising initiatives.
- » Coordinate district donor appreciation events.
- » Provide input on District Designated Fund distribution.

The fundraising subcommittee can be organized based on your district’s needs. You may want to appoint additional subcommittees for annual giving and the Endowment Fund or include responsibility for more specific tasks like a Foundation dinner. Consider your district’s goals and the areas your district would like to strengthen to determine how many subcommittee members to appoint.

### RESOURCES

- » [\*The Rotary Foundation Reference Guide\*](#)
- » [www.rotary.org](http://www.rotary.org)



## OTHER SUBCOMMITTEES

Your district may appoint additional subcommittees. The following subcommittees can be reported online by the district governor but are not required. The potential responsibilities of these subcommittees are listed below. The four standing subcommittees are relieved of any responsibilities the optional subcommittees take on. You can adapt the responsibilities of each committee to suit your district's needs. It is also up to your district to determine how all of the subcommittees coordinate their efforts and work together.

### *ALUMNI SUBCOMMITTEE*

- » Maintain a list of Foundation program participants sponsored by or residing in the district, and advise the Foundation of any changes.
- » Track alumni who are good speakers. They may be able to speak at district events.
- » Obtain nominations and endorse nominees for the Global Alumni Service to Humanity Award and the Alumni Association of the Year Award.
- » Encourage alumni to remain involved with Rotary by becoming Rotarians, identifying future program participants, making contributions to the Foundation, and participating in service projects.
- » Manage a district alumni association.
- » Inform alumni about district activities and invite them to club and district events and projects.

### *ANNUAL FUND SUBCOMMITTEE*

- » Help clubs set Annual Fund goals through Rotary Club Central.
- » Publicize club and district monthly goal achievements.
- » Encourage contributions in support of club and district goals.
- » Encourage participation in fundraising events.
- » Recognize club members and friends of Rotary who generously support our Foundation.
- » Promote special giving opportunities such as the Paul Harris Society; Rotary Foundation Sustaining Member gifts; Every Rotarian, Every Year; challenge gifts; corporate matching gifts; and corporate and community Foundation support.
- » Highlight ways to give to the Foundation, including recurring and online giving opportunities.
- » Coordinate efforts with the Endowment Fund subcommittee chair and grants subcommittee chair.

### *ENDOWMENT FUND SUBCOMMITTEE*

- » Establish district Benefactor, Bequest Society, and major gift goals through Rotary Club Central.
- » Inform Rotarians of planned giving opportunities using resources like *Your Rotary Legacy*.
- » Work with club presidents to recognize current Benefactors and Bequest Society members.
- » Coordinate efforts with the Annual Fund subcommittee chair.
- » Coordinate the identification, cultivation, and solicitation of potential donors in support of the Endowment Fund; involve district leadership, endowment/major gifts advisers, regional Rotary Foundation coordinators, trustees and directors, alumni, and major donors in planning and soliciting major gift prospects.
- » Thank Benefactors, Bequest Society members, and major donors, and continue to nurture relationships with them.
- » Learn the volunteer structure and the resources available to volunteers, including printed materials, websites and professional resources like staff, endowment/major gift advisers, and gift and estate planning professionals.

### *ROTARY PEACE FELLOWSHIPS SUBCOMMITTEE*

- » Distribute application materials to clubs.
- » Establish a selection committee.
- » Select qualified candidates.
- » Conduct orientation for fellowship recipients.
- » Provide training and guidance to sponsors and host counselors.
- » Connect fellows with the district alumni chair.

### *SCHOLARSHIP SUBCOMMITTEE*

- » Coordinate orientation for scholarship recipients.
- » Confirm participation by the host district and determine whether training or guidance is necessary for the host counselor.
- » Inform Rotarians in the host district that a scholarship recipient will be studying there.
- » Maintain contact with scholarship recipients during their study terms.
- » Serve as a resource for any potential inbound global grant scholar applicants who would like to study at institutions within the district.

There are a number of resources for scholarships:

- » [www.rotary.org/grants](http://www.rotary.org/grants)
- » *Grant Management Manual*
- » [Regional Rotary Foundation coordinators \(RRFCs\)](#)
- » [District Grants Scholarships: Best Practices](#)
- » [Global Grant Scholarships Supplement](#)
- » [Facts About Rotary Foundation Scholarships](#)
- » [Become a Rotary Scholar](#)
- » [Global Grants Scholar and Vocational Training Team Member Predeparture Orientation](#)

#### *VOCATIONAL TRAINING TEAM SUBCOMMITTEE*

- » Interview candidates and choose a leader, members, and alternates for each vocational training team.
- » Identify partner districts.
- » Ensure fulfillment of all program requirements.
- » Set local itineraries.
- » Coordinate team orientation and language training.

Resources for vocational training teams include:

- » [Facts About Vocational Training Teams](#)
- » [www.rotary.org/grants](http://www.rotary.org/grants) for information on grant activities

# 2

# ADMINISTRATION



Your district Rotary Foundation committee has various administrative duties related to the district and its clubs.

## SUPPORTING CLUB ROTARY FOUNDATION COMMITTEES

As Rotary Foundation committee chair, you should encourage every club to have a Rotary Foundation committee, train those committees, and encourage clubs to increase awareness of the Foundation.

To raise clubs' understanding of the Foundation, suggest that they:

- » Devote time to the Foundation at club meetings, especially during November, which is Rotary Foundation Month.
- » Use the club website to keep members informed of Foundation activities and progress toward club and district goals.
- » Encourage members to register on [My Rotary](#) to manage email preferences, search the *Official Directory*, and view their contribution history.
- » Work with the club or district public relations committee to inform local media of newsworthy Foundation activities.
- » Invite Foundation alumni to participate in club events and projects.
- » Plan a community event to raise funds for and to promote the Foundation.
- » Recognize Rotarians and others who have performed outstanding service or made significant financial contributions to The Rotary Foundation.
- » Encourage clubs to seek Rotary Peace Fellow candidates.

## SETTING GOALS

You can review a summary of your clubs' Foundation goals in [Rotary Club Central](#). Clubs set participation and contribution goals for the year based on their members' capacity to achieve those goals. Your fundraising subcommittee can advise clubs on activities that will help them achieve their goals. The fundraising subcommittee also works with clubs to adjust their goals during the year.

Your district Rotary Foundation committee should work closely with the district governor-elect to help clubs set Foundation participation and contribution goals and develop plans to achieve those goals. The club fundraising goals are consolidated into a worldwide goal that is announced at the annual Rotary International Convention. You should monitor [Rotary Club Central](#) frequently during the year to see your clubs' progress toward their goals.

When developing district fundraising goals, consider what activities clubs in your district will want to carry out three years from now. For example, if your clubs would like to sponsor a scholar, conduct a large-scale humanitarian project, and contribute to PolioPlus, the district's goals should include raising the funds necessary to undertake those activities in three years. See the [District Planning Guide](#) to develop goals for the year.

Go to the Goal Setting subject in the [Learning Center](#) for course information and Rotary Club Central resources.

## TRAINING

Your Rotary Foundation committee members should attend district training meetings conducted by a regional Rotary Foundation coordinator. Ask participants to complete courses in the Rotary Grants section of the Learning Center at [learn.rotary.org](http://learn.rotary.org) before attending training.

The district Rotary Foundation committee chair has a leadership role in planning seminars, in conjunction with the district training committee, and also could be a speaker or facilitator. Depending on a district's geographic characteristics and language needs, seminars can be held multiple times or combined to reach the greatest number of clubs.

### DISTRICT ROTARY FOUNDATION SEMINAR

At least one district Rotary Foundation seminar for club leaders is held each year between July and November. Involve district Rotary Foundation subcommittee members in seminar planning, and consult with your regional Rotary Foundation coordinator. Seminar leaders can refer to the [District Rotary Foundation Seminar Leaders' Guide](#) for session outlines and slides.

### GRANT MANAGEMENT SEMINAR

Districts must conduct a grant management seminar for all clubs that wish to qualify for and apply for global funds; conducting this seminar is also part of the district's qualification requirements. The seminar ensures that clubs understand the [club memorandum of understanding](#) and that they are prepared to provide good stewardship of Foundation grant funds.

Try to conduct the grant management seminar immediately after the presidents-elect training seminar, the district training assembly, the district conference, or the district Rotary Foundation seminar to encourage maximum participation.

The district Rotary Foundation committee chair must check attendance at this seminar as part of each club's qualification process. Refer to the *Grant Management Seminar Leaders' Guide* for session guides and slides, and ask the club representatives to review the *Grant Management Manual* before the seminar.

## PRESIDENTS-ELECT TRAINING SEMINAR (PETS)

In the Foundation sessions of your presidents-elect training seminar, club presidents-elect should learn that they are expected to:

- » Establish goals and report them to the Foundation by early May
- » Appoint a club Rotary Foundation committee chair before the district assembly
- » Develop, by 1 July, a plan for achieving Foundation goals
- » Motivate Rotarians to support the Foundation

Refer to the *Presidents-elect Training Seminar Leaders' Guide* for session guides and slides.

## DISTRICT TRAINING ASSEMBLY

You will assist the district trainer in modifying the Foundation sessions at the district training assembly to meet the needs of the clubs in your district. The *District Assembly Leaders' Guide* includes training session guides and slides that you can adapt to fit your focus.

### RESOURCES

Many resources are available to assist you in your role as a district leader. Become familiar with them so that you can direct club leaders seeking more information about the Foundation.

### Rotarians

Rotarians serving at the zone or regional level are available to help your district.

- » The **End Polio Now coordinator** provides leadership and fosters awareness, advocacy, and financial support activities at the district and club levels to work toward a polio-free world.

- » The **Regional Rotary Foundation coordinators (RRFC)** serving your district can assist your committee in planning, promoting, and conducting a district Rotary Foundation seminar, establishing district goals for program participation and financial support, and locating resources and partners to achieve those goals. Your committee is strongly encouraged to work closely with the RRFC and provide reports as requested. **Assistant regional Rotary Foundation coordinators** are part of the RRFC's team, working to assist clubs and districts in their territory with fundraising and grant and program participation.
- » **Rotary Foundation alumni coordinators** can help you keep your alumni active in Rotary. They increase Rotarians' awareness of Foundation alumni and promote them as resources for club and district service projects and activities. They work closely with the district membership committee on Foundation alumni activities. Rotary Foundation alumni can be powerful speakers at club and district events, so check with your alumni coordinator for speaker suggestions.

Rotary Foundation alumni coordinators work with RRFCs to conduct alumni events and scholar orientation seminars and to develop Rotary Foundation alumni associations.

ROTARY.ORG > MY ROTARY | Sign In/Register Club Finder Location/Language

Rotary My Rotary Exchange Ideas Take Action Learning & Reference Manage The Rotary Foundation Member News

**WELCOME TO ROTARY'S COMMUNITY**

SIGN IN / REGISTER EXPLORE SITE

Join our community of leaders to exchange ideas and take action at home and around the world.

**JOIN LEADERS**

**FIND A CLUB**  
Find a Rotary, Rotaract, or Interact club near you—or one halfway around the world.

City or region

**EXCHANGE IDEAS**

**ATTEND THE CONVENTION**  
Share your passion for Rotary and doing good in the world  
1-4 June 2014 in Sydney, Australia.

REGISTER

**TAKE ACTION**

**SUPPORT ROTARY**  
You can make a difference!  
Find a project that needs your help and join in.

VOLUNTEER

### Rotary.org

The Rotary website, [www.rotary.org](http://www.rotary.org), is the most current resource for Rotary information. It's where you can find news stories, publications, announcements of policy changes, and where you can go to manage district information.

My Rotary gives you customized access to a variety of online services from Rotary. There, you can:

- » Apply for district and global grants
- » View monthly contribution, SHARE, and PolioPlus reports
- » View club and district progress toward goals
- » Access grant travel forms and information
- » Contribute to The Rotary Foundation



Remember that the governor-elect or the governor needs to report district appointments to Rotary in order for district leaders to access member-only information. District leaders can qualify their districts, apply for grants, monitor grant progress, submit grant reports, and view club progress toward goals and achievement.

Similarly, your club presidents or secretaries should report club Rotary Foundation chairs and treasurers. All Rotarians should register at [www.rotary.org/myrotary](http://www.rotary.org/myrotary) to update their personal contact information and access their contribution and recognition history.

### RI publications and videos

Rotary Foundation DVDs and publications are available for districts to order for distribution at Foundation events such as fundraisers and training seminars. Most resources can be ordered online at [shop.rotary.org](http://shop.rotary.org). The *Rotary International and The Rotary Foundation Annual Report* (187) is available in December.

### Rotary's Support Center

Rotarians in the United States and Canada can direct questions about The Rotary Foundation to Rotary's Support Center. Call or email the center to check on donations and recognition points, or for other information.

Rotarians outside North America should contact their international offices.  
Phone: 1-866-9ROTARY (1-866-976-8279) (within North America)  
Email: [contact.center@rotary.org](mailto:contact.center@rotary.org)

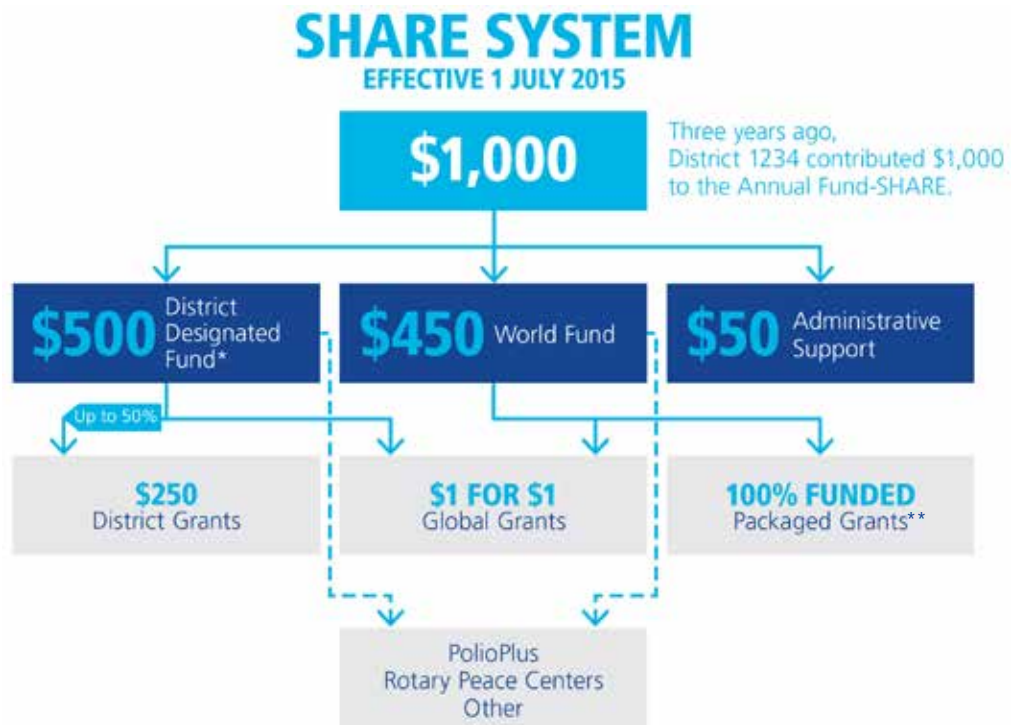
# 3

# FOUNDATION FUNDING



Contributions to The Rotary Foundation come from Rotarians and friends of Rotary. The SHARE system transforms those contributions into grants and programs.

At the end of the Rotary year, your district’s Annual Fund contributions that are designated as Annual Fund-SHARE are divided into two funds: 45 percent is credited to the World Fund and 50 percent to the District Designated Fund (DDF) for use in three years. The Foundation uses the portion credited to the World Fund to pay for grants and programs that are available to all Rotary districts. The district uses the DDF to participate in grants and programs and to make donations (for example, to PolioPlus or Rotary Peace Centers). The remaining 5 percent is used to support administrative costs.



\* Illustration does not include DDF generated by Endowment Fund SHARE spendable earnings. Unused District Designated Funds roll forward to next year.

\*\* No new packaged grants will be issued once the current agreements with the Foundation’s strategic partners expire. Any reference to packaged grants will be applicable to those grants that may still be open.

## THREE-YEAR FUNDING CYCLE

The Rotary Foundation operates on a three-year funding cycle designed to give districts time to plan and select projects and to enable the Foundation to use the investment earnings to pay for administrative and fund development costs.

For example, 50 percent of Annual Fund-SHARE contributions in 2013-14 will result in District Designated Funds available for use in 2016-17.

2013-14	2014-15	2015-16	2016-17
Funds raised and invested	Funds invested	Funds invested	Funds used

## DISTRICT DESIGNATED FUND PLANNING

Each year, your district receives a SHARE kit, which includes a SHARE System Report, a list of spending options approved by the Trustees, and donation forms. The report shows the DDF amount available for your district to spend in the coming Rotary year.

Your district Rotary Foundation committee is responsible for determining which Rotary Foundation grants and programs most interest the members of clubs in your district. Among the ways to determine this is by directly polling the clubs or inviting comments through the district newsletter. With this information, the committee — in consultation with the district governor, governor-elect, and governor-nominee (if known) — decides how the district will use its DDF. The district Rotary Foundation committee chair is responsible for maintaining accurate records of how you use your DDF.

The district Rotary Foundation committee chair and the district governor both need to authorize the use of DDF and must do so in a way that carries out the decisions of the district Rotary Foundation committee. The Foundation deducts money from the district's fund when applications are approved or donations are made. See the District Designated Fund Allocation Policy worksheet at the end of this chapter for items to consider when developing your district's procedure for allocating funds.

## SHARE AND DDF OPTIONS FOR 2013-14 AND 2014-15

Districts can spend DDF on the following:

- » District grants
- » Global grants
- » Donations
  - PolioPlus
  - World Fund
  - Endowment Fund
  - Rotary Peace Centers
  - Other districts

In choosing any of these options, remember:

- » Any unused DDF from the previous program year will automatically be included in the DDF total available for global grants and donations.
- » The DDF balance from the previous year does not factor into the amount available for district grants.
- » At any time during the program year, districts may request an updated report of their DDF balance. Only approved grants are reflected in the report.

Remaining DDF rolls over to next year.

## FUNDING FOR GLOBAL GRANTS

For global grants, World Fund matches DDF allocations \$1 for \$1 and cash \$0.50 for \$1. In addition to Annual Fund-SHARE contributions three years prior, funding options for global grants include:

- » Annual Fund – areas of focus funds
- » Annual Fund – World Fund
- » Cash for specific global grants
- » Endowment earnings designated for specific uses
- » Term gifts

The grants subcommittee is responsible for administering the district policy on DDF allocations for clubs and the district.

Email the SHARE coordinator with questions about your DDF at [share.mailbox@rotary.org](mailto:share.mailbox@rotary.org).

Use the worksheets on the following pages to plan with your committee.

## DISTRICT GRANT PROCESS WORKSHEET

Use the following questions to determine your district grant process. Ideas from various districts are listed for reference.

Question	Best Practices	Our District's Process
How will you encourage clubs to participate?	<ul style="list-style-type: none"> <li>» Hold grant fairs or survey clubs to identify projects and to determine how to meet clubs' financial needs.</li> </ul>	
How much of the district funds will you reserve for district activities versus club activities?	<ul style="list-style-type: none"> <li>» One district asks clubs to request DDF, and the committee then determines how much is available for district activities.</li> <li>» Organize a project that all clubs can participate in at various levels. Give this project funding priority.</li> </ul>	
What types of activities will be funded (scholarship, vocational training, or humanitarian projects)?	<ul style="list-style-type: none"> <li>» Set criteria for grant funding (such as a preference for international projects in developing countries) and provide it to the clubs in advance.</li> </ul>	
How much DDF will you allocate for district grants? Will you ask clubs to contribute to the project? For example, will you allocate funds for a district scholarship for which each club can nominate a candidate, or will you allow clubs to request funding for scholars?	<ul style="list-style-type: none"> <li>» Depending on whether the project is local or international, one district requires a match from the club.</li> <li>» Another district sets a minimum and maximum DDF allocation for each club and a minimum project size. Multiple clubs can work on the same project.</li> <li>» One district asks the club to contribute 20 percent of the project cost. Another asks the club to match the DDF portion.</li> </ul>	
Will your district add requirements to the district grant?	<ul style="list-style-type: none"> <li>» One district requires clubs to appoint a club Rotary Foundation committee chair and be up-to-date on grant reporting.</li> <li>» Another requires that clubs be qualified and current on dues.</li> </ul>	

Question	Best Practices	Our District's Process
What criteria will you require clubs to meet in order to receive district grants?	<ul style="list-style-type: none"> <li>» One district receives more proposals than it can support, so it limits funding to one proposal per club.</li> <li>» Another district selects projects by impact on communities, quality, relationship to an area of focus, and order in which they are received.</li> </ul>	
What criteria will you use for scholarships?	<ul style="list-style-type: none"> <li>» Award flat grants.</li> <li>» The award amount covers tuition and travel.</li> <li>» Scholarship applications are accepted from all areas of study.</li> <li>» Candidates can apply for any level of study.</li> <li>» Support local scholarships only.</li> <li>» Develop a scholarship application.</li> </ul>	
What criteria will you use for vocational training activities?	<ul style="list-style-type: none"> <li>» Award flat grants or flexible award amounts.</li> <li>» Determine what the award amount will cover (language training, travel, housing, etc.).</li> <li>» Determine if vocational training team applicants will be accepted for cultural exchange, or specify an area of focus.</li> <li>» Support both local and international vocational training teams.</li> <li>» Develop a vocational training team application.</li> <li>» Districts determine how often and in what format vocational training teams should report to the district and should clearly state the requirement that teams keep receipts for expenditures of \$75 or more.</li> </ul>	
What are your district's deadlines for club requests for district grant funds?	<ul style="list-style-type: none"> <li>» One district completes the process two months before the start of the Rotary year so that the funds can be distributed in July.</li> <li>» Another district waits until the club leaders are in office before the process begins.</li> </ul>	

Question	Best Practices	Our District's Process
How will you inform clubs about the district grant process?	<ul style="list-style-type: none"> <li>» Articles in newsletters.</li> <li>» On the district website.</li> <li>» At PETS and district assemblies.</li> <li>» Teach clubs about the district grant process at the grant management seminar.</li> </ul>	
How will you notify clubs that will not receive funding for their proposals?	<ul style="list-style-type: none"> <li>» One district has the grants subcommittee chair send a note to each club president, explaining why they didn't receive the grant and what they could do in the future to improve their chances.</li> </ul>	





### DISTRICT FINANCIAL MANAGEMENT PLAN WORKSHEET

Use this worksheet to assess your district's financial management procedures and determine whether new ones are needed. This plan should include all funds for district and global grants.

Financial management plan procedure (MOU)	Example of how measure can be implemented	What is our district's current procedure?	How can we improve our procedure?
1. Maintain a standard set of accounts that includes a complete record of all receipts and disbursements of grant funds.	Use a spreadsheet to record grant funds received from the Foundation and other sources, as well as expenditures, each on its own line and labeled with a transaction number. Label original invoices and receipts with the transaction number listed on the spreadsheet and save them in the district's document file for the grant. Send copies of the spreadsheet and supporting documents to the project partner.		
2. Disburse grant funds as appropriate.	Funds for district grants are paid by check two weeks after the district receives them in its bank account. Funds for global grants are paid two weeks after an invoice is received from the vendor. Cash is used for payments only when using a traceable method is not possible.		
3. Maintain segregation of duties for handling funds.	One person approves the planned grant expenditures. Two others write and sign the checks.		
4. Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records of items that are purchased, produced, or distributed through grant activities.	Record each item, along with its price and current owner, on a spreadsheet, and save the original invoices and receipts in the district's document file for the grant. Send a copy of the records to the project partner.		
5. Ensure that all grant activities, including the conversion of funds, comply with local laws.	Designate someone to ensure that all grant activities are conducted in accordance with local laws.		

### SAMPLE DOCUMENT RETENTION FILE LIST

The following list can help your district develop a document retention system, organized into sections with possible folders and subfolders. Your document retention needs will depend on the types of grants your district manages, so add or remove folders as necessary.

#### Documents needed for global and district grants

- All grant correspondence, including email
- Beneficiary documentation, including
  - Community assessment
  - Agreements
- Vendor documentation, including
  - Quotes for materials
  - Agreements
- Scholar documentation, including
  - Receipts and invoices
  - Agreements
- Vocational training documentation, including
  - Receipts and invoices
  - Agreements
- Grant-related documentation, including
  - Financial documentation
  - Bank statements
  - Quotes from vendors
  - Receipts and invoices
  - Inventory list
  - Photos
- Information collected from clubs for district grants, including
  - Fund requests or applications
  - Quotes from vendors
  - Receipts and invoices
  - Reports
  - Other information required by the district
- Other documentation

#### Documents needed for district qualification

- Financial management plan and related procedures
- Bank information, including
  - Account details
  - Bank statements
  - List of signatories
  - Bank procedure for changing signatories
- Legal documents
- General ledger and statement of accounts
- Document retention procedures
- Succession plans
- Correspondence on qualification
- Annual financial assessment results
- Reports on the use of DDF
- Reports of misuse of grant funds
- Other documentation

#### Documents needed for club qualification

- Supplementary club qualification requirements
- Signed club MOUs
- Grant management seminar
  - Materials
  - Attendance sheets
- Correspondence on club qualification
- List of qualified clubs
- Other documentation

# 4

## ROTARY FOUNDATION GRANTS AND PROGRAMS



The Rotary Foundation offers grants that support a wide variety of projects, scholarships, and training that Rotarians organize around the world. There are two grant types: district and global. Your district must become qualified to participate in these grants and must qualify any clubs that wish to apply for global grants. See chapter 6 for more about district qualification and club qualification.

### ROTARY FOUNDATION DISTRICT GRANTS

District grants fund small-scale, short-term activities that address needs in your community and communities abroad. Your district chooses which activities you will fund with these grants. You can use district grants to fund a variety of district and club projects and activities, including:

- » Humanitarian projects, including service travel and disaster recovery efforts
- » Scholarships for any level, length of time, location, or area of study
- » Vocational training teams, which are groups of professionals who travel abroad either to teach local professionals about a particular field or to learn more about their own

#### GRANT PLANNING

Districts may use up to 50 percent of their District Designated Fund (DDF) to receive one district grant annually. This percentage is calculated based on the amount of DDF generated from a district's Annual Fund giving three years prior, including Endowment Fund earnings. Districts are not required to request the full amount that is available. If the district requests less than this amount, it can use the remaining funds for global grants, PolioPlus, Rotary Peace Centers, or donations to other districts. Funds that roll over to the following year cannot be used for district grants.

Your district administers district grants. Clubs may submit funding requests to the district for projects and activities that relate to the mission of the Foundation, including:

- » **Service projects.** District grant funds can support local or international projects, volunteer service travel, or disaster recovery. See the [terms and conditions](#) for specific eligibility.

- » **Scholarships.** District grant funds offer great flexibility for scholarships, because each district develops its own criteria for the types of scholarships it will fund. There are no restrictions on the level (secondary, university, or graduate), length, or area of study. Scholarships can be awarded in any amount and can support students attending a local university or a school in another country.

Rotary Foundation staff will assist districts with the district grant application process, but they do not work directly with students. Because district grants do not require international partnership, it is not expected that Rotarians in the hosting area will participate in the scholarship. If the scholar is studying abroad, the sponsor district should communicate with the district in which the study takes place to discuss what assistance, if any, it will offer the student. Determine whether the host district will help arrange housing, assist in preparing the budget, or greet the student at the airport.

Districts determine how often and in what way they will require scholars to report to the district and they should clearly explain the requirement that the scholar keep receipts of \$75 or more.

See the *Grant Management Manual* for additional information on scholarships.

- » **Vocational training.** District grant funds may be used to address local vocational training needs or to fund vocational training teams to travel abroad to teach or to receive training. The district, with the support of the grants subcommittee, determines participant eligibility requirements. There are no partnership or international requirements for vocational training opportunities and no restrictions on vocational training team size, length of training, or participant age. District grant funds can also be used to support activities similar to those of Group Study Exchange, a former Rotary program.

Districts begin planning for district grants by establishing a three-person grant committee, determining the district's priorities, and developing its administrative procedures, including an application process. Members of the grant committee include the district governor of the implementation year, the district Rotary Foundation committee chair, and the district grants subcommittee chair. Once the committee is established, the district solicits proposals from clubs and determines which will receive district grant funds. Be sure to notify clubs about the process as soon as possible. Using requests received from clubs, the committee determines what funding is needed to support the individual club requests approved by the district. (You can allocate up to 20 percent of your district grant for unexpected project needs and 3 percent for administration costs.) This information is then used to complete the district grant spending plan.

### Benefits of District Grants

- » Clubs have more access to DDF allocation
- » Districts have more flexibility
- » District grant funds can be used for local and international projects
- » Clubs may partner with other clubs for larger projects
- » Districts have quicker access to funds, easier Foundation application and reporting process

## BUSINESS CYCLE

As Rotary Foundation committee chair, you'll work with your district governor and grants subcommittee chair to create the district grant spending plan, based on requests from clubs in the district. The spending plan is submitted as part of the online application for DDF.

The three of you will submit and authorize the application through the [grant application tool](#) at My Rotary. Your application may be submitted at any time, but if you apply before the start of the Rotary year, payment will be made at the beginning of the year. Ideally, district grants have a two-year process: the first year is for planning and the second year for payment and activity.

Funds are issued once the spending plan is approved and all prepayment requirements (such as submission of overdue reports or closure of previous district grants) have been met. Districts cannot apply for a 2014-15 district grant after 15 May 2015.

### PAYMENT

Your district receives one block payment for the approved amount of the district grant. District grant payments are made only between 1 July and 15 May. All previous district grants must be closed before a new payment is made, and your district must be current on reporting for all district-sponsored grants from the Foundation.

### REPORTING

Your district must submit a final report to the Foundation within 12 months of payment of the grant. This report includes a final list of funded activities using the same format as the district's spending plan.

Project funding details may change between the original spending plan and the time the district submits the final report. Note these changes on the report. Submit the final report once you have fully distributed district grant funds to individual projects. These projects need not be completed before the district reports to the Foundation. Once a club has spent the funds, it submits a report to the district. It is the district's responsibility to collect and retain the clubs' reports and the receipts it requires.

Districts are required to report to their clubs annually on their use of DDF. To encourage transparency and oversight, all members of the district should review this report to see that funds were spent according to district-specific guidelines.

More information is available at [www.rotary.org](http://www.rotary.org) and in the *Grant Management Manual*.

## ROTARY FOUNDATION GLOBAL GRANTS

Global grants support large international activities that have sustainable, measurable outcomes in Rotary's areas of focus. Your district or club grant sponsors can form international partnerships that respond to real community needs. Global grants fund large-scale projects and activities that:

- » Are sustainable and include plans for long-term success after the global grant funds have been spent
- » Include measurable goals
- » Respond to real community needs
- » Actively involve Rotarians and community members
- » Meet the eligibility requirements in the grants terms and conditions
- » Align with one of Rotary's areas of focus

Rotary's areas of focus are:

- » Peace and conflict prevention/resolution
- » Disease prevention and treatment
- » Water and sanitation
- » Maternal and child health
- » Basic education and literacy
- » Economic and community development

Global grants offer a minimum World Fund award of \$15,000 for a minimum project budget of \$30,000. The World Fund award is based on a 100 percent match of District Designated Fund allocations or a 50 percent match of cash contributions. Global grants must have two primary sponsors which can be clubs or districts: a host partner in the country where the activity takes place, and an international partner outside the country. Both must be qualified to receive Rotary grants. To reach the minimum project budget, the primary sponsors often partner with other clubs and or districts; these additional partners do not need to be qualified. Global grants may support a variety of activities but must adhere to the eligibility requirements in The Rotary Foundation grant terms and conditions.

- » **Humanitarian projects.** Global grants must support projects that provide sustainable, measurable outcomes in the benefiting community. Sponsors should conduct a community needs assessment at the beginning of the planning stage to identify the benefiting community's assets and their most pressing needs, so they can develop a project that addresses those needs. A project is sustainable if it ensures successful project outcomes that the community can maintain for the long term to serve its ongoing needs once the grant funding ends.
- » **Scholars.** Global grants may support graduate-level scholars whose field of study and professional goals further one of the six areas of focus. Global grants may fund a scholar for a term of one to four years, covering tuition, room and board, and other expenses for the duration of the grant. Find more scholarship information in the *Grant Management Manual*.
- » **Vocational training.** Global grants may be used to fund local vocational training to build skills within a community. This training may be most beneficial in conjunction with a humanitarian project to help ensure its sustainability. Global grants may also support vocational training teams, groups of professionals traveling abroad to either learn about their profession or teach local professionals about a particular field. A vocational training team may be multivocational but must share a common purpose that supports an area of focus. Global grant vocational training teams respond to a humanitarian need. Each team must have at least one Rotarian team leader and three non-Rotarian team members. Otherwise, there are no restrictions on the number of participants, their ages, or the length of stay abroad.

## MEASURABILITY AND EVALUATION

Being able to measure the success of your project allows clubs and districts to assess the impact of their efforts and improve the outcomes of future projects. Grant sponsors should determine how they will measure the project's success during the planning stage and provide a detailed plan in the application. Project goals should have both quantitative (numerical) and qualitative (descriptive) measures.

For details on how to set measurable goals, see the *Grant Management Manual*.

## BUSINESS CYCLE

All global grant applications are accepted on a rolling basis throughout the year. A two-step application process is completed online using the [grant application tool](#).

### 1. Global grant first step

Rotarians prepare themselves to apply by reviewing a list of questions that will be asked in the application. For any questions they are unable to answer, additional information will be available. Once all the questions are answered, they can move on to the application.

**2. Application**

Sponsors supply detailed answers to questions about global grant requirements.

**3. Payment**

Once the Foundation has approved the application, both sponsors have authorized the agreement, and all associated cash contributions have been received, the Foundation issues payment.

**4. Reporting**

Progress reports are due to the Foundation every 12 months, counted from the first payment. A final report is due within two months of completing the project. Progress reports and final reports are submitted through [www.rotary.org](http://www.rotary.org).

NOTE: The Foundation cannot accept new grant applications if either grant sponsor has overdue reports.

More information is available at [www.rotary.org](http://www.rotary.org) and in the *Grant Management Manual*.

## ROTARY PEACE FELLOWSHIPS

The Rotary Peace Centers program provides Rotary Peace Fellowships to students pursuing either a master's degree in international relations, peace, conflict resolution, and related subjects, or a professional development certificate in peace and conflict studies.

### NOMINATING CANDIDATES

All districts are encouraged to nominate qualified candidates for the world-competitive selection of up to 100 Rotary Peace Fellows each year. You must submit your fellowship applications to the Foundation by 1 July. Districts that contain conflict regions are urged to seek out strong candidates to address conflicts and postconflict situations in their areas and worldwide.

The subcommittee responsible for Rotary Peace Fellowships should develop a marketing strategy for targeting fellowship applicants. Districts should start recruiting and interviewing qualified candidates on 1 March.

A separate selection committee must be appointed to review Rotary Peace Fellowship applications. It is recommended that this committee include the current district governor, immediate past governor, governor-elect, district Rotary Foundation committee chair, grants subcommittee chair, and three Rotarians or non-Rotarians with expertise in peace and conflict resolution, education, or civic or business leadership.



## FUNDING PEACE FELLOWS

Funding the Rotary Peace Fellows is a global effort. All districts are encouraged to make donations from their District Designated Fund to support the Rotary Peace Centers program. These donations are not associated with a specific fellow selected by the district. This funding approach ensures a balanced and competitive selection process for the top candidates worldwide, regardless of a district's ability to fund the fellowship.

A district that commits to donating DDF equal to \$25,000 every year or \$50,000 every two years in support of the program is recognized as a Peacebuilder District.

To ensure continued funding and endow the program permanently, The Rotary Foundation also seeks term and endowed gifts and commitments with a goal of reaching \$125 million by 2015. These gifts are separate from any funds from the World Fund or District Designated Fund. Search for [Rotary Peace Centers Major Gifts Initiative](#) on the Rotary website to learn more.

For more information on the peace centers program, see the [Rotary Peace Centers Program Guide for Rotarians](#).

## ROTARY FOUNDATION ALUMNI

More than 122,000 people have received program awards from The Rotary Foundation since 1947. These former participants are both powerful advocates for the Foundation and potential donors, so it's important to maintain contact with them.

Alumni can help your district by

- » Connecting Rotary districts from different countries for service projects and fellowship
- » Sharing with club members and the media how their Rotary Foundation experiences changed their lives
- » Promoting program opportunities to their peers
- » Advising on selection, orientation, and hosting programs
- » Joining or creating an alumni association to support your district's Rotary work
- » Becoming members or donors

Under Rotary grants, former Rotary scholars and vocational training team participants who received global or packaged grant funding are Rotary Foundation alumni. Rotarians who funded scholarships or vocational training teams with a district grant are invited to provide information about the grant recipients to the Foundation so that they may be recognized as Rotary Foundation alumni.

The grants subcommittee members are encouraged to work with the district membership committee to make the committee aware of recent alumni. Email updated contact information for alumni in your area to the Foundation's Alumni Relations staff at [alumni@rotary.org](mailto:alumni@rotary.org).

### RESOURCES

**Learning Center** — Take advantage of courses at [learn.rotary.org](http://learn.rotary.org). Look for courses on areas of focus, developing global grants, and more in the Rotary Grants subject at the Learning Center.

*District Rotary Foundation Seminar Leaders' Guide* — The manual includes session outlines and PowerPoint presentations for district Rotary Foundation seminars or other training for Rotarians who need to understand basic grant information. Presentations should be modified to suit participant needs.

*Grant Management Manual* — This is the main resource for grant management seminars and for clubs and districts that want to apply for grants.

*Grant Management Seminar Leaders' Guide* — Used by district leaders to qualify clubs at grant management seminars.

**Webinars** — Past and upcoming webinars can be found at [www.rotary.org/webinars](http://www.rotary.org/webinars). The target audience for these webinars is club-level Rotarians.

# 5

# FUNDRAISING



Rotary Foundation activities would not be possible without the financial support of Rotarians and friends of Rotary. Giving to The Rotary Foundation is now easier than ever. The donation system at [www.rotary.org](http://www.rotary.org) has been updated and simplified and now accepts one-time and recurring contributions in multiple currencies. Giving online is more efficient, cost effective, and secure.

The fundraising subcommittee oversees the district's fundraising strategy and helps clubs set and achieve their contribution goals for the Annual Fund, the Endowment Fund, and the PolioPlus Fund.

A screenshot of the Rotary Foundation website's "GIVE" page. The page has a white background with a blue header. At the top, there are navigation links: "My Rotary", "Club Finder", and "Location/Language". Below the header is the Rotary logo and navigation links: "Get Involved", "About Rotary", and "News &amp; Features". A prominent blue "GIVE" button is in the top right. The main content area is titled "GIVE" and features a large image of a woman hugging children. Below the image is a paragraph: "Through the generosity of people like you, our work has made a difference in the lives of millions around the world. Your gift to The Rotary Foundation allows us to improve communities by promoting peace, preventing disease, bolstering economic development, and providing clean water and sanitation." There are two main sections: "I WANT TO SUPPORT ROTARY'S CURRENT WORK" with a sub-section "ANNUAL FUND AND SHARE" and "I WANT TO SUPPORT ROTARY'S FUTURE" with a sub-section "ENDOWMENT FUND". Each section includes a brief description and a "GIVE NOW" button. On the right side, there are social media icons for Facebook, Twitter, LinkedIn, a plus sign, email, and a printer icon.

## ANNUAL FUND

As district Rotary Foundation committee members, you are invited to lead by example and encourage personal contributions from all members. The Every Rotarian, Every Year initiative encourages every Rotarian to participate in a Foundation project and contribute to the Foundation's Annual Fund every year. The Annual Fund is the primary source of funding for Foundation grants and programs.

In encouraging Rotarians to make annual contributions, the committee

- » Promotes the Foundation's many successes
- » Supports the local and international service projects developed by Rotarians
- » Helps to set reasonable yet challenging goals
- » Educates Rotarians on the Foundation's operations
- » Motivates Rotarians to participate in Foundation activities

Annual Fund gifts can be directed to SHARE, the World Fund, or an area of focus fund. All options are available for one-time or recurring contributions.

**SHARE** contributions are split between the Foundation's World Fund and the District Designated Fund (DDF). This option is also the only Annual Fund designation that generates funding for the District Designated Fund. Rotary districts allocate DDF to fund Foundation activities in which they and their clubs choose to participate.

**World Fund** contributions provide the Foundation's portion of funding for approved grants and other program support. The Trustees manage these funds and make them available to all districts for the matching portion of global grants.

**Areas of focus** contributions provide the Foundation's portion of funding for activities that address critical humanitarian issues and needs. Annual Fund contributions directed to any of the six areas of focus are counted toward a club's annual giving goal and per capita calculations. They also are eligible for all Annual Fund recognition opportunities (Every Rotarian, Every Year; Rotary Foundation Sustaining Member; Paul Harris Fellow; Paul Harris Society; Major Donor; and Arch Klumph Society) and count toward all club recognition opportunities.

Area of focus-designated contributions are not included in a district's SHARE calculation and do not generate DDF.

For news stories and updates on the Every Rotarian, Every Year initiative, sign up for the *Rotary Giving and Grants* e-newsletter.

## ENDOWMENT FUND

Contributions to the Endowment Fund are invested to preserve and increase the principal. A percentage of the total value is spent each year to support Foundation grants and programs. The Foundation has set a goal of \$1 billion in Endowment Fund assets by 2017, to give the Foundation the ability to meet future humanitarian and educational needs.

Contributions to the Endowment Fund often take the form of major outright gifts, such as named funds, bequests, or life-income agreements. Because gifts to the Endowment Fund can be complex, subcommittee members should work closely with your regional Rotary Foundation coordinator, endowment/major gifts adviser, and Foundation staff.

## POLIOPLUS FUND

Money that is contributed to the PolioPlus Fund is used solely for the purpose of achieving the worldwide eradication of polio, and funds will be needed until that goal is achieved. Rotarians are asked to continue contributing to the PolioPlus Fund until worldwide polio eradication is certified.

## FUNDRAISING GOALS

Your district fundraising goals for the year are the total of the club goals submitted to The Rotary Foundation. Clubs are asked to set goals for the Annual Fund, PolioPlus, and the Endowment Fund. The governor-elect and district Rotary Foundation committee should work with clubs to determine challenging but achievable club goals. For 2014-15 fundraising goals, enter your goals into [Rotary Club Central](#). Start by asking clubs what they want to use District Designated Funds for three years from now. Use these goals to determine how much the district must raise. Track achievement of fundraising goals throughout the year.

Consider using the recommended benchmarks below, which are based on the Rotary year, 1 July to 30 June:

Date	Goal Achievement
30 September	25%
31 December	50%
31 March	75%
30 June	100%

The district should help clubs set the following goals:

- » Reaching \$100 per capita. If the district already raises \$100 per capita, consider a percentage increase. If the district raises less than \$100 per capita, consider ways to reach the \$100 level.
- » Increasing the number of Rotary Foundation Sustaining Members, Paul Harris Fellows, Paul Harris Society members, Benefactors, or Bequest Society members.
- » Planning at least one public fundraiser in support of Rotary's polio eradication efforts or one of the areas of focus.
- » Identifying, cultivating, and soliciting a specific number of potential donors capable of contributing major gifts of \$10,000 or more.

Clubs will enter goals in Rotary Club Central as a monetary amount or by participation, such as:

- » 100% club participation
- » Establishing a Paul Harris Society
- » Number of new major gifts
- » Number of new Benefactors
- » Number of new Bequest Society members

Monthly contribution reports, Every Rotarian, Every Year eligibility reports, and the Club Fundraising Analysis, all available on [www.rotary.org](http://www.rotary.org), show both historical and current giving information. To assist you in running and understanding the reports, there are tutorial [documents](#) and volunteers, such as regional Rotary Foundation coordinators, assistant regional Rotary Foundation coordinators, and Rotary staff, who are available at Rotary [offices around the world](#).

## FUNDRAISING INITIATIVES

The Rotary Foundation has three major fundraising campaigns. Each campaign is unique and should be targeted to donors depending on their interests and financial resources.

Fundraising initiative	Fund or program	Purpose	Goal	Date of completion
Every Rotarian, Every Year	Annual Fund	Provides ongoing support	Determined annually in June of the preceding Rotary year	30 June annually
Endowment Fund Initiative	Endowment Fund	Helps secure Rotary's response to the pressing needs of tomorrow	\$1 billion	2017
Rotary Peace Centers Major Gifts Initiative	Rotary Peace Centers	Provides endowed support for the Rotary Peace Centers	\$125 million	2015

The Rotary Foundation recognizes that fundraising approaches must be appropriate to the customs of the cultures involved. Please adapt the following suggested types of gifts and commitments as needed. Fundraising on behalf of The Rotary Foundation is most successful when conducted person to person. The Foundation belongs to all Rotarians, and every Rotarian should have the opportunity to support its grants and programs.

## TYPES OF GIVING OPPORTUNITIES

Donors can choose from a variety of contribution options. Every donor is unique, so take the time to cultivate prospective donors and to help them determine the option that works best for them.

### RECURRING GIVING: ROTARY DIRECT

Make giving to the Foundation easy by enrolling in Rotary Direct, Rotary's recurring giving program. A donor can select an amount, frequency (monthly, quarterly, or annually), and contribution method that's convenient. Enrollment is integrated into Rotary's secure online giving platform at [www.rotary.org/give](http://www.rotary.org/give).

### NAMING OPPORTUNITIES

#### *TERM GIFTS*

A term gift is a major gift designated for a specific area of focus and is spent in its entirety within a short period. A term gift can be given by an individual, a corporation, or a foundation and can be made in the name of the donor or the name of someone the donor chooses to honor. Term gifts are not eligible for World Fund match but are available to be spent immediately.

#### *ENDOWED FUNDS*

With gifts of \$25,000 and above to the Endowment Fund, donors can set up endowed funds that are accounted for separately and bear their names or someone else's name. Spendable earnings on endowed funds may be directed to SHARE, the World Fund, Rotary Foundation global grants, or the Rotary Peace Centers of \$25,000 or more. Contributions of any size to the Endowment Fund can also be made to various pooled funds, which support areas of focus or the peace centers or honor past Rotary leaders.

Creating an endowed fund for a global grant gives donors the opportunity to support one of the areas of focus, a district, or a region. For example, \$250,000 can establish the Joe and Jane Smith Endowed Fund for disease prevention and treatment in District 0001.

### Rotary Foundation Global Grants Endowed and Term Naming Opportunities

All endowed funds in the chart are established within the Endowment Fund. Gifts are tracked individually and named after the donors or at their discretion.

<p>Endowed Fund</p> <ul style="list-style-type: none"> <li>» \$25,000 or more can direct spendable earnings either to SHARE or to the World Fund</li> <li>» \$100,000 can support an area of focus</li> <li>» \$250,000 can support an area of focus and specify a district by which the funds will be used</li> <li>» \$500,000 can support an area of focus and specify where the earnings will be used and by which district</li> </ul>	<ul style="list-style-type: none"> <li>» \$1,000,000 can specify the country that will conduct projects in a particular area of focus, or name a district to participate in a global grant</li> </ul> <p>Term Gift</p> <ul style="list-style-type: none"> <li>» \$15,000 can support an area of focus</li> <li>» \$30,000 can support an area of focus within a designated district</li> </ul>
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### Rotary Peace Centers Endowed and Term Naming Opportunities

<p>Endowed Fund</p> <ul style="list-style-type: none"> <li>» \$25,000 bears the donor's name and provides general support to the program</li> <li>» \$100,000 funds annual seminars at a Rotary Peace Center</li> <li>» \$250,000 funds one certificate-program fellow approximately every year</li> <li>» \$500,000 funds a fellow every three to four years or when sufficient spendable earnings have accrued</li> </ul>	<ul style="list-style-type: none"> <li>» \$750,000 funds a fellow every other year or when sufficient spendable earnings have accrued</li> <li>» \$1,000,000 funds a visiting lecturer to teach courses and serve as a mentor for fellows</li> <li>» \$1,500,000 funds a fellow every year</li> </ul> <p>Term Gift</p> <ul style="list-style-type: none"> <li>» \$75,000 pays for one two-year fellowship</li> </ul>
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For more information about establishing an endowed fund, contact your regional Rotary Foundation coordinator or a Planned Gifts or Major Gifts Officer at The Rotary Foundation.

## MEMORIAL AND TRIBUTE GIFTS

Memorial and tribute gifts may be directed to the Annual Fund, PolioPlus Fund, or Endowment Fund. A contribution to The Rotary Foundation is a meaningful way to honor or memorialize a loved one. Tribute gifts can be a perfect way to mark a birthday, wedding, holiday, or other special occasion.

## CORPORATE AND FOUNDATION GIFTS

Gifts from a local organization may be directed to the Annual Fund, PolioPlus Fund, or Endowment Fund. Corporate or foundation contributions can help you achieve your district's Annual Fund goal. One way that these gifts can be pursued is through challenge grants, which are used by many foundations. Such a grant is a pledge to augment or match an amount raised by a club or district within a specific time frame.



For small or matching gifts, The Rotary Foundation can provide sample proposal letters, which the club or district can tailor to the organization's interests. For larger gifts, the Foundation's Fund Development staff can work with local Rotarians to develop proposals that meet the donor organization's interests.

Before approaching a corporation or a foundation, contact The Rotary Foundation to avoid duplicating efforts.

## GIFT PLANNING

Donors may wish to plan their giving to The Rotary Foundation to obtain the best tax benefits, financial security now and into the future, and advantageous use of resources. Gift planning establishes an agreement or commitment during a donor's lifetime that benefits the Foundation in the future, usually after the death of the donor and possibly the deaths of beneficiaries designated by the donor.

**Bequests.** A bequest is the most recognizable form of planned gift. Cash, securities, real estate, or other property may be given to The Rotary Foundation through a person's will or estate plan. The donor retains full control and use of the gift during his or her lifetime. When the will is probated, the gift to the Foundation may qualify for a charitable deduction in computing estate taxes.

**Life income agreements.** This is a popular option in the United States. The donor makes a contribution but retains a present interest in the assets (for example, annual payments) and directs the remainder for the ultimate benefit of the Foundation. In addition, the donor may receive a reduction of taxes on income, capital gains, and estate assets. Life income agreements benefit the Endowment Fund. For specific questions, contact the Fund Development staff at [planned.giving@rotary.org](mailto:planned.giving@rotary.org). A brief overview of the most common life income agreements follows:

1. **Charitable gift annuity.** In exchange for an irrevocable transfer of \$10,000 or more, The Rotary Foundation will guarantee annual payments to one or two people designated by the donor. There is an immediate charitable receipt for U.S. income tax purposes, and a portion of the annual payments returned may be free from income tax.

A deferred charitable gift annuity postpones the start of annuity payments for at least one year. This provision offers a younger donor an opportunity to take advantage of the possible immediate tax benefits while planning for retirement. The minimum age of the beneficiary is 50.

2. **Pooled income fund.** Gifts of cash, securities, or both at a minimum of \$5,000 are combined in The Rotary Foundation Pooled Income Fund for investment with those of many other people, as with a mutual fund. The donor (or income beneficiary) receives a proportionate share of the earnings for life, a charitable receipt for U.S. income tax purposes, a possible reduction in capital gains tax, and reduced estate taxes, when applicable. The minimum age of the beneficiary is 50.

3. **Charitable remainder trusts.** The donor transfers a minimum of \$100,000 in money, property, or both to trust with The Rotary Foundation as trustee, which invests the assets in a separate fund. The donor receives either a variable income (unitrust) or a fixed dollar amount (annuity trust). This type of gift may reduce capital gains tax on donated appreciated assets and provides a U.S. charitable receipt for immediate income tax purposes. The minimum age of the beneficiary is 50.

**Life insurance.** A donor may name The Rotary Foundation a beneficiary of the proceeds of any life insurance policy. A donor may assign ownership of certain new or existing life insurance policies to The Rotary Foundation. Because there are many types of life insurance policies, donors wishing to make such a gift should first contact the Foundation's Gift Administration staff for detailed guidelines on the acceptance and recognition of life insurance policies. When ownership of a policy is properly transferred according to The Rotary Foundation Gift Acceptance Policy, the donor may receive an income tax deduction for the value of the policy at the time the gift is made and for subsequent premium payments.

**Retained life estate in a residence or farm.** The owner of a residence or farm may give the property to The Rotary Foundation, claim a U.S. income tax deduction for the charitable remainder, and retain use of the property personally or by someone else. A portion of the residence or farm value may be excluded from estate tax.

**Lead trust.** The donor establishes and funds a trust that is written for a term of years and is designed to provide a fixed percentage of income to The Rotary Foundation until termination. At trust termination, the trust assets revert to the donor, donor's beneficiary, or donor's estate with substantial tax benefits. If the trust reverts to certain heirs, tax on the transfer may be eliminated completely.

#### Donor Advised Funds (USA only)

Rotarians, Rotary clubs, and districts can support The Rotary Foundation and other charitable organizations of their choice through The Rotary Foundation Donor Advised Fund. An individual or Rotary-affiliated group donor can establish a donor advised fund account at The Rotary Foundation, then recommend grants to fund Foundation activities or other approved charitable organizations. The Foundation handles the administration, investment, and accounting for the fund. It is a great alternative to forming a separate foundation.

A minimum initial contribution of \$10,000 is required, and additional contributions must be at least \$1,000. Cash, mutual fund shares, stocks, bonds, and other securities can be transferred into the fund. Grant distributions from a donor advised fund are made on the recommendation of the donor with agreement of The Rotary Foundation. The minimum amount for grant distribution is \$250.

Each donor advised fund is invested separately and professionally managed, offering the potential for contributions to grow and result in larger charitable gifts. For more information, contact The Rotary Foundation at [planned.giving@rotary.org](mailto:planned.giving@rotary.org).

## FOUNDATION RECOGNITION POINTS

Recognition points are awarded to donors who contribute to The Rotary Foundation through the Annual Fund, the PolioPlus Fund, or as a sponsor of a Foundation grant. Donors receive one Foundation recognition point for every U.S. dollar contributed to these funds. Foundation recognition points can be transferred by the donor to others to help them become or name them as Paul Harris Fellows or Multiple Paul Harris Fellows.

Gifts to the Endowment Fund do not earn recognition points but may count toward Arch C. Klumph Society membership, Major Donor recognition, Benefactor recognition, or Bequest Society membership.

## SPECIAL FUNDRAISING EVENTS

Districts and clubs use special events to raise funds for The Rotary Foundation, such as district conferences, Foundation seminars, and other events recognizing individuals and couples who have made substantial contributions or provided outstanding service to Rotary.

Special events may be targeted to Rotarians and their spouses, while others may be developed to involve those outside Rotary and promote the Foundation. Consider these ideas and other appropriate ways to thank donors:

- » Ask permission to print the donors' names in club or district communications.
- » Arrange a special program to publicly recognize the donors (e.g., a recognition presentation or dinner for a Paul Harris Fellow or Benefactor).
- » Call donors to personally express thanks for their gifts.
- » Provide donors with updates on the district's Foundation activities.

Some Rotary clubs also use Paul Harris Fellow recognition to honor local, national, or world leaders who have demonstrated commitment to The Rotary Foundation's goals and purposes. These recognitions serve three purposes: They honor a deserving individual, give important support to Rotary Foundation programs, and bring Rotary favorable public attention.

Clubs sometimes make contributions to recognize a member's service or outstanding success in a specific project. There are also Foundation service awards specifically designed for that purpose.

The Rotary Foundation respects donors' requests to remain anonymous and avoid public recognition but appreciates the opportunity to thank them publicly for their generous contributions when they allow it. Such public recognition often prompts others to consider similar gifts. The Rotarian responsible for coordinating the recognition presentation should make the recognition request to the Foundation. Suggested presentation remarks are provided by the Foundation to the Rotarian or club president when the recognition items are mailed or upon request.

## FUNDRAISING TIPS FOR MAJOR AND ESTATE GIFTS

- » **Information is key.** People give to Rotary when they know the specifics of what we are accomplishing around the world. Tout your district's success in writing, in person, and on the Web to attract new donors.
- » **Everyone has a different motivation for giving.** Take the time to learn more about an individual's experiences and desires. Using the same approach for everyone is less effective and can miss significant donors.
- » **You can never say thank you enough.** Stay in touch after you say thanks the first time — what you or your district says or does the next month and next year influences whether another gift or bequest is made to the Foundation.
- » **Help is available.** Use the district and Foundation resources available to you as described in this document and *The Rotary Foundation Reference Guide*. Build and support your district team by working with the Foundation's Annual Giving, Major Gifts, and Planned Giving teams assigned to your zone.

The Foundation Trustees have created several service awards and other recognition opportunities to honor Rotarians who help make The Rotary Foundation what it is. These awards can motivate individual Rotarians and clubs to donate. See *The Rotary Foundation Reference Guide* and [www.rotary.org](http://www.rotary.org) for more information on recognition and awards.

# 6

## IMPLEMENTING THE DISTRICT MEMORANDUM OF UNDERSTANDING



Districts have a direct role in managing Rotary Foundation grant funds and must be qualified in order to participate in district or global grants. To prepare for this responsibility, districts first complete the online qualification process through [www.rotary.org](http://www.rotary.org) and agree to implement the district memorandum of understanding (MOU).

In addition to helping ensure that the MOU is properly implemented, the district Rotary Foundation committee chair also

- » Is the primary contact for district grants
- » Authorizes global grant applications before the Foundation reviews them
- » Tracks District Designated Fund requests
- » Assures the Foundation that the club applying for the global grant is qualified

Your district's governor, governor-elect, and Rotary Foundation committee chair must complete the online district qualification process. Incoming officers will have access two months before the new Rotary year. A district that is already qualified keeps that status as long as the incoming officers complete the online process by 1 July.

This chapter covers each section of the memorandum of understanding in detail and provides best practices as well as questions to consider for successful implementation.

If you have questions about the MOU or would like to share your district's grant management practices, send them to [qualification@rotary.org](mailto:qualification@rotary.org).

**NOTE:** Districts in India have different club and district MOU procedures. After each district officer completes the online qualification process, the District Qualification Record must be printed, signed, and sent to Rotary's South Asia Office. Once the signed records are received, The Rotary Foundation will confirm the authorization and qualify the district.

## MOU SECTION 1: DISTRICT QUALIFICATION

To participate in district, global, and packaged grants,\* a district shall complete an online qualification process, agreeing to implement the financial and stewardship requirements in this memorandum of understanding (MOU). By successfully completing these requirements, a district becomes qualified, and eligible to participate in Rotary Foundation (TRF) grants.

- A. A district is responsible for the use of funds for district-sponsored grants, regardless of who controls the funds.
- B. A district is responsible for a club-sponsored grant if the sponsoring club has been terminated or is otherwise unable to take responsibility for the grant.
- C. To maintain qualified status, a district must comply with this MOU and all applicable TRF policies.
- D. Qualification may be suspended or revoked for any of the following:
  1. Misuse or mismanagement of grant funds, or failure to appropriately address allegations 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
  2. Refusal to qualify member clubs without sufficient cause
- E. A district must cooperate with any financial, grant, or operational audits.

### SUMMARY

Rotary districts have significant autonomy and responsibility for district grant administration. Therefore, districts must establish measures that ensure compliance with Foundation policies, avoid misuse and mismanagement of grant funds, and ensure that clubs in the district have the appropriate training and resources. These measures establish proper stewardship controls and enable districts to maintain qualified status. Districts that fail to comply risk losing the ability to participate in the Foundation grants program.

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\*No new packaged grants will be issued once the current agreements with the Foundation's strategic partners expire. Any reference to packaged grants will be applicable to those grants that may still be open.

### DISTRICT QUALIFICATION: QUESTIONS TO CONSIDER

What is your timeline for completing the district's online qualification process?

What is your timeline for implementing the requirements of the MOU?

## MOU SECTION 2: DISTRICT OFFICER RESPONSIBILITIES

The district governor, district governor-elect, and district Rotary Foundation committee chair shall hold primary responsibility for club and district qualification, in addition to overseeing the proper implementation of TRF grants.

District officer responsibilities include:

1. Implementing, managing, and maintaining the district and club qualification process
2. Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices
3. Abiding by, following, enforcing, disseminating, and educating Rotarians on the terms and conditions for district, global, and packaged grants
4. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest

### SUMMARY

Although district officers may choose to assign tasks to others within the district, it is the governor, governor-elect, and the district Rotary Foundation committee chair who are responsible for meeting the requirements outlined in the MOU. These responsibilities include implementing policies and procedures for qualification and grant management within the district, and creating a cohesive and streamlined system to facilitate both district and club participation.

District officers are also responsible for limiting and disclosing any potential conflicts of interest. An undisclosed conflict of interest blocks transparency, leaving the Foundation and Rotarians vulnerable to potential misuse.

**BEST PRACTICES**

- » Clearly outline the roles and responsibilities related to district qualification, assigning responsibilities to subcommittees as appropriate.
- » Assign past district governors to conduct random reviews of Foundation grants to ensure that stewardship measures and grant management practices are being followed.

**CONFLICT OF INTEREST**

Mismanagement of grant funds often occurs when there is a conflict of interest. A conflict of interest exists if a Rotarian or his or her associate will benefit financially or personally from the grant award or activities. Financial benefits could include receiving grant funds for being a project manager or receiving grant funds as a vendor for the project. Personal benefits could include receiving a promotion, getting business referrals, or gaining in social standing. The benefit can be direct, going to a Rotarian involved in the grant. Or it can be indirect, going to an associate of the Rotarian. Associates can include family members, friends, fellow Rotarians, personal acquaintances, colleagues, and business partners.

When there is a conflict of interest, project activities can suffer, and future funding or donations can be compromised. Avoid conflicts of interest to protect everyone involved.

Perceived conflicts of interest do not involve any actual benefit, but they can still affect future funding or donations. Perceived conflicts of interest must be identified and disclosed to ensure transparency regarding the Rotarian's involvement.

An actual or perceived conflict of interest does not necessarily disqualify a Rotarian from participation in the Foundation grants program. Eligibility for participation is determined case by case when the conflict is disclosed.



**DISTRICT OFFICER RESPONSIBILITIES**

Which district Rotary Foundation leaders are responsible for district qualification, how will qualification be promoted to clubs, and who should be contacted for more information?

Who will be responsible for implementing each section of the MOU?

How will the district ensure that conflicts of interest are disclosed?

## MOU SECTION 3: CLUB QUALIFICATION

Districts are responsible for qualifying their member clubs. To be qualified, the club shall agree to the club MOU and send at least one club member to the district Rotary Foundation grant management seminar.

- A. A club must be qualified in order to receive TRF global and packaged grants. Club qualification is not required for a club to receive district grant funds.
- B. A district may establish additional requirements for club qualification, in order to take into consideration relevant local laws or district-specific circumstances. Additional requirements must be attainable by all clubs in the district.
- C. A district may allot district grant funds to nonqualified clubs in its district or other districts; however, the district remains responsible for the use of those grant funds. Nonqualified clubs that fail to abide by all applicable TRF policies, including the terms and conditions for TRF district grants, may jeopardize the district's qualification status.

## SUMMARY

Districts develop and manage the club qualification process using resources provided by the Foundation, including grant management seminar materials. Clubs must be qualified each year in order to apply for a Rotary Foundation global or packaged grant. Districts decide whether clubs must be qualified in order to receive district grant funds.

To be qualified, a club must:

- » Send at least one member to the district's grant management seminar
- » Agree to the club MOU through the signatures of the club's president and president-elect

Districts may develop additional qualification requirements for clubs; however, these must be reasonable, achievable, and fair to all clubs. For example, a district may require that a club be current with Rotary and district dues. A district can risk losing its qualified status if an added requirement purposefully excludes a club from becoming qualified. Additional requirements should be included in an addendum to the MOU.

Districts maintain records of club qualification, including grant management seminar attendance sheets and signed club MOUs. Districts notify the Foundation about a club's qualification status only if the club applies for a global grant or if the district is audited. When authorizing a global grant application, the district Rotary Foundation committee chair confirms that the club is qualified.

The *Grant Management Seminar Leaders' Guide* should be used to plan grant management seminars. Districts should also promote the *Grant Management Manual* as a resource to clubs in preparing for the seminars and for planning and implementing global grants.

### BEST PRACTICES

- » Have the district Rotary Foundation committee assign oversight of the club qualification process to the stewardship subcommittee, which oversees club qualification and assists with the grant management seminar.
- » Develop a procedure for notifying the district Rotary Foundation committee chair when clubs have achieved qualified status.

**CLUB QUALIFICATION**

Will your district have additional qualification requirements for clubs? If yes, what will they be?

Will your district require clubs to be qualified in order to receive district grant funds?

What are your district's proposed dates for a grant management seminar or seminars? Where will they be held? Who will conduct them?

What is the plan for promoting grant management seminars to clubs?

What is your district's plan if a club wishes to be qualified but is unable to attend a grant management seminar?

## MOU SECTION 4: FINANCIAL MANAGEMENT PLAN

Districts must have a written financial management plan to provide consistent administration of grant funds.

The financial management plan must include procedures to

1. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds
2. Disburse grant funds, as appropriate
3. Maintain segregation of duties for handling funds
4. 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
5. Ensure that all grant activities, including the conversion of funds, comply with local law

### SUMMARY

Oversight requirements for Foundation grant funds go beyond those of most private or corporate funds. Developing and implementing a financial management plan is essential to proper oversight, good stewardship, and consistent administration of grant funds.

The financial management plan should include detailed, district-specific procedures that are reviewed regularly.

#### BEST PRACTICES

- » Involve district Rotarians who have an accounting or auditing background in the development of the financial management plan.
- » Provide a detailed, easy-to-understand financial management plan, so that even Rotarians without a financial background can follow the procedures.
- » Compare your financial management plan with other districts' to share best practices.

### FINANCIAL MANAGEMENT CONSIDERATIONS

How will the district's process for approving and disbursing district grant funds and expenditures for district-sponsored global grants be tracked?

What reporting process will you use for district grant funds distributed to clubs and the district?

What kind of system will the district use for recording income and disbursements of grant funds?

Who will be responsible for recording this information?

Who will monitor this person's work? How frequently will it be reviewed?

## MOU SECTION 5: ANNUAL FINANCIAL ASSESSMENT

The financial management plan and its implementation shall be assessed annually. A financial assessment is an evaluation of financial controls and compliance. The district shall choose either an independent firm or the district Rotary Foundation audit committee to conduct the annual financial assessment.

- A. A financial assessment is substantially smaller in scope than an audit or review, and includes:
  1. Confirmation that the district adhered to its financial management plan
  2. An examination of expenditures for district grants, district-sponsored global grants, and district-sponsored packaged grant that includes:
    - a. Reconciling a selection of disbursements against their supporting documentation
    - b. Reviewing the full listing of expenditures to ensure that funds were expended in a manner consistent with the terms and conditions of the grant award
    - c. Confirming that a competitive bidding process was conducted for all significant expenditures
    - d. Reviewing the process to disburse funds to ensure that proper controls have been maintained
  3. A determination that all financial transactions and project activities related to the grant were conducted at least at the level of standard business practices:
    - a. Confirmation of adherence to TRF document retention requirements
    - b. Other procedures that the district Rotary Foundation audit committee or an independent firm deems necessary
  4. A report of the findings from the annual financial assessment, which must be given to clubs in the district within three months of the end of each Rotary year
- B. If the district has the district Rotary Foundation audit committee conduct the assessment, the committee may not include individuals directly involved with TRF grants and must meet the requirements found in the RI Bylaws, including:
  1. Have at least three members
  2. Have at least one member who is a past governor or a person with audit experience

## SUMMARY

Districts must conduct an annual assessment of the financial management plan and its implementation to ensure that proper controls are in place to manage Foundation grant funds. This assessment must review financial transactions for district grants and district-sponsored global grants. This assessment should be performed at minimal cost and does not need to be a formal audit of the district's grants. Assessment results must be communicated to the district's clubs.

Districts may choose either an independent firm or an audit committee made up of three members of the district to conduct the assessment. Districts with an established audit committee for its annual statement and report of district finances (Article 15.060.4 of the RI Bylaws) may use the same committee for this annual assessment, provided that there are no conflicts of interest.

### BEST PRACTICES

- » Appoint Rotarians from another district to conduct your financial assessment to save on the cost of hiring an independent firm.
- » Exchange financial assessment services with another district.
- » Have the stewardship subcommittee receive and approve the annual financial assessment and distribute it to clubs.

### ANNUAL FINANCIAL ASSESSMENT CHECKLIST

When will your district conduct its annual financial assessment?

Who will conduct the assessment?

Who will approve the annual financial assessment procedures presented by the independent firm or audit committee?

How will the results of the assessment be presented to clubs?

**AUDIT COMMITTEE APPOINTMENT CHECKLIST**

If your district decides to use a district audit committee, use the space below to suggest committee members. Then, review the following questions to help you choose at least three members.

Does the audit committee meet the following requirements?

- Members are active Rotarians in good standing
- One member either is a past district governor or has audit experience

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

Do the proposed committee members have any conflicts of interest? The following Rotarians cannot serve on the audit committee because it would present a conflict of interest:

- District governor
- District Rotary Foundation committee chair
- District treasurer
- Member of district Rotary Foundation grants subcommittee
- Member of district Rotary Foundation stewardship subcommittee
- Member of district finance committee
- District bank account signatory
- Member of a grant project committee
- Recipient of a Rotary Foundation grant



## MOU SECTION 6: BANK ACCOUNT REQUIREMENTS

In order to receive grant funds, the district shall have a dedicated, district-controlled bank account that is used solely for receiving and disbursing TRF grant funds.

- A. The district bank account must
  1. Have a minimum of two Rotarian signatories from the district 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 TRF.
- C. A separate account should be opened for each district-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 district must maintain a written plan for transferring custody of the bank accounts in the event of a change in leadership.

### SUMMARY

Districts must maintain a district-controlled low- or no-interest bank account in order to receive Foundation grant funds. Each open district-sponsored grant should have its own account that is used solely for receiving and disbursing grant funds. By establishing a separate account, districts are able to better manage the oversight and recordkeeping of grant funds.

In addition, districts must have a succession plan for the signatories on the account to ensure a smooth transition of information and documentation when signatories change.

#### BEST PRACTICES

- » If payments are made electronically by one person, maintain a paper trail showing that the payment was approved by both signatories.
- » If the district must use an existing account because local laws prohibit establishing a separate grant account, ensure that grant funds are properly tracked.
- » Grant funds should be requested from the Foundation only when a project is ready to be implemented so that the funds do not sit idle in a bank account.
- » Use a checking account that records disbursements and document transactions on bank statements.
- » Payments should be made directly to the vendor or service provider, and receipts should always be requested and maintained.

**BANK ACCOUNT REQUIREMENTS CHECKLIST**

Who will be the signatories on the bank account?

Does your bank allow your district to open multiple accounts?

Do your country's laws allow you to open a separate account for each grant?

What controls will your district implement to ensure that grant funds are not commingled?

Who will be responsible for maintaining financial records, such as bank statements and canceled checks?

What is your district's policy on selecting bank account signatories?

Who are the current signatories? Who is the primary signatory?

Do the signatories serve a specific term? If yes, what is the policy for determining their term?

What is your district's current procedure for changing bank account signatories?

What is the bank's procedure for changing or removing bank account signatories?

Will your district or club need to develop or change its procedure for transferring the custody of the grant bank account? If yes, what changes will you make?

## MOU SECTION 7: REPORT ON USE OF GRANT FUNDS

Grant reporting is a key aspect of grant management and stewardship. Districts shall set up a grant reporting process.

- A. Districts must report to their clubs on the use of all district designated funds (DDF) to their member clubs by
  1. Providing a report annually at a district meeting to which all clubs are invited or eligible to attend that includes a breakdown of expenditures for each project that received funding and the names of districts, clubs, and individuals who received grant funds
  2. Including financial information on such grants in the governor's final monthly communication
- B. Districts must adhere to all TRF grant reporting requirements.

### SUMMARY

Districts must report to their member clubs on how their District Designated Fund (DDF) is used each year. This includes DDF used for district, global, and packaged grants, PolioPlus, and Rotary Peace Centers. Reporting on the use of DDF ensures greater transparency and accountability between the district and its clubs. This also fosters districtwide knowledge of grant activities and enables the Foundation to reduce its reporting requirements for district grants.

Districts must also fulfill all Foundation reporting requirements for district grants and district-sponsored global grants. Districts must submit progress reports every 12 months from the time a grant is paid until the final report is accepted, as well as a final report within two months of completing the grant project. Failure to report on grants can result in a district and its clubs being unable to participate in the Rotary Foundation grants.

NOTE: Your district does not need to conduct the annual financial assessment before reporting to clubs how DDF was allocated and spent.

### BEST PRACTICES

- » Collect detailed reports from clubs on the use of district grant funds.
- » Use a spreadsheet to track DDF allocations throughout the year.
- » Have the stewardship subcommittee check the status of open grants regularly to track reporting deadlines.

## REPORT ON USE OF GRANT FUNDS: QUESTIONS TO CONSIDER

Who in the district will track the use of DDF throughout the year?

How will the district encourage clubs to submit reports on time?

## MOU SECTION 8: DOCUMENT RETENTION

Districts shall establish and maintain appropriate recordkeeping systems to preserve important documents 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
  1. Bank information, including copies of past statements
  2. Club qualification documents, including:
    - a. Signed club MOUs
    - b. Club attendance records for grant management seminar
  3. District grant, district-sponsored global grant, and district-sponsored packaged grant information, including:
    - a. Information collected from clubs and entities receiving district grant funds
    - b. Receipts and invoices for all purchases made with grant funds
  4. 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
    - d. System to track reports of misuse and/or mismanagement of grant funds
  5. Annual report from the financial assessment and use of grant funds
- B. District records must be accessible and available to Rotarians in the district.
- C. Documents must be maintained for a minimum of five years, or longer if required by local law.

## SUMMARY

Districts must establish a document retention system for documents related to qualification and Rotary Foundation grants. The system can be a combination of electronic and physical files that best fit the needs of the district. Documents that must be retained include bank statements, receipts, club qualification materials, and procedures relating to the MOU.

Maintaining documents helps districts comply with local laws, ensure transparency, and better prepare for grant reporting, audits, and financial assessments. By maintaining these documents, the district will be able to quickly respond to requests by the Foundation or Rotarians in the district.

There are certain documents that you will want to keep in their original, physical form, such as contracts, legal agreements, and documents with original signatures. Documents originally in an electronic format may be retained electronically. If you're unsure whether you should keep a document, it's always better to keep it.

Districts have several options for setting up a document retention system. For example, a simple physical file could include three binders: one for qualification, one for district-sponsored global grants, and one for district grants. If your district has several grants, you may want to store files in a filing cabinet or on a computer with electronic files. Within each file folder, a district could set up subfolders for each grant number, club qualification, or year of qualification.

Grant-related documentation saved on the online application system, such as the grant application and report, do not need to be saved within your district's document retention system.

### BEST PRACTICES

- » Maintain physical files in a single location.
- » For easy sharing, make electronic copies that can be emailed or made easily accessible through a shared network. Back up electronic files regularly on a CD, flash drive, or a secured website. Keep extra copies and originals in separate locations.
- » Use a company that offers free online storage services so documents can be uploaded and accessed remotely, allowing files to be shared and edited by multiple people.
- » The document retention system doesn't need to be complicated; implement what works best for your district.
- » Adapt the document retention sample file lists, and share your versions with your clubs to assist them in implementing their document retention requirements.

See the Sample Document Retention File List in chapter 3 for help with developing your district's document retention system. Your document retention needs will depend on the types of grants your district manages, so add or remove folders as necessary.

**DOCUMENT RETENTION CONSIDERATIONS**

What type of system will you have — physical, electronic, or a combination of the two?

Who will have access to the document retention system?

How will you catalog what is in your document retention system?

## **MOU SECTION 9: METHOD FOR REPORTING AND RESOLVING MISUSE OF GRANT FUNDS**

The qualification process requires districts to track, investigate, and resolve reports of misuse or mismanagement of grant funds. By creating a plan before any allegations of misuse are made, the district can apply procedures consistently and foster an environment that does not tolerate misuse of funds.

- A. Districts must create a system to facilitate and track reports of misuse and/or mismanagement of grant funds.
- B. Districts must promptly investigate reports of misuse or mismanagement of grant funds.
- C. Districts must report any potential or substantiated misuse or mismanagement of grant funds to TRF.

### **SUMMARY**

Districts must actively work to prevent instances of misuse and mismanagement and must investigate any allegations. A system to track reports of misuse or mismanagement helps districts to respond in a timely and fair manner. The tracking system could be as simple as maintaining an email address for receiving reports of misuse and a spreadsheet to track investigations.

Districts should set guidelines for conducting investigations consistently and fairly. However, since each situation is unique, procedures may need to be adjusted as an investigation moves forward.

All reports of misuse or mismanagement, whether potential or substantiated, must be reported to The Rotary Foundation. The Foundation will work with the district to resolve the issue appropriately.

Periodically review grant projects within the district to prevent cases of misuse. Document best practices to share with other project sponsors, and provide feedback to those being audited.

Maintain detailed records of any investigation to provide transparency and ensure that the findings of the investigation are supported by evidence. In addition, the information collected by the district will assist the Foundation in conducting an investigation and resolving any issues.

#### BEST PRACTICES

Designate a person with whom Rotarians can discuss any concerns about the management of grant funds.

For any allegation, record the following information:

- » Grant number and information
- » Project description
- » Primary target of investigation, with district and club affiliation
- » Summary of the report of misuse
- » Actions taken with relevant dates
- » Next steps in investigation

If misuse is reported, stop payments until the report has been investigated.

Do not approve new grant applications for anyone involved with reported misuse until the situation is resolved.

#### METHOD FOR REPORTING AND RESOLVING MISUSE OF GRANT FUNDS

Who in the district should receive reports of misuse of grant funds?

How will reports be tracked?

What steps will the district take to determine whether the report of misuse is substantiated?

Who will be responsible for investigating reports of misuse? What procedures will the district have in place to conduct the investigation?