DISTRICT 5150 GRANTS POLICIES AND PROCEDURES
2023 – 2024 GLOBAL AND DISTRICT GRANT POLICIES

INTRODUCTION

District 5150 has developed Grants Policies and Procedures for the 2023-2024 Rotary Year. The objective of these Policies and Procedures is to provide details on how Clubs qualify to do District Grants and/or Global Grants, distribution of District Designated Funds (DDF), reporting and other significant policies.

We wish you and your Club success in achieving your goals of securing District and/or Global Grant funds for your project.

Should you have any questions, please contact our Grants Subcommittee Chair Cyndy Simms at grantschair5150@gmail.com or 909-544-9966.
## DISTRICT 5150 GRANTS POLICIES AND PROCEDURES
### 2023 – 2024 GLOBAL AND DISTRICT GRANT POLICIES
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DISTRICT 5150 GRANTS POLICIES AND PROCEDURES
2023 – 2024 GLOBAL AND DISTRICT GRANT POLICIES

The following are District 5150’s Policies and Procedures that apply for allocation and use of District Designated Funds (DDF) from The Rotary Foundation (TRF) for Global Grants and District Grants.

CLUB QUALIFICATION AND MOU REQUIREMENTS INCLUDING REQUIRED TRAINING

By May 20, 2023, Rotary clubs must be qualified by the District Stewardship Committee to participate in District Grant or Global Grant funding. To be qualified, the President Elect and one other Club member must take the District 5150 Grants Management Course and the President Elect and President Nominee must sign The Rotary Foundation’s Club Memorandum of Understanding (TRF MOU) and the District 5150 MOU Addendum.

- To meet Club Qualifications, the Club President Elect and one other Club member must have attended the District 5150 Grants Management Training by March 15, 2022.

- The signatures of the President Elect and President Nominee are required on the TRF MOU and District’s MOU Addendum. In the absence of a President Nominee, another club member who completed the District 5150 Grants Management Seminar or one of the following chairs should be assigned as temporary President Nominee and may sign the MOU documents may sign these two documents: International Service, Community Service, or Rotary Foundation.

- The Rotary Foundation’s Club Memorandum of Understanding July 2022 (TRF MOU) can be found on Page 4. A duplicate copy can be found on page 33.

- The District 5150 2023-2024 Memorandum of Understanding Addendum can be found on page 7.

- District 5150 Club Qualification Requirements Checklist can be found on page 9.

- Club Qualification For Rotary Grants Frequently Asked Questions can be found on page 35.
**CLUB QUALIFICATION MEMORANDUM OF UNDERSTANDING**

~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

**THE ROTARY FOUNDATION**

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1. **Club Qualification**
   
   To participate in Rotary Foundation grants, the club must agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU) provided by The Rotary Foundation (TRF) and to send at least one club member to the district’s grant management seminar each year. The district may also establish additional requirements for club qualification and/or require its clubs to be qualified in order to participate in district grants. By completing these requirements, the club becomes qualified and eligible to participate in Rotary grants.

   A. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year.
   
   B. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable TRF policies.
   
   C. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.
   
   D. Qualification may be suspended or revoked for misuse or mismanagement of grant funds involving, but not limited to: fraud; forgery; membership falsification; gross negligence; endangerment of health, welfare, or safety of beneficiaries; ineligible contributions; use of funds for personal gain; undisclosed conflicts of interest; monopolization of grant funds by individuals; report falsification; overpricing; acceptance of payments from beneficiaries; illegal activities; use of grant funds for ineligible purposes.
   
   E. The club must cooperate with any financial, grant, or operational audits.

2. **Club Officer Responsibilities**

   The club officers hold primary responsibility for club qualification and the proper implementation of TRF grants.

   Club officer responsibilities include:

   A. Appointing at least one club member to implement, manage, and maintain club qualification

   B. Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices

   C. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest
3. **Financial Management Plan**  
The club must have a written financial management plan to provide consistent administration of grant funds.

The financial management plan must include procedures to:
A. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds  
B. Disburse grant funds, as appropriate  
C. Maintain segregation of duties for handling funds  
D. Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities  
E. Ensure that all grant activities, including the conversion of funds, comply with local law

4. **Bank Account Requirements**  
In order to receive grant funds, the club must have a dedicated bank account that is used solely for receiving and disbursing TRF grant funds.

A. The club bank account must:
   1. Have a minimum of two Rotary member signatories from the club for disbursements  
   2. Be a low- or noninterest-bearing account  
B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
C. A separate account should be opened for each club-sponsored grant, and the name of the account should clearly identify its use for grant funds.
D. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
E. Bank statements must be available to support receipt and use of TRF grant funds.
F. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories.

5. **Report on Use of Grant Funds**  
The club must adhere to all TRF reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs TRF of the grant’s progress and how funds are spent.

6. **Document Retention**  
The club must establish and maintain appropriate recordkeeping systems to preserve important documents related to qualification and 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 copy of the signed club MOU  
   3. Documented plans and procedures, including:
      a. Financial management plan  
      b. Procedure for storing documents and archives  
      c. Succession plan for bank account signatories and retention of information and documentation  
   4. Information related to grants, including receipts and invoices for all purchases  
B. Club records must be accessible and available to Rotary members in the club and at the request of the district  
C. Documents must be maintained for a minimum of five years, or longer if required by local law

7. **Reporting Misuse of Grant Funds**  
The club must report any potential and real misuse or mismanagement of grant funds to the district. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.
Authorization and Agreement
This memorandum of understanding is an agreement between the club and the district and acknowledges that the club will undertake measures to ensure the proper implementation of grant activities and proper management of TRF grant funds. By authorizing this document, the club agrees to comply with all of the conditions and requirements of the MOU.

On behalf of the Rotary/Rotaract Club of ___________________________, the undersigned agree to comply with all of the conditions and requirements of the MOU for Rotary year ______________ and will notify Rotary International District __________ of any changes or revisions to club policies and procedures related to these requirements.

<table>
<thead>
<tr>
<th>Term</th>
<th>Club President</th>
<th>Club President-elect</th>
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<tr>
<td>Name</td>
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<td>Signature</td>
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This Addendum gives Rotary Clubs in District 5150 additional guidance, conditions and requirements above and beyond The Rotary Foundation Club Qualification Memorandum of Understanding. Clubs must comply with all provisions of both documents in order to participate in any TRF District or Global Grant program.

**REQUIRED BY DISTRICT**

1. **QUALIFICATION.** A Club must be qualified to receive a distribution of District Designated Funds (“DDF”) from The Rotary Foundation for a District or Global Grant. The District will allocate DDF to non-qualified Clubs for them to allocate to other Clubs or Districts, but the Clubs cannot use the DDF for their own project. Clubs may choose to allocate any of their DDF to The Rotary Foundation funds including PolioPlus, Peace Centers, World Fund, Endowment Fund, or Disaster Response Fund.

2. **TRAINING.** The Club President Elect (PE) and one other Club member are required to complete the District 5150 sponsored Grant Management training. If either the Club PE or the other Club member fail to attend the required training, a Club’s Qualification may be in jeopardy subject to an appeal to the District Governor Elect (DGE) who has the sole discretion to make an exception. Grant Management training will be offered in a hybrid environment (in person and via Zoom). Training must be completed by both individuals no later than March 15, 2023.

3. **MEMORANDUM OF UNDERSTANDING.** The signatures of the President Elect and President Nominee are required on the TRF MOU and District’s MOU Addendum. In the absence of a President Nominee, another Club member who has completed the District 5150 Grants Management Training or one of the following Club committee chairs may sign the District 5150 MOU: International Service, Community Service or Rotary Foundation. Only the President Nominee may sign the TRF form, so if one has not been appointed, temporarily appoint one of the other persons to that position until such time as the President Nominee has been selected. When the PN has been selected, they must sign the TRF MOU and District 5150 MOU Addendum. These two documents must be provided to the Stewardship Chair no later than March 15, 2023.

4. **ACCURACY AND REPORTING.** All information contained in any Grant Application must be true and accurate. The Club agrees to undertake each project as an activity of the Club. The Club will comply with the required Rotarian grant activities and reporting requirements established from time to time by Rotary International and District 5150 including TRF Terms and Conditions.

5. **DISBURSEMENT.** Grant funds will be disbursed as represented in the Application for the District Grant.
6. **BANK ACCOUNT.** A separate bank account should be opened for each club-sponsored grant, and the name of the account should clearly identify its use for grant funds. The Club shall maintain a separate bank account for each District Grant of $2,000 or more and for each Global Grant regardless of size.

7. **OVERDUE REPORTS.** District 5150 will not approve new grant applications from any grant sponsor that has an overdue report for any Foundation grant. Completing Grant requirements after the due date will make that Club ineligible to participate in a District Grant or Global Grant the following year.

8. **FINAL REPORTS.** District Grant Reports must be completed online at the District 5150 website. A Final Report for a completed project or an Interim Report for an uncompleted project must be submitted by the Club to the District by May 1st of the Rotary Year, and if the project is longer than a one-year project, a Final Report is due May 1st of the following Rotary Year.

9. **COMPLETION DEADLINE.** All the foregoing and following steps must be completed by May 1, 2023, for the 2023-2024 Rotary Year. Assistant Governors and the Grants Subcommittee are available to assist.

**AUTHORIZATION AND AGREEMENT**

On behalf of the Rotary Club of __________________________, the undersigned agree to comply with all of the conditions and requirements of this Addendum to The Rotary Foundation Memorandum of Understanding (MOU) for Rotary year 2023-2024 and will notify Rotary International District 5150 of any changes or revisions to Club policies and procedures related to these requirements.

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<th>Incoming Club President Elect</th>
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<td><strong>President Term: 2023-2024</strong></td>
<td><strong>President Elect Term: 2023-2024</strong></td>
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<tr>
<td><strong>President Term: 2024-2025</strong></td>
<td><strong>President Term: 2024-2025</strong></td>
</tr>
<tr>
<td>Name____________________</td>
<td>Name____________________</td>
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<tr>
<td><strong>Signature________________</strong></td>
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Send the executed TRF MOU and this Addendum to the Stewardship Subcommittee Chair Richard Chinn no later than March 15, 2023.
## DISTRICT 5150 GRANTS POLICIES AND PROCEDURES
### 2023-2024 CLUB QUALIFICATION REQUIREMENTS
#### FOR DISTRICT AND GLOBAL GRANTS

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<th>RESPONSIBILITY</th>
<th>COMPLETED</th>
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<td>1. PE and one other club member complete District 5150 Grants Management Training.</td>
<td>March 11, 2023</td>
<td>Participant list provided to Stewardship Chair</td>
<td>PE Club Member</td>
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<td>2. TRF MOU signed by PE and PN *</td>
<td>March 15, 2023</td>
<td>Signed MOU sent to Stewardship Chair.</td>
<td>PE PN *</td>
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<td>3. District 5150 MOU Addendum signed by PE and PN *</td>
<td>March 15, 2023</td>
<td>Signed MOU Addendum sent to Stewardship Chair.</td>
<td>PE PN *</td>
</tr>
<tr>
<td>4. District Grant reports submitted on time.</td>
<td>May 1, 2023</td>
<td>District Grants Coordinator confirms report submission to Stewardship Chair</td>
<td>PE</td>
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<td>5. Global Grant reports submitted by due date established for each Global Grant.</td>
<td>As specified for the Global Grant</td>
<td>Stewardship Chair confirms report submission on Global Grant</td>
<td>PE</td>
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* See District 5150 MOU Addendum if Club does not have a PN at the time of signing
DISTRICT DESIGNATED FUNDS (DDF)

ALLOCATION OF DISTRICT DESIGNATED FUNDS (DDF) TO ROTARY CLUBS

• Each Rotary Club will receive a “Fair Share” DDF allocation from the District 5150 DDF for use with District Grants, Global Grants and other purposes noted below. Rotary Clubs will receive notice of their 2023-2024 Fair Share DDF allocations in July 2023. Estimated DDF allocations will be sent to Club Presidents in January and April 2023.

• Allocations will be based on each Club’s pro-rata share of the three prior years’ Annual Fund Share contributions, weighted 33-1/3% for each of the three prior years, compared to all Clubs in District 5150. The Fair Share available to each Club for Global Grants will be reduced by: (1) the amount allocated to that Club for District Grants; and (2) the Club’s DDF allocated to a District Global Scholarship by the Club’s President-Elect at a District meeting preceding the Rotary Year in which the President-Elect will be Club President.

• All District 5150 DDF received from TRF Endowment Earnings shall be allocated in the Rotary year following receipt of the earnings for use for District and Global Grants. The DDF shall be allocated on the same basis as DDF allocated from club contributions to the Annual Fund Share with the same requirements and deadlines. However, before allocation to the clubs in this manner, a portion of the DDF will be provided to new clubs to give them $500 of DDF for each of their first three years of existence after the Rotary year the club was chartered. If the Club’s own DDF allocation exceeds $500, then no additional DDF shall be allocated to that Club from these funds.

ROTARY CLUB USE OF DDF FUNDS

• Each Club may choose how much of its DDF allocation it wishes to spend on District Grant projects and/or reserve for Global Grant projects. Note that TRF will match approved Global Grant projects $0.80 for $1 of DDF from the TRF World Fund, but it will not match any DDF funds allocated to District Grants. There is no limit on the amount of the Club’s Fair Share that the Club may request to spend on a District Grant project. However, if the total amount of District Grants requested by all Clubs in District 5150 exceeds 50% of District DDF available for the year (the limit imposed by TRF), then the Chair of the Grants Committee will allocate the available DDF between the Clubs applying for DDF for District Grant projects. Each Club will be allocated their request up to 50% of the Club’s total DDF. The excess over 50% will be allocated based upon the Club’s requested DDF over 50% of the Club’s DDF compared to the total of that amount for all Clubs in District 5150 multiplied times the DDF not used to meet the 50% guarantee.
DISTRICT DESIGNATED FUNDS (DDF) (continued)

- District Grant projects may be either local Community Service projects or small International Service projects not tied to a Global Grant and in which our District Club is carrying out the project in the foreign country and maintaining control of all funds for the project. Scholarships and vocational training teams may also be funded with District Grants.

- Qualified Rotary Clubs whose DDF is not used for District Grants and the Global Grant Scholar can be used by that Club to sponsor its own Global Grant project, to support other Rotary Clubs’ or District’s Global Grant projects or for other acceptable uses of DDF such as PolioPlus, Rotary Peace Centers, Disaster Response Fund, or TRF Endowment Fund. Non-Qualified Rotary Clubs can donate their Fair Share allowance to a qualified Club’s or District’s Global Grant project, PolioPlus, Rotary Peace Centers, Disaster Response Fund or TRF Endowment Fund.

- Club DDF funding must be committed and reserved for a Global Grant project or other acceptable use of DDF such as PolioPlus, Rotary Peace Centers, Disaster Response Fund, or TRF Endowment Fund by providing the Grants Subcommittee Chair with a DDF "FAIR SHARE" TRANSFER or USE FORM (page 13) by March 1st of the Rotary Year.

DEADLINE FOR USING ROTARY CLUB DDF GRANT FUNDS AND ALLOCATION THEREAFTER

- Uncommitted Fair Share DDF allocations to Clubs will expire on March 1st. By January 15th of the Rotary Year, the Grants Subcommittee Chair will communicate with all District Clubs that they have until March 1st of the Rotary Year to use or commit any unused DDF allocation to a Global Grant project for that Rotary Year. The commitment can be to their own or another qualified Club’s or District’s pending (but not funded) Rotary Year Global Grant project, PolioPlus, Peace Centers, Disaster Response Fund, World Fund or Endowment Fund.

- The unused DDF will be recaptured for reallocation to meritorious projects. The allocation will be made by the “Grant Allocation Group” composed of the District Governor for the Rotary Year that this policy applies, District Rotary Foundation Committee Chair, and the Grants Committee. This group shall be chaired by the Grants Committee Chair for the Rotary Year that this policy applies. If a member of this Committee is also a member of a Club that is applying for a DDF allocation for a Global Grant, that member must abstain.
from participation in the vote on any allocation for the member’s Club being considered by the Committee.

- All Clubs requesting unused DDF from the Grants Committee to supplement a Global Grant after March 1st shall submit a written request to the Grants Committee Chair. The request shall include information on the how the Global Grant Application will be submitted to TRF prior to June 30, 2024.

- DDF that is not allocated by Clubs by the March 1st deadline shall be allocated to District 5150 Global Grant projects for which a District 5150 Club is the primary international sponsor or host club. This allocation is to complete funding for projects that are ready to be submitted to TRF but need some additional DDF to complete the financing. If there are not sufficient projects to use all the funds, the Committee shall decide between other Global Grant projects in the District, Polio Plus, Peace Centers, Disaster Response Fund or Endowment Fund or to hold the DDF for future use.

**PROJECTS NOT ABLE TO PROCEED**

DDF allocated by a Club to a Global Grant project that does not come to fruition, as indicated by removal from the TRF list of pending Global Grants, shall be re-allocated to the donating Club during the following Rotary year.

Contact: Grants Subcommittee Chair Cyndy Simms grantschair5150@gmail.com.

- District 5150 DDF "FAIR SHARE" TRANSFER or USE FORM can be found on (page 13)
The Rotary Club of ___________________________ approves the use of our Club’s DDF Fair Share as follows:

☐ TRANSFER $________ DDF to be used for the following Global Grant.

• Global Grant Number: ______________________

• Name of Project: ______________________ Location (country) ______________________

• On behalf of the Rotary Club of __________________________ (name of sponsoring Club which may be your Club) or District ______

• If your Club is a sponsoring Club, does your Club need additional funding from other Clubs for this project? Yes [ ] No [ ]

☐ This transfer represents the entire amount of our remaining Fair Share DDF, or

☐ This represents a portion of our DDF Fair Share and is within our DDF Fair Share amount.

☐ TRANSFER $________ DDF to the following Funds of The Rotary Foundation:

• PolioPlus: Amount of our DDF Fair Share to be allocated $________

• Disaster Response Fund: Amount of our DDF Fair Share to be allocated $________

• Rotary Peace Centers: Amount of our DDF Fair Share to be allocated $________

• Rotary Endowment Fund: Amount of our DDF Fair Share to be allocated $________

• World Fund: Amount of our DDF Fair Share to be allocated $________

☐ This transfer represents the entire amount of our remaining Fair Share DDF, or

☐ This represents a portion of our DDF Fair Share and is within our DDF Fair Share amount.

We understand that the amount transferred by this action will not be available for the future use of our Rotary Club on a different project.

We understand that our Club must have signed a Memorandum of Understanding with the District, have the necessary training, and not be delinquent on any reports due The Rotary Foundation in order to use the DDF for a project sponsored by our Club.

We understand that our Club has the responsibility to send a copy of this form to the District Grants Subcommittee Chair Cyndy Simms by March 1st, 2024, and if we do not do that this allocation of DDF will not be effective.

_________________________________________  __________________________
Rotary Club President 2023 - 2024 Signature  Date

_________________________________________  __________________________
International/World Community Service Chair Signature  Date
GRANT APPLICATION PROCESS

• Applications for District Grants must be completed online at the District 5150 website and are due by June 1, 2023. Only Clubs qualified to administer Rotary Foundation funds (having signed a TRF Club Qualification Memorandum of Understanding and District 5150 Addendum and met all the conditions in these policies) may apply to use their DDF funds for a District Grant.

• By January 20, 2023, the Grants Subcommittee Chair will send the Club Presidents Elect an estimate of their Fair Share DDF for the 2023-2024 Rotary Year based on Annual Fund Share giving report through December 31, 2022. By April 20, 2023, the Grants Subcommittee Chair will send the Club Presidents Elect an estimate of their Fair Share DDF for the 2023-2024 Rotary Year based on Annual Fund Share giving through March 31, 2023. The Grants Subcommittee Chair will notify the Club Presidents of the actual amount of DDF available for the 2023-2024 Rotary Year in July 2023.

• In the Club’s Application for a District Grant, the amount of DDF requested for the District Grant project should be characterized as either “up to $_____ of DDF available” or “____% of DDF available not to exceed $____”.

District 5150’s Application to The Rotary Foundation for DDF use for District Grants will be based upon the total dollar amount requested by the Clubs subject to the limitations described above. The Rotary Foundation limits the District Grant Application to more than 50% of available DDF.

• Applications and Reports for Global Grants must be completed online at the Rotary.org website. Log in to “My Rotary” and then go to The Rotary Foundation tab. Global Grants may be applied for at any time. When beginning an Application and having submitted information about the Host and International Clubs, The Rotary Foundation will assign a Global Grant Number. That is an important Number for purposes of allocating DDF from District 5150 Clubs and other Clubs and Districts. Clubs should work with members of the Grants Subcommittee, the Global Grants Coordinator and the District 5150 Technical Resource Network for assistance and to post their projects on the District 5150 website.

DISTRICT GRANTS

• Proposed District Grant projects must include the active participation of Rotarians to achieve project objectives. Projects must relate to the mission of The Rotary Foundation. District Grants can support local community projects, scholarships, and small international humanitarian projects, including service travel and disaster recovery efforts. For example, a District Grant could be used to conduct a Community Needs Assessment for a proposed Global Grant project.
GRANT APPLICATION PROCESS

• Scholarships for any level, length of time, location, or area of study are eligible for District Grants. See the District 5150 Grant Scholarship Policy (page 22) for specific policies and recommendations. District Grants can also be used for youth programs including Rotary Youth Exchange, Rotary Youth Leadership Awards (RYLA), Rotaract and Interact. Vocational training teams (VTT) are also eligible.

• District Grant funds may not be used for:
  o unrestricted cash donations to a beneficiary or cooperating organization
  o operating, administrative or indirect program expenses of another organization
  o matching funds for any other project; or as reimbursement for previously completed projects (with some exceptions).
  o purchasing land or buildings
  o fundraising activities and expenses related to Rotary events such as conferences, institutes, anniversary celebrations or entertainment activities

• District Grant funds may be used for construction or rehabilitation of buildings such as water and sanitation projects.

• Up to 3% of grant funds may be allocated to administrative costs, and not more than 10% of the grant budget may be used for contingencies.

ADDITIONAL RESTRICTIONS APPLY. See TRF publications: “Terms and Conditions for Rotary Foundation District Grants” and “Terms and Conditions for Global Grant Projects”.

ACTIVE PARTICIPATION BY ROTARIANS: District Grants require the direct involvement of Rotarians to:
  • Assess community needs
  • Develop a project plan
  • Establish a committee of at least two Rotarians to oversee the expenditure of funds and implementation of the project
  • Promote the project in local media
  • Submit the required reports on time

PROJECT IMPLEMENTATION AND STEWARDSHIP

• A separate bank account should be opened for each club-sponsored grant, and the name of the account should clearly identify its use for grant funds. The Club shall maintain a separate bank account for each District Grant of $2,000 or more and for each Global Grant regardless of size.
Bank statements, cancelled checks, bills/invoices/statements for materials used and other evidence of project cost must be retained with the Project records for a period of five years after the year in which the project is completed. The Club must provide a copy of all these documents to the District Grants Coordinator as part of the District Grant Final Report.

**DICTIONARY PROJECTS**

- The District Treasurer shall retain the amount of DDF that each Club has received for dictionary costs through a District Grant, and credit the DDF against the Club’s obligation to the District for the purchase of dictionaries. The Club shall remain responsible for paying the District any costs for the dictionaries that are greater than the amount of DDF reserved by the District for the dictionary project.

**ROTARY YOUTH LEADERSHIP AWARD (RYLA) PROJECTS**

- RYLA is operated by the Rotary Club of San Francisco through its 501(c)(3) organization, Rotary Service, Inc. RYLA is not managed or overseen by District 5150. District Grant DDF approved for RYLA will be distributed to each Club in a manner similar to that of other District Grant projects.

**MULTI-CLUB PROJECTS**

For projects that are sponsored by more than one Club in our District, the following shall apply.

- Each Club participating in the project shall submit a separate District Grant Application for use of DDF for the project. The Application must be submitted to the District Grants Coordinator within the time requirements for all District Grants. A master application may be created that has blanks for the Clubs to complete the following items:
  
  - Club Name
  - Club Rotarian participation
  - Project Contacts (for Club)
  - Budget including DDF, amount of Club Match (if any), and Total contributions to the project by the Club
  - Funding (Club portion of the total project)
  - Authorization (Club signatures)

Each Club shall submit separate required Reports for the project. The Report(s) must be submitted using the online Final/Interim Report form on the District 5150 website within
the time requirements for all Reports. A Master Report form may be created that has blanks for the Clubs to complete the items (if applicable):

- Rotary Club name
- If the master form does not show the number of participants by Club, then add a line indicating how many of the reporting Club’s members participated
- Income amount complete for the Club—DDF used, Club Funding provided, other funding arranged by the Club, and total
- The Club’s percentage of the expenditures listed based on total project funding
- Date/Signature/Club Name

DISTRICT GRANT REPORTING REQUIREMENTS

- District Grant reports must be completed online at the District 5150 website. A final report for a completed project or an interim report for an uncompleted project must be made by the Club to the District by May 1, 2024, and if the project is longer than a one-year project, a final report is due May 1, 2025.

- Projects must be pre-approved by the District Grants Coordinator to assure compliance with TRF Grant guidelines and District Policy. The project may be the same as a project previously completed by the Club with a District Grant. Clubs that fail to timely submit their reports will not be qualified for a Memorandum of Understanding for District and/or Global Grants for the next Rotary year. These Clubs will also be excluded from participating in the next Rotary Year’s District and Global Grants.

PROJECTS NOT COMPLETED

- DDF allocated but not used by a Club for an approved District Grant project may be reallocated for another District Grant project for that Club. Reuse of funds must be in the same Rotary year and must be approved by the District and TRF. All funds allocated to the Club that are not used must be returned to the District for return to TRF. In that case, the DDF returned to TRF will be credited to the Club for it to use or allocate to others for Global Grants the following Rotary Year, or to be reallocated by the District under the terms of the District’s Global Grants policy if no allocation is made by March 1, 2024.

GLOBAL GRANT ASSISTANCE FOR ROTARY CLUBS

All lead Clubs should notify the Grants Subcommittee Chair at the commencement of the Club’s Global Grant Project Application about the nature of the project, if the project needs additional cash and DDF support, and if the Club needs assistance from the Grants Subcommittee in developing their Global Grant Application.
GRANT APPLICATION PROCESS

• If requested, the Grants Subcommittee Chair will assign a technical resource expert to work with the Club to develop the Global Grant project and to complete the application. The assigned person will periodically inform the Grants Subcommittee Chair and the District International Service Committee Chair about the Global Grant application progress and any need for additional funding from other Clubs and Districts.

• DDF that is not allocated by Clubs by the March 1st deadline shall be allocated by the Grants Allocation Group to District 5150 Global Grant projects for which a District 5150 Club is the primary international sponsor or host club. This allocation is to complete funding for projects that are ready to be submitted to TRF but need some additional DDF to complete the financing. If there are not sufficient projects to use all the funds, the Grants Allocation Group shall decide between other Global Grant projects in the District, Polio Plus, Peace Centers, Disaster Response Fund or Endowment Fund or to hold the DDF for future use.

PROJECTS NOT ABLE TO PROCEED
DDF allocated by a Club to a Global Grant project that does not come to fruition, as indicated by removal from the TRF list of pending Global Grants, shall be re-allocated to the donating Club during the following Rotary year.

Contact: Grants Subcommittee Chair Cyndy Simms grantschair5150@gmail.com.
ROSE C. STONE FOUNDATION MATCHING FUNDS

The Rose C. Stone Foundation would like to support District 5150 Rotary Clubs that are conducting international service projects to assist women and children in other countries of the world. Examples of projects that would qualify for this funding include:

- women and children’s health projects
- education and literacy projects including books and educational equipment
- water and sanitation projects
- training programs or microcredit loans for women
- scholarships

The Rose C. Stone Foundation can assist with matching funds up to $10,000 for international projects funded with DDF through a District Grant (small international project) or an international project funded with cash. Global Grant projects can be matched up to $50,000.

To participate in this cash donation program, a Rotary club must have its own club foundation or have a local foundation or 501(c)(3) organization that is willing to receive and transfer the Rose C. Stone funding to the project club.

This program only matches funding contributed by District 5150 Rotary clubs.

Applications are available from Bruce Huff, Rose C. Stone Representative to the Grants Subcommittee at bruice.huff@rotary.comcastbiz.net.

The District 5150 Grants Subcommittee will provide oversight for clubs receiving Rose C. Stone Foundation funding. Global Grants Coordinator Keith Axtell serves as the Rose C. Stone Foundation Funding Coordinator and can answer questions about eligible international projects. You may contact him at keaxtell@aol.com.

PDG Brian McLeran and/or Emily McLeran Perez provide final review and approval for all matching funds made through this program. The Rose C. Stone Foundation is an independent qualified 501(c)(3) nonprofit organization and is not affiliated with District 5150.
RELEVANT GRANT DATES

January 20, 2023: Grants Subcommittee Chair Cyndy Simms will send Club Presidents Elect an estimate of the Club’s Fair Share DDF for the 2023-2024 Rotary Year.

March 1, 2023: Deadline for DDF "FAIR SHARE" TRANSFER or USE Forms for the 2023-2024 Rotary year to be submitted to Grants Subcommittee Chair Cyndy Simms at grantschair5150@gmail.com. The Rotary Club DDF “FAIR SHARE” TRANSFER or USE FORM is available on the District 5150 Website to make those allocations. After March 1, the District Grants Allocation Group will distribute unallocated DDF to other Global Grant projects or to PolioPlus, Rotary Peace Fellows, Disaster Response Fund or the TRF Endowment Fund.

March 15, 2023:
- District 5150 sponsored Grant Management training is completed by the Club PE and one other Club member.
- The Rotary Foundation “Club Qualification Memorandum of Understanding” and “District 5150 Memorandum of Understanding Addendum” must be signed by the President Elect and President Nominee (or substitute person if PN has not been designated) and sent to Stewardship Subcommittee Chair Richard Chinn at D5150Stewardship@gmail.com
- Preliminary determination of Club Qualification is made by Grants Subcommittee Chair with input from District Governor Elect and District Rotary Foundation Committee Chair.

April 20, 2023: Grants Subcommittee Chair Cyndy Simms will send Clubs an estimate of the DDF that will be available to them during the 2023-2024 Rotary year.

May 1, 2023: Clubs must submit their Final or Interim Report for 2022-2023 District Grants using the online Final/Interim Report form on the District 5150 website. If reports are not submitted on time, the Club will not be allowed to apply for District or Global Grants during the 2023-2024 Rotary year.

May 20, 2023: Clubs will be notified of their Club Qualification eligibility by Grants Subcommittee Chair Cyndy Simms.

June 1, 2023: Deadline for Clubs to submit a 2023-2024 District Grant Application using the online District Grant Application on the District 5150 website. The Application must be signed by the President Elect and President Nominee. If the Application is not submitted by June 1, the Club will not be eligible to conduct its own District Grant during the 2023-2024 Rotary year.
**July 1, 2023:** Grants Subcommittee Chair Cyndy Simms, will submit the District’s 2022-2023 Rotary year District Grant Report to The Rotary Foundation. Until this report is submitted and approved the District will not be able to receive funding for District Grants for the 2023-2024 Rotary year.

**July 20, 2023:** Grants Subcommittee Chair Cyndy Simms will notify Club President Elects of the Club’s Final Fair Share DDF for the 2023-2024 Rotary year.

**July 20, 2023:** District Grants Coordinator Joe Teresi will notify the Clubs of the amount of DDF for each District Grant application approved by the District subject to final approval by The Rotary Foundation for the 2023-2024 Rotary year. Projects cannot begin until final approval is received by The Rotary Foundation.

**August 1, 2023:** Grants Subcommittee Chair Cyndy Simms will submit District 5150’s District Grant Application to The Rotary Foundation for the 2023-2024 Rotary year.

**September 30, 2023:** District Grants Coordinator Joe Teresi will notify Club Presidents when TRF approval has been received for their District Grant Application(s). District Grant projects cannot begin until TRF approval is received.
OVERVIEW

Clubs can develop and manage a Club scholarship program using District Grants or alternatively using its own funds. This policy covers the use of District Grants for scholarships.

Factors to consider are:
- Who will manage the application process for scholarships funded by District Grants.
- What types of scholarships will be offered.
- Determine and communicate the eligibility requirements for the scholarships.
- Define and publicize the application and selection process as early as possible.
- Determine what reporting you will require of scholars.
- Help scholars prepare for their scholarship experiences.
- Determine how the funds will be transferred to the scholar.
- Establish a procedure for obtaining receipts for expenses covered by the scholarship and communicate it clearly to scholars.

MANAGING THE PROCESS

Clubs may want to set up a scholarships subcommittee, perhaps under the Youth Services Committee. Clubs may enlist the services of another organization to help with the process. For example, an organization which helps low-income students prepare for college application and enrollment may be used to provide a pool of applicants for the scholarships based upon the eligibility requirements set by the club. Rotarians must be actively involved in the selection process. Any fees charged by that organization cannot be funded by the District Grant.

DECIDING TYPES OF SCHOLARSHIPS

Clubs may consider many types of scholarships, such as:
- Location of studies (county, District, state, U.S., foreign).
- Level and/or type of studies (secondary, vocational, undergraduate, graduate).
- Length of the study program (one semester, one academic year, full undergraduate or graduate degree program).
- Field of study, research or vocational training.
- Basis for funding (financial need, merit, or a combination of the two).
- Amount of scholarship award (fixed, within a range, open amount based upon the application).
Clubs may set certain responsibilities and expectations that applicants should be made aware of. These might include:

- Make presentations at Club meetings and events, both before and after the study program.
- Submit a written report or keep an online journal to document their achievements and experiences or to give feedback about the scholarship.
- Become involved with Rotary in the community where they will study by attending Rotary Club meetings, speaking to Rotaract clubs or participating in service projects.

**SETTING ELIGIBILITY REQUIREMENTS**

Clubs determine the eligibility requirements for scholarships funded by a District Grant. Typical requirements may include:

- Minimum academic level and performance.
- Financial need. For example, an income below a certain level.
- Geographic location. This may be either a residency or full-time work or study within an area.
- Strong public speaking and interpersonal skills.
- High ethical standards demonstrated in their personal, academic or professional lives.
- Knowledge of local, regional, national and international current events.

Scholarships funded by District Grants cannot be awarded to anyone in the following categories:

- Rotarians, including honorary Rotarians.
- Employees of Rotary Clubs, Districts or other Rotary entities, or of Rotary International.
- Spouses, lineal descendants (children or grandchildren by blood, legal adoption, or marriage without adoption), spouses of lineal descendants, or ancestors (parents or grandparents by blood) of persons in the above categories.
- Employees of agencies, organizations, or institutions that partner with the Rotary Foundation or Rotary International.
- Former Rotarians and honorary Rotarians who have terminated their membership within the preceding 36 months.
- Persons who were ineligible based on their familial relationship to a former Rotarian or honorary Rotarian, for a period of 36 months after termination of their family’s membership.

All eligibility requirements that are set must conform to all antidiscrimination laws in effect in California.
DEFINING THE APPLICATION AND SELECTION PROCESS

The Club decides what documentation applicants must provide and specifies how applicants may submit their application materials. The club should identify and share the contact information for a Rotarian who will answer questions about the scholarship, the deadline, and the application process. The club should establish a selection committee and ensure that members have no actual or perceived conflicts of interest. Notification procedures should be established as part of the process.

SETTING REPORTING REQUIREMENTS

Clubs are required to collect and retain receipts from the scholar for expenses of $75 or more for a minimum of five (5) years.

ISSUING SCHOLARSHIP FUNDS

The Club may choose to transfer the scholarship funds directly to the scholar or to the organization assisting with the scholarship program which in turn will direct the funds to the scholar. The Club may issue the scholarship funds in installments, to ensure that any reporting requirements are met or to simply assist the scholar with budgeting. If the scholarship will be paid in installments, clearly communicate when they should expect to receive the disbursements and the amount of each disbursement.

CLOSING GRANTS

The District 5150 Final or Interim District Grant Report is to be submitted as required. If Clubs require any additional reports such as written assessments of their experiences or academic transcripts, it should collect these as soon after the end of the scholarship term as is reasonable. As scholars approach the end of their studies, it is useful to discuss how the Club plans to continue to involve them as Rotary Alumni.
Through Global Grants, Rotarians can support future leaders in fields related to Rotary’s 7 Areas of focus: Peacebuilding and conflict prevention; Disease prevention and treatment; Water, sanitation, and hygiene; Maternal and child health; Basic education and literacy; Community economic development; Environment. Global Grant scholarships fund graduate-level coursework or research for one to four academic years. A key feature of Global Grants is the partnership between the District or Club in the study location (host sponsor) and the District or Club in the scholar’s home country (international sponsor). Both sponsors must be qualified before they can submit an application.

Global Grant scholarship applications are accepted throughout the year, although applications are typically submitted in the spring for a student who wishes to begin study in the summer or fall. Candidates must provide proof of university admission at the time of application.

District 5150 provides $17,500 each year, subject to our Clubs’ annual unanimous decision to provide this funding on a prorated basis from their District Designated Funds (DDF). The Rotary Foundation’s World Fund matches 80% of our $17,500 providing an annual scholarship for one individual in the amount of $31,500.

The District 5150 Global Scholar Committee interviews potential candidates sponsored by clubs to select an applicant to put forward for funding. This committee is comprised of the Global Scholar Chair, the District Governor Nominee Designate (if not available, the DGN, DGE or DG), and three Rotarians (one from each county) from clubs that have not submitted a Global Scholar candidate in this review cycle.

Candidates interested in applying should seek a Rotary club in District 5150 that is qualified to do Grants and interested in sponsoring a Global Scholar. For further information, please contact District 5150 Global Grant Scholar Chair Gina Grant at ginagrant2@hotmail.com.
Under California law, Rotary Clubs are either corporations or unincorporated associations. Except as noted below, both have the same tax and other government filing requirements. Clubs formed as corporations must file Articles of Incorporation with the California Secretary of State. They have an ongoing filing requirement with the California Secretary of State to designate their officers and directors, address and agent for service of process. Unincorporated associations do not file with the Secretary of State. Rotary Clubs are non-profit entities and are supposed to have Federal Tax-Exempt status under Internal Revenue Code Section 501(c)(4) and California Revenue and Taxation Code section 23701(f). Clubs are not charitable organizations, so payments to them are not entitled to charitable donation status. Those payments from members and others may be entitled to a business expense deduction, and members should consult with their tax preparer with any questions about that.

After a Rotary Club is formed, it must seek Tax-Exempt status. For Rotary Clubs that have always been in good standing with Rotary International, it provides a Group Tax-Exempt Status that precludes the need for obtaining it separately from the Internal Revenue Service. Otherwise, the Club must request Tax-Exempt Status with the Internal Revenue Service by filing Form 1024 and related documents and paying a fee. Once that Tax-Exempt status is obtained, then the Club must file California form 3500A with the California Franchise Tax Board to obtain recognition of Tax-Exempt status for California.

Many Rotary Clubs have affiliated Foundations which are charitable organizations, which means that people and organizations which contribute to the Foundation are making a charitable donation. These entities are incorporated, file articles of incorporation with the California Secretary of State, and are supposed to be Tax-Exempt under Internal Revenue Code section 501(c)(3) and California Revenue and Taxation Code section 23701(d). They have an ongoing filing requirement with the California Secretary of State to designate their officers and directors, address and agent for service of process.

Club Foundations must seek Tax-Exempt status with the Internal Revenue Service by filing form 1023 online and related documents and paying a fee. Once that Tax-Exempt status is obtained, then the Foundation must file California form 3500A with the California Franchise Tax Board to obtain recognition of Tax-Exempt status for California.

ANNUAL TAX FILING REQUIREMENTS:

Rotary International uses a fiscal year of July 1st through June 30th for all of its activities. Most Rotary Clubs and their Foundations use that same fiscal year because it is most convenient since it conforms to the annual changing of officers and directors. For purposes of this explanation, it is assumed that the Club and Foundation use that fiscal year for a tax reporting year.
1. Each year the Club needs to file Internal Revenue Service Form 990 or some version thereof including post cards for Clubs with limited income and assets. Your Club’s Tax preparer will decide the appropriate form to file. These returns are filed online. The returns are due four and one-half months after the end of the fiscal year, which would be November 15th for Clubs with a June 30th fiscal year end. Extensions to file may be obtained.

2. Each year the Club needs to file California Franchise Tax Board Form 199 or some version thereof including post cards for Clubs with limited income and assets. Your Club’s Tax preparer will decide the appropriate form to file. These returns are filed online. The returns are due four and one-half months after the end of the fiscal year, which would be November 15th for Clubs with a June 30th fiscal year end. Extensions to file are automatic.

3. Each year the Foundation (if the Club has one) needs to file Internal Revenue Service Form 990 or some version thereof including post cards for Clubs with limited income and assets. Your Club’s Tax preparer will decide the appropriate form to file. These returns are filed online. The returns are due four and one-half months after the end of the fiscal year, which would be November 15th for Clubs with a June 30th fiscal year end. Extensions to file may be obtained.

4. Each year the Foundation (if the Club has one) needs to file California Franchise Tax Board Form 199 or some version thereof including post cards for Clubs with limited income and assets. Your Club’s Tax preparer will decide the appropriate form to file. These returns are filed online. The returns are due four and one-half months after the end of the fiscal year, which would be November 15th for Clubs with a June 30th fiscal year end. Extensions to file are automatic.

**GRANT ELIGIBILITY REQUIREMENTS FOR DISTRICT 5150**

To meet the District 5150 Grant Eligibility requirements, the Club shall meet the following requirements. The District will not approve a new District and/or Global Grant or allow allocation of the Club’s DDF to any other Global Grant until the following have been met:

1. All District Grant Reports and/or Global Grant reports have been submitted within required timeframes.

2. Rotary International Dues and District 5150 Dues are not overdue.

3. The Club needs to provide District 5150 Stewardship Committee Chair, Richard Chinn at D5150Stewardship@gmail.com, the following items before December 31st:
a. Proof of electronic filing the form 990 or appropriate version for the Club with the Internal Revenue Service for the prior fiscal year end June 30th. If the return has not been filed by that date, then proof of electronic filing of an extension of the return’s due date must be provided.

b. Proof of electronic filing the form 199 or appropriate version for the Club with the California Franchise Tax Board for the prior fiscal year end June 30th. If the return has not been filed by that date, provide a statement that the return will be filed within the automatic extension period.

QUESTIONS AND ASSISTANCE:

If you have any questions about these requirements or need assistance, please contact the District 5150 Grants Subcommittee Chair Cyndy Simms at grantschair5150@gmail.com.
<table>
<thead>
<tr>
<th><strong>District Governor Laine Hendricks</strong></th>
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<tr>
<td>▶ Assists Clubs' understanding of District and Global Grants; promotes Clubs to utilize DDF by applying for District and/or Global Grants; encourages Clubs to increase donations to The Rotary Foundation, especially the Annual Fund; requires Clubs to enter Annual Fund goal in Rotary Club Central. Assists AGs and Chief in providing assistance to Clubs; approves Grants policies and procedures for District 5150.</td>
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<thead>
<tr>
<th><strong>District Rotary Foundation Committee Chair - Jayne Hulbert</strong></th>
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<tbody>
<tr>
<td>▶ Oversees administration of District and Global Grants in District 5150 including Club Qualification; Grants policies and procedures; distribution of DDF; Stewardship and reporting. Other responsibilities include oversight of Rotary Peace Center Fellowship; Global Scholar programs; Polio Plus; fundraising, etc.</td>
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<thead>
<tr>
<th><strong>District 5150 Grants Subcommittee</strong></th>
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<tbody>
<tr>
<td>▶ Recommends Grants policies and procedures for District 5150 to DGE for approval; ensures compliance with TRF requirements; determines Club Qualification eligibility status</td>
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<thead>
<tr>
<th><strong>Grants Subcommittee Chair - Cyndy Simms</strong></th>
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<tr>
<td>▶ Administers the District 5150 District and Global Grants program including determination of DDF allocation to Clubs; determines Club Qualification; recommends District 5150 Grants policies and procedures to District 5150 Grants Subcommittee.</td>
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<thead>
<tr>
<th><strong>District Grant Coordinator - Joe Teresi</strong></th>
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<tr>
<td>▶ Assists Club with the preparation of District Grant Applications; determines eligibility of proposed District Grant Applications; reviews and approves required District Grant Reports.</td>
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<tr>
<th><strong>Global Grant Coordinator – Keith Axtell</strong></th>
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<tbody>
<tr>
<td>▶ Assists Clubs with the preparation of Global Grant Applications; confirms available District 5150 DDF with Grants Subcommittee Chair</td>
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<tr>
<th><strong>Stewardship Subcommittee Chair - Richard &quot;Rick&quot; Chinn</strong></th>
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<tbody>
<tr>
<td>▶ Assists Clubs to ensure that required reports on Global Grants are submitted to the TRF Grants Center in a timely manner; reports potential late reports to Grants Subcommittee Chair and DRFCC; seeks to resolve late reports with Clubs.</td>
<td></td>
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<tr>
<td>▶ Maintains Club Qualification Report.</td>
<td></td>
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<tr>
<td>▶ Receives Club Qualification information and reviews documents from Clubs for acceptability.</td>
<td></td>
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<tr>
<td>▶ Works with PE and Assistant Governor to resolve discrepancies.</td>
<td></td>
</tr>
<tr>
<td>▶ Raises issues that need to be resolved to the DRFCC and Grants Subcommittee Chair.</td>
<td></td>
</tr>
<tr>
<td>▶ Distributes Club Qualification Report routinely to DGE, Chief of Staff, DRFCC, Grants Subcommittee Chair, District Grants Coordinator, Global Grants Coordinator, AGs.</td>
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</tbody>
</table>
Assistant Governor and Chief of Staff

- Understands the Club Qualification requirements sufficiently to explain to Clubs.
- Coordinates with assigned Clubs; is main point of communication regarding Club qualification requirements.
- Identifies names of PE and the other Club member who will attend required District 5150 Grants Management Training.
-Ensures each requirement is properly addressed prior to the deadline.
- Works with PE and Stewardship Subcommittee Chair to resolve any deficiencies.
- Distributes Club Qualification Report to PEs.
DISTRICT 5150 GRANTS POLICIES AND PROCEDURES

2023 – 2024 TRAINING OPPORTUNITIES

There are multiple opportunities to enhance your knowledge of The Rotary Foundation’s Grants. The following courses are available.

<table>
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<tr>
<th>DATES</th>
<th>NAME OF COURSE</th>
<th>LOCATION</th>
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<tr>
<td>November 5, 2022</td>
<td>District 5150 Global Grant Training</td>
<td>Training will be on Zoom. Open to all Rotarians.</td>
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<td>9:00 a.m. to Noon</td>
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<tr>
<td>February 11, 2023</td>
<td>District 5150 Grants Management Training</td>
<td>Training will be in person at Rotary Terrace and on Zoom. The Club President Elect and one other are required to attend one of these courses. Open to all Rotarians.</td>
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<td>and March 11, 2023</td>
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<tr>
<td>April 15, 2023</td>
<td>District 5150 District Grant Training</td>
<td>Training will be in person at Rotary Terrace and on Zoom. Open to all Rotarians.</td>
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<td>9:00 a.m. to Noon</td>
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Rotary International’s Learning Center provides online training in a variety of areas. These courses are open to all Rotarians. Log into your My Rotary account to take these courses.

| Ongoing                | Rotary Foundation Basics                     | Online at The Learning Center                                           |
|                       |                                              | 45 minutes                                                               |

| Ongoing                | Grant Management Seminar                     | Online at The Learning Center                                           |
|                       | This Seminar includes the following courses: | 3 hours 10 minutes total                                                 |
|                       | • Grant Management Overview – 10 minutes     |                                                                           |
|                       | • Planning for Sustainability – 15 minutes   |                                                                           |
|                       | • Conducting a Community Assessment – 15 minutes |                                                                   |
|                       | • Project Planning – 15 minutes              |                                                                           |
|                       | • Scholarships – 15 minutes                  |                                                                           |
|                       | • Roles and Responsibilities – 10 minutes    |                                                                           |
|                       | • Financial Management – 15 minutes          |                                                                           |
|                       | • Reporting – 45 minutes                     |                                                                           |
|                       | • Protecting Youth Program Participants – 30 minutes |                                      |
|                       | • Club Qualification – 15 minutes            |                                                                           |
THE ROTARY FOUNDATION
GRANTS DOCUMENTS

THE ROTARY FOUNDATION CLUB MEMORANDUM OF UNDERSTANDING (MOU) (July 1, 2022)

CLUB QUALIFICATION MOU FREQUENTLY ASKED QUESTIONS (October 2021)

TERMS AND CONDITIONS FOR ROTARY FOUNDATION DISTRICT GRANTS (April 1, 2022)

TERMS AND CONDITIONS FOR ROTARY FOUNDATION GLOBAL GRANTS (April 1, 2022)
1. Club Qualification

To participate in Rotary Foundation grants, the club must agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU) provided by The Rotary Foundation (TRF) and to send at least one club member to the district’s grant management seminar each year. The district may also establish additional requirements for club qualification and/or require its clubs to be qualified in order to participate in district grants. By completing these requirements, the club becomes qualified and eligible to participate in Rotary grants.

A. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year.
B. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable TRF policies.
C. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.
D. Qualification may be suspended or revoked for misuse or mismanagement of grant funds involving, but not limited to: fraud; forgery; membership falsification; gross negligence; endangerment of health, welfare, or safety of beneficiaries; ineligible contributions; use of funds for personal gain; undisclosed conflicts of interest; monopolization of grant funds by individuals; report falsification; overpricing; acceptance of payments from beneficiaries; illegal activities; use of grant funds for ineligible purposes.
E. The club must cooperate with any financial, grant, or operational audits.

2. Club Officer Responsibilities

The club officers hold primary responsibility for club qualification and the proper implementation of TRF grants.

Club officer responsibilities include:
A. Appointing at least one club member to implement, manage, and maintain club qualification
B. Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices
C. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest
3. **Financial Management Plan**
   The club must have a written financial management plan to provide consistent administration of grant funds.

   The financial management plan must include procedures to:
   
   A. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds
   B. Disburse grant funds, as appropriate
   C. Maintain segregation of duties for handling funds
   D. Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities
   E. Ensure that all grant activities, including the conversion of funds, comply with local law

4. **Bank Account Requirements**
   In order to receive grant funds, the club must have a dedicated bank account that is used solely for receiving and disbursing TRF grant funds.

   A. The club bank account must:
      1. Have a minimum of two Rotary member signatories from the club for disbursements
      2. Be a low- or noninterest-bearing account
   B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
   C. A separate account should be opened for each club-sponsored grant, and the name of the account should clearly identify its use for grant funds.
   D. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
   E. Bank statements must be available to support receipt and use of TRF grant funds.
   F. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories.

5. **Report on Use of Grant Funds**
   The club must adhere to all TRF reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs TRF of the grant’s progress and how funds are spent.

6. **Document Retention**
   The club must establish and maintain appropriate recordkeeping systems to preserve important documents related to qualification and 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 copy of the signed club MOU
      3. Documented plans and procedures, including:
         a. Financial management plan
         b. Procedure for storing documents and archives
         c. Succession plan for bank account signatories and retention of information and documentation
      4. Information related to grants, including receipts and invoices for all purchases
   B. Club records must be accessible and available to Rotary members in the club and at the request of the district
   C. Documents must be maintained for a minimum of five years, or longer if required by local law

7. **Reporting Misuse of Grant Funds**
   The club must report any potential and real misuse or mismanagement of grant funds to the district. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.
Authorization and Agreement
This memorandum of understanding is an agreement between the club and the district and acknowledges that the club will undertake measures to ensure the proper implementation of grant activities and proper management of TRF grant funds. By authorizing this document, the club agrees to comply with all of the conditions and requirements of the MOU.

On behalf of the Rotary/Rotaract Club of ____________________________, the undersigned agree to comply with all of the conditions and requirements of the MOU for Rotary year ______________ and will notify Rotary International District __________ of any changes or revisions to club policies and procedures related to these requirements.

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Every year, Rotary and Rotaract clubs serve communities around the world through thoughtfully planned, sustainable projects. The Rotary Foundation grant funds that help pay for many of these projects are regulated through club qualification. Get answers to the most common questions about club qualification here.

Why must our club be qualified to apply for Rotary Foundation grants?

The qualification process ensures that your club has the financial and stewardship controls it needs to manage grant funds properly. Strong stewardship is crucial because it protects The Rotary Foundation’s integrity and gives our donors confidence that their contributions are used for its intended purpose. Any club that wishes to be the primary sponsor of a global grant must be qualified. Districts may also choose to require that their clubs be qualified in order to receive district grant funds.

How can our club become qualified?

To become qualified, a club must have its leaders review and authorize the club memorandum of understanding (MOU), and at least one of its members has to participate in a grant management seminar organized by the district. Each district may add other requirements for qualification. Clubs must complete these steps each year to maintain their qualified status.

Who signs the club MOU?

The club MOU for each Rotary year is signed by your club’s president and president-elect for that Rotary year. For example, the club MOU for 2022-23 is signed by the president for 2022-23 and the president for 2023-24.

When should the grant management seminar take place?

The district may choose another time and location, but the Foundation recommends holding the training in conjunction with the presidents-elect training seminar (PETS), the district assembly, or the district conference, and districts need to be qualified before they hold the seminar for clubs. We also recommend that districts offer several seminars — for example, one at PETS and another at the district assembly — with makeup training sessions offered throughout the year. Alternatively, the Grant Management Seminar course is offered online through the Learning Center. It can be taken at any time and the course consists of nine learning modules.

Can the grant management seminar be conducted by webinar or in another virtual form?

Yes, trainers may now hold this seminar as a series of webinars. The Grant Management Seminar Leader’s Guide includes webinar instructions, and the Learning Center offers more information on how to organize and conduct a
webinar. Districts may also allow club leaders to take some or all of the courses in the Learning Center’s Grant Management Seminar learning plan to learn most of what they need to know, and then hold a meeting online or in person to cover any additional district requirements or other information.

If a district doesn’t hold a grant management seminar in time, can that affect clubs’ qualification status?

Yes, because a club can be qualified only after at least one of its members participates in the grant management seminar. Remember that clubs can also participate in the Grant Management Seminar course at any time in order to be qualified.

Can a club member attend training in another district?

Yes, with district permission, clubs may be trained by another district or at a multidistrict event. Districts that allow their clubs to participate in another district’s seminar or a multidistrict seminar need to inform those clubs about any qualification requirements that are specific to the district. And they are ultimately responsible for ensuring that the clubs receive appropriate training, regardless of who leads it.

Who attends the grant management seminar?

At least one member from each club that seeks qualification must participate in the seminar, and we recommend that it be the president-elect, another officer, or a member who is involved in managing the club’s grants. The district decides how many other members to invite. It should encourage all club members who are interested in Rotary Foundation grants to be trained, if possible.

Can my district add its own requirements for club qualification?

Yes, districts may add their own requirements for club qualification to the Foundation’s requirements. Any district requirements should be detailed in an addendum to the club MOU.

What additional requirements can a district have?

Each district should take local laws (for example, those that are related to stewardship standards) and district-specific circumstances into consideration when it develops its qualification requirements. Here are some other things to remember:

- Club qualification should be attainable for all clubs that want to participate in global grants, so districts should be careful not to overregulate clubs.
- The requirements should be the same for all clubs in the district.
- Qualification requirements should not be designed to exclude any clubs. Your district’s qualified status could be jeopardized if it adds requirements that are intended to prevent any clubs from becoming qualified.
How should my district handle requests for district grant funds from clubs that have not been qualified?

Your district can decide whether to give district grant funds to unqualified clubs. The district is responsible for the use of any grant funds it distributes to unqualified clubs. Unqualified clubs that fail to abide by all applicable Foundation policies, including the terms and conditions for district grants, may jeopardize the district’s qualification status.

Who is responsible for qualifying clubs?

A district’s governor, governor-elect, Rotary Foundation chair, and stewardship subcommittee oversee the qualification of clubs. Your district Rotary Foundation chair confirms clubs’ qualified status and responds to related inquiries from the Foundation.

Your district must keep signed club MOUs and the list of training attendees in its archives. These items need not be submitted to the Foundation.

My club is qualified for this Rotary year, and we got a global grant approved this year! We’ll receive only some of the grant funding this year, and more will be paid next year. Is the club required to get qualified again for next year?

Yes, your club needs to be qualified for each year it receives grant funding.
TERMS AND CONDITIONS FOR ROTARY FOUNDATION DISTRICT GRANTS

District grants fund small-scale, short-term activities that address needs in your community and communities around the world. These activities align with The Rotary Foundation’s mission to help Rotary members advance world understanding, goodwill, and peace by improving health, providing quality education, improving the environment, and alleviating poverty. Districts decide which activities they want to support with district grants.

The Rotary Foundation may modify these terms and conditions at any time to clarify them or to reflect policy changes. Changes made as of January 2022 include:

- Addition of information about Rotary’s youth protection policies (see section I, Eligible Activities)
- Clarification that receipts must be provided for all expenses for grants paid to Argentina and Brazil (see section 8, Reporting Requirements)
- An explanation that interest earned on grant funds must be sent to The Rotary Foundation (see section 9, Canceled Grants)
- Clarification about Rotary’s Conflict of Interest Policy for Grants (see section 12, Conflict of Interest Policy for Grants)

You can find additional updates and resources, including the Terms and Conditions for Rotary Foundation Global Grants, at rotary.org/grants.

1. ELIGIBLE ACTIVITIES

Activities that are eligible for district grant funding:

A. Align with The Rotary Foundation’s mission

B. Include:

1. Local or international service projects and related travel
2. Scholarships for any educational level
3. Vocational training teams (groups of professionals who teach others about a particular field or learn more about their own) and related travel
4. Scholar and vocational training team orientation
5. Grant management seminars
6. Rotary members’ participation in, and travel to and from, Rotary project fairs, to help clubs and
7. **Rotary Youth Exchange, RYLA, Rotary Friendship Exchange, Rotaract, Interact, and New Generations Service Exchange** programs

8. Community assessments

9. Construction and renovation

10. Microcredit activities when working with a registered microfinance institution that has operated for at least three years to administer loan programs

C. Involve active participation by Rotary members

D. Cause no harm and comply with the laws of both the United States and the country where the grant will be carried out. (If you plan to sponsor projects in or travel to countries sanctioned by the U.S. Treasury Department’s Office of Foreign Assets Control, you will be asked to supply more information.)

E. Protect the safety and well-being of all minors who participate, and comply with Rotary International’s youth protection policies

F. Are reviewed and approved by the Foundation before they are implemented. If changes to the spending plan are necessary after a grant has been approved, you must submit a request through the district grant report section in the Grant Center.

G. Demonstrate sensitivity to the traditions and culture of the area where a project will be carried out

H. Follow the Conflict of Interest Policy for Program Participants as outlined in section 30.040. of The Rotary Foundation Code of Policies and summarized in section 12, Conflict of Interest Policy for Grants

I. Adhere to Rotary’s policies for the use of the name “Rotary” and Rotary logos, emblems, and graphics, as outlined in sections 34.040.6. and 34.040.11. of the Rotary Code of Policies

J. Include signage on or near project sites that identify the grant sponsors and The Rotary Foundation, as outlined in section 40.010.2. of The Rotary Foundation Code of Policies and in accordance with Rotary’s brand guidelines, which can be found in the Brand Center

K. Adhere to Rotary’s Privacy Statement for Personal Data, outlined in section 26.080. of the Rotary Code of Policies

**2. INELIGIBLE ACTIVITIES AND EXPENDITURES**

District grant-funded activities may not:

A. Discriminate against any group

B. Promote a particular political or religious viewpoint

C. Perform purely religious functions

D. Provide continuous or excessive support of any one beneficiary, entity, or community

E. Establish a foundation, permanent trust, or long-term interest-bearing account

F. Create financial liability for The Rotary Foundation or Rotary International that is greater than the grant funding

G. Include fundraising activities
H. Transport vaccines over national borders without prior approval of government and regulatory authorities in the originating and recipient countries

I. Require anyone to work without pay. (Projects should strive to uphold labor rights and fair wage practices; if beneficiaries are required to volunteer on the project, their explicit consent is required.)

J. Require work by anyone below the country’s legal working age or, if the law doesn’t specify, anyone under age 16

District grant funds may not be used to pay for:

K. Expenses that are incurred, or activities that are in progress or already completed, before the grant is approved

L. Contributions to The Rotary Foundation, PolioPlus, or another Foundation grant

M. Purchases of land or buildings

N. Weapons or ammunition

O. Expenses related to Rotary events such as district conferences, conventions, institutes, anniversary celebrations, entertainment events, or project ceremonies

P. Public relations initiatives, unless they are essential to completing the project

Q. Project signage that costs more than $1,000

R. The operating, administrative, or indirect program expenses of another organization

S. Unrestricted cash donations to a beneficiary or cooperating organization

T. COVID-19 vaccines

U. Immunizations that administer only the polio vaccine

V. Travel to National Immunization Days

W. Abortions or procedures that are undertaken solely for sex determination

X. Study at a university that hosts a Rotary Peace Center in the same or a similar academic program as Rotary Peace Fellows

Y. Loan guarantee systems

3. APPLICATION REQUIREMENTS

A. Apply online in the Grant Center by 15 May of the Rotary year for which the funds are requested.

B. Submit only one application per district per Rotary year.

C. Include a detailed spending plan in your application. Each line item should specify who is benefitting, what is being done, and what will be paid for using grant funds.

D. Establish a grant committee that includes the district governor of the implementation year, the district Rotary Foundation chair, and the district grants subcommittee chair. These three committee members are responsible for authorizing and submitting the district grant application.

E. Qualify the district applying for the grant.
F. All parties involved in the grant must be in good standing with Rotary International and The Rotary Foundation.

G. Limit each district to 10 open grants at a time (including global grants for which the district is the primary sponsor).

H. Ensure that all project names comply with Rotary’s policies for use of its logos, emblems, and graphics (see section I, Eligible Activities).

I. Request any needed increases in the grant amount before the Foundation has paid any portion of the grant. The grant award cannot be changed after the grant is paid.

J. Plan for contingencies. Your district may allocate up to 20% of its district grant funds for contingencies that may arise during the year, but all activities you add to the grant after it has been approved need to be approved by the Foundation before you can spend the money. Include the contingency fund in your spending plan and itemize contingency expenses in your final report.

K. Include administrative costs. Districts may allocate up to 3% of the grant amount for grant-related administrative expenses, such as bank fees, postage, software, and an independent financial assessment.

4. COOPERATING ORGANIZATIONS

A. Cooperating organizations are reputable non-Rotary organizations or academic institutions that provide expertise, infrastructure, advocacy, training, education, or other grant support. Universities that host scholars are not considered cooperating organizations.

B. Cooperating organizations must comply with all of the Foundation’s reporting and auditing requirements, including by providing receipts and required proof of purchases.

C. Make sure that all funding that is provided to cooperating organizations is used for specific project expenses and that the district keeps an itemized record of these expenses.

5. TRAVEL POLICIES

A. Anyone whose travel is paid for by grant funds should make their own travel arrangements. Rotary International Travel Service (RITS) can help.

B. District grants can cover the following budgeted expenses related to international travel:

1. Economy-class airplane tickets
2. Transportation to and from airports and local travel related to implementing the grant
3. The cost of inoculations or immunizations, visas, and entry and exit taxes
4. Normal and reasonable luggage charges
5. Travel insurance

C. District grants do not cover:

1. Expenses associated with optional stopovers before or after travel that has been approved
2. Penalties that result from changes in personal travel arrangements, including optional stopovers
3. Charges for excess baggage or shipping travelers’ baggage or other personal belongings
D. The club or district that sponsors the grant should keep up-to-date emergency contact information and travel itineraries for anyone who travels on grant funds. Be ready to share this information with the Foundation when asked to do so.

E. Travelers are responsible for:
   1. Making travel arrangements promptly to avoid increasing the costs of travel
   2. Any expenses that exceed the approved travel budget
   3. Meeting medical requirements for international travel
   4. Abiding by Rotary International travel restrictions for particular countries (see item G below)
   5. Obtaining travel insurance
   6. Arranging and paying for any personal travel

F. Each health care professional who provides services as part of the grant-funded activities is expected to have at least $500,000 in professional liability insurance coverage, known as errors and omissions liability. The participant obtains and pays for this coverage.

G. Rotary International works with a global security advisory firm to maintain a travel ban list. Because of safety concerns, the Foundation does not fund travel to these countries. If a country is added to the list while grant-funded travelers are in it, arrangements will be made for their immediate evacuation. Refusal to comply with these travel restrictions or evacuation orders will result in the Foundation canceling the grant and requiring the return of any funds that have already been disbursed. The Foundation cannot fund any grant project that involves international travel to a country on the list, even if the cost of travel is not part of the project budget.

6. HOW GRANTS ARE FUNDED
   A. The Rotary Foundation funds district grants solely from District Designated Fund (DDF) allocations.
   B. A district may use up to 50% of its SHARE allocation to fund one grant per Rotary year.

7. PAYMENTS
   A. Grant funds will be paid only to the district or district foundation bank account that is listed in the grant application.
   B. District grant funds can’t be released until the district grant from the previous Rotary year is closed.
   C. District grants are paid at the Rotary International exchange rate at the time of payment.
   D. Funds are not available after the close of the implementation year, meaning that if sponsors don’t meet all payment requirements by 31 May of the implementation year, the grant will be canceled.

8. REPORTING REQUIREMENTS
   A. Grant recipients report to the Foundation on how grant funds are used.
   B. Reports are submitted through the Grant Center. Only complete forms will be accepted.
C. The Foundation won’t approve new grant applications from any grant sponsor that has an overdue report for any Foundation grant.

D. The Foundation may, at any time, review grants, conduct audits, send monitors, require additional documentation, or suspend any or all payments.

E. Districts are required to report the use of grant funds to their member clubs according to the terms of their qualification.

F. Grant sponsors are required to keep copies of all receipts and bank statements related to spending of grant funds, according to the terms of their qualification and applicable laws.

G. Grant sponsors that don’t adhere to Foundation policies and guidelines in implementing and financing grant projects will be required to return all grant funds and may be barred from receiving other grants for up to five years.

H. Final reports that document the disbursement of funds must be submitted to the Foundation within 12 months after sponsors receive the payment, or within two months of the last grant money being disbursed. For grants paid to Argentina and Brazil, receipts for all expenses must be submitted with reports.

I. All activities funded by district grants need to be completed within 24 months after the district transfers funds to the club or direct beneficiary.

J. If more than $1,000 of grant funds remain after all grant activities are completed, the Foundation needs to approve their use for additional eligible activities. If you cannot spend these funds as approved, you must return them to The Rotary Foundation, and they will be credited to the district’s DDF.

K. If $1,000 or less of grant funds remain after all grant activities are completed, they may be used for activities that meet the district grant eligibility requirements without preapproval from the Foundation. Remaining grant funds in any amount may not be spent on expenses that are not related to the district grant.

L. Grant funds of $1,000 or less that are returned to the Foundation will be credited to the World Fund.

M. The following countries have their own requirements for returning funds:
   1. Argentina: Any unused grant funds of more than ARS10 must be returned.
   2. Brazil: Any unused grant funds of more than BRL100 must be returned.
   3. India: Any unused grant funds of more than INR10,000 must be returned.

9. CANCELED GRANTS

A. If a grant has been approved but not paid, all funds will be returned to the district’s DDF balance.

B. If a grant has been approved and paid, all grant funds must be returned to the Foundation and will be returned to the district’s DDF balance.

C. Any interest earned on grant funds must be sent to the Foundation.

10. SPECIAL CONSIDERATIONS FOR INDIA

A. In addition to all the other terms and conditions, grants that are paid in full or in part to a club or district in India must follow the payment and reporting procedures below to comply with Government of India laws.
and the Foreign Contribution Regulation Act (FCRA) read with Foreign Contribution Regulation Amendment Act 2020.

B. For general information about the FCRA, go to fcronline.nic.in. An FCRA-registered club or district is responsible for furnishing an FC-4 return along with the financial statements to the Ministry of Home Affairs, New Delhi, in a timely manner.

C. All grant payments will be remitted to bank accounts especially opened to receive funds in INR or to a club-controlled FCRA account. Grant funds will not be released to a bank account in India unless all general payment conditions listed below have been met. Either the staff need to determine that enough funds are available from contributions made within India or the sponsors need to provide documentation showing that the bank account is registered under the FCRA. Otherwise, the payment will be placed in a queue and paid on a first-come, first-served basis only when more contributions (within India) are made and enough funds are available. Grant sponsors need to ensure that funds received in a FCRA-registered bank account are not commingled with local funds. Funds won’t be released until all sponsor contributions have been submitted to The Rotary Foundation and any payment contingencies have been met. Grant funds will be paid to the account provided by the grant sponsors.

D. Progress reports on grant funds paid from Rotary Foundation (India) or from Rotary International South Asia office through 31 March are due by 31 May of the same year. Final reports are due two months after the grant’s completion. All progress reports need to meet all general reporting requirements as listed in section 8, Reporting Requirements. In addition, the grant sponsors need to:

1. Submit a progress report electronically in the Grant Center
2. Inform the South Asia office that the progress report has been filed
3. Upload the utilization certificate if grant funds have been used, along with a statement of receipt and payment for the grant amount, certified by an independent chartered accountant (including that person’s membership number); the utilization certificate must say whether it was Rotary Foundation (India) or Rotary International South Asia office that paid the grant funds
4. Upload the bank statement or passbook (or a photocopy certified by the bank manager or a chartered accountant)
5. Upload all bills, invoices, and receipts in the Grant Center

E. If for any reason the grant funds were not used, include an original bank statement or bank passbook (or a photocopy certified by the bank manager or a chartered accountant) indicating the date on which the grant amount was credited and a statement explaining why the grant amount has not yet been used, even if it was received before March.

F. Final reports need to meet all general reporting requirements listed in section 8, Reporting Requirements. In addition, the grant sponsors need to:

1. Submit a final report electronically in the Grant Center
2. Inform the South Asia office that the final report has been submitted
3. Upload the utilization certificate if grant funds have been used, along with a statement of receipt and payment for the grant amount, certified by an independent chartered accountant (including that person’s membership number); the utilization certificate must say whether it was Rotary Foundation (India) or Rotary International South Asia office that paid the grant funds
4. Upload the bank statement or bank passbook (or a photocopy certified by the bank manager or a
chartered accountant)

5. Submit a bank reconciliation statement, if multiple grants were paid to a single INR or FCRA account

6. Upload all bills, invoices, and receipts in the Grant Center

7. Upload the undertaking that “all originals will be kept for a period of eight years and will be produced as and when required by Rotary Foundation (India) or Rotary International South Asia Office” in the Grant Center

8. Return any unused grant funds of more than INR10,000 to the entity that paid the funds, Rotary Foundation (India) or Rotary International South Asia Office

9. Retain beneficiary information, including photographs, newspaper clippings, and letters of appreciation from the beneficiaries or beneficiary organization, because it may be requested by Rotary Foundation (India) or Rotary International South Asia Office

11. SPECIAL CONSIDERATIONS FOR THE PHILIPPINES

A. In addition to all the other terms and conditions, grants paid to a Rotary district in the Philippines require more documentation to comply with Philippine law.

B. The Securities and Exchange Commission of the Philippines requires foundations to include supporting documents for all projects for which they have provided funding when they file financial statements. More information can be found in Securities Regulation Code 68, as amended. So that The Rotary Foundation can comply, grant sponsors need to get certification from any of these people or organizations in the area where they have jurisdiction:

1. Office of the Mayor, stamped with an office seal
2. Head of the Department of Social Welfare and Development, stamped with an office seal
3. Head of the Department of Health, stamped with an office seal
4. Office of the Barangay Chairman, stamped with an office seal
5. Head or an officer of a private institution or actual beneficiaries, notarized

C. Please send five original certificates on each project to: Phil. Consulting Center Inc., c/o Erika Mae Bautista, 2D Penthouse, Salamin Bldg., 197 Salcedo St., Legaspi Village, Makati City 1229, Philippines.

D. You can get sample templates of the certification from the Rotary International South Pacific and Philippines office.

E. Certifications of projects that were paid for from July to May should be received by 30 June of the same fiscal year, and those paid in June should be received by 31 July.

12. CONFLICT OF INTEREST POLICY FOR GRANTS

A. Ensuring integrity in Rotary Foundation grants requires that everyone involved in Rotary grants avoid actual and perceived conflicts of interest.

B. A conflict of interest occurs when someone is in a position to make or influence a decision about a grant that could benefit them, their family, their business, or an entity in which they serve in a paid or voluntary leadership or advisory position.
C. All actual or perceived conflicts of interest must be disclosed to Rotary grants staff during the grant application process. If you’re uncertain whether a situation presents a conflict of interest, you should disclose it.

D. The Rotary grants staff or the Trustees will determine whether a conflict of interest exists in a particular case. If they conclude that there is or has been a conflict of interest in a grant, the Rotary grants staff will recommend to the Trustees an appropriate remedy to protect the integrity of the grant process. Remedies may include removing a Rotary member from a grant committee, declining a grant application, canceling an approved grant, and suspending a particular member, club, district, or cooperating organization from participating in Rotary grants.

E. Some people are not eligible for grants or to benefit from any Foundation grants. They include:

1. Current Rotarians

2. Employees of clubs, districts, other Rotary entities (as defined in section 1.040. of the Rotary Code of Policies), or Rotary International

3. The spouses; children or grandchildren by blood, legal adoption, or marriage without adoption; the spouses of those children or grandchildren, or parents or grandparents by blood of people listed above; and employees of agencies, organizations, or institutions that partner with Rotary International or the Foundation

4. Former Rotarians and people with the familial relationships to former Rotarians described above, for three years after their or their relative’s membership ends

F. Rotary members who serve on a club or district selection committee that is responsible for a grant-funded activity need to be completely transparent about their personal, family, or business relationships with any person or organization that would be affected by a potential Rotary grant. This includes, but is not limited to, any relationship with scholarship candidates, cooperating organizations, vendors, or other individuals or organizations that would benefit from the grant. Committee members need to notify the committee chair of any actual or perceived conflict of interest before the selection process begins, and the actual or potential conflict also needs to be disclosed in the grant application.

G. Before a Rotary district, club, or member conducts business related to a grant-funded activity that involves a vendor being paid by a Rotary entity, a fair, transparent, and thorough request for proposals or a bidding process needs to be conducted to ensure that the best services are secured at a reasonable cost. Possible conflicts of interest may arise when a Rotary entity is considering business in which funds will be paid to a member, a provider of goods or services that is owned or managed by a member, an honorary member, or the people listed above who are ineligible for Foundation grants.

H. All grant transactions need to be reviewed to confirm that there is no conflict of interest with vendors or payment recipients, including, among others, partner nongovernmental organizations, providers of goods or services, insurance companies, shipping companies, and educational institutions. Vendors with conflicts of interest may be used if the vendor provides the best product or service at fair market cost, as evidenced by a sales quote or an offer obtained through a fair, transparent, and thorough bidding process.

I. For more information on Rotary’s Conflict of Interest Policy, please see section 30.040. of The Rotary Foundation Code of Policies.
TERMS AND CONDITIONS FOR ROTARY FOUNDATION GLOBAL GRANTS

Global grants fund large international activities with sustainable, measurable outcomes in Rotary’s areas of focus: peacebuilding and conflict prevention; disease prevention and treatment; water, sanitation, and hygiene; maternal and child health; basic education and literacy; community economic development; and environment. Global grants can fund humanitarian service activities, scholarships for graduate-level academic studies, and vocational training teams (groups of professionals who travel abroad either to teach local professionals about a particular field or to learn more about their own).

The Rotary Foundation may modify these terms and conditions at any time to clarify them or to reflect policy changes. Changes made as of January 2022 include:

- Addition of information about Rotary’s youth protection policies (see section 1, Eligible Activities)
- Clarification that restrictions on construction also apply to additions to any structure (see section 2, Ineligible Activities and Expenditures)
- Addition of information about Rotaract participation in global grants (see section 3, Application Requirements)
- Clarification about who may submit cash contributions for global grants (see section 6, How Grants Are Funded)
- Clarification that receipts must be provided for all expenses for grants paid to Argentina and Brazil (see section 8, Reporting Requirements)
- An explanation that interest earned on grant funds must be sent to The Rotary Foundation (see section 9, Canceled Grants)
- Clarification about Rotary’s policies related to microcredit (see section 10, Microcredit)
- Clarification about Rotary’s Conflict of Interest Policy for Grants (see section 13, Conflict of Interest Policy for Grants)

You can find additional updates and resources, including the Terms and Conditions for Rotary Foundation District Grants, at rotary.org/grants.
1. ELIGIBLE ACTIVITIES

Activities that are eligible for global grant funding:

A. Align with The Rotary Foundation’s mission

B. Align with one or more of Rotary’s areas of focus and can include humanitarian projects, international scholarships to fund graduate-level coursework or research for one to four academic years, or vocational training teams that address a humanitarian need by providing or receiving professional training

C. Respond to the findings of a community assessment and are designed in collaboration with the host community

D. Are sustainable: The community where a project is carried out must be able to continue to address its needs after the grant funding is spent.

E. Are measurable: Sponsors select standard measures from the Global Grant Monitoring and Evaluation Plan Supplement and may add their own measurements.

F. Involve active participation by Rotary members

G. Are sponsored by one club or district in the country where the grant project will take place (the primary host sponsor) and one outside that country (the primary international sponsor); exceptions may be made for projects in countries where Rotary doesn’t have clubs but where the RI Board of Directors is actively pursuing extension

H. Benefit communities in countries and geographic areas where Rotary has clubs (see exceptions in item G)

I. Cause no harm and comply with the laws of both the United States and the country where the grant will be carried out. (If you plan to sponsor projects in or travel to countries sanctioned by the U.S. Treasury Department’s Office of Foreign Assets Control, you will be asked to supply more information.)

J. Protect the safety and well-being of all minors who participate and follow Rotary International’s youth protection policies

K. Are reviewed and approved by the Foundation before they are implemented

L. Demonstrate sensitivity to the traditions and culture of the area where a project will be carried out

M. Adhere to the Conflict of Interest Policy for Program Participants as outlined in section 30.040. of The Rotary Foundation Code of Policies and summarized in section 13, Conflict of Interest Policy for Grants

N. Adhere to Rotary’s policies for the use of the name “Rotary” and Rotary logos, emblems, and graphics, as outlined in sections 34.040.6. and 34.040.11. of the Rotary Code of Policies

O. Include signage on or near project sites that identify the grant sponsors and The Rotary Foundation, as outlined in section 40.010.2. of The Rotary Foundation Code of Policies and in accordance with Rotary’s brand guidelines, which can be found in the Brand Center

P. Adhere to Rotary’s Privacy Statement for Personal Data, outlined in section 26.080. of the Rotary Code of Policies

Q. May include the building of infrastructure, such as toilet blocks and sanitation systems, access roads, dams, bridges, storage units, fences and security systems, water or irrigation systems, or greenhouses. If your project will access groundwater, you need to complete a hydrogeological survey. The cost of the survey can be covered by the grant budget.

R. May involve international travel for up to two people as part of a humanitarian project to provide training
or implement the project if the host sponsor confirms that people who have the skills to do so aren’t readily available locally

2. INELIGIBLE ACTIVITIES AND EXPENDITURES

Global grant-funded activities may not:

A. Discriminate against any group
B. Promote a particular political or religious viewpoint
C. Perform purely religious functions
D. Provide continuous or excessive support of any one beneficiary, entity, or community
E. Establish a foundation, permanent trust, or long-term interest-bearing account. (Grant funds can be used to establish a microcredit fund if the sponsors comply with the requirements detailed in section 10, Microcredit.)
F. Create financial liability for The Rotary Foundation or Rotary International that is greater than the grant funding
G. Include fundraising activities
H. Transport vaccines over national borders without prior approval of appropriate government and regulatory authorities in the originating and recipient countries
I. Require anyone to work without pay. (Projects should strive to uphold labor rights and fair wage practices; if beneficiaries are required to volunteer on the project, their explicit consent is required.)
J. Require work by anyone below the country’s legal working age or, if the law doesn’t specify, anyone under age 16

Global grant funds may not be used to pay for:

K. Expenses that are incurred, or activities that are in progress or already completed, before the grant is approved
L. Contributions to The Rotary Foundation, PolioPlus, or another Foundation grant
M. Purchases of land or buildings
N. Weapons or ammunition
O. Expenses related to Rotary events such as district conferences, conventions, institutes, anniversary celebrations, entertainment events, or project ceremonies
P. Public relations initiatives, unless they are essential to completing the project
Q. Project signage that costs more than $1,000
R. The operating, administrative, or indirect program expenses of another organization, with the exception of expenses allowed within the project management allocation for global grants
S. Unrestricted cash donations to a beneficiary or cooperating organization
T. COVID-19 vaccines
U. Immunizations that administer only the polio vaccine

V. Travel to National Immunization Days

W. Abortions or procedures that are undertaken solely for sex determination

X. Study at a university that hosts a Rotary Peace Center in the same or similar academic program as Rotary Peace Fellows

Y. **Rotary Youth Exchange, RYLA, Rotary Friendship Exchange, Rotaract, Interact, or New Generations Service Exchange** programs

Z. International travel for anyone under age 18, unless they are accompanied by a parent or guardian

AA. New construction of, or additions to, any structure in which people live, work, or engage in any gainful activity, such as buildings (schools, homes, low-cost shelters, or hospitals), containers, and mobile homes. (If the project depends on the construction of such a structure, it must be paid for by funds other than global grant funds.)

BB. Completion of buildings that are partially constructed (including those with only the exterior built) but have never been occupied or operational

CC. Travel by staff members of a cooperating organization for a humanitarian project

DD. Activities primarily carried out by an organization other than Rotary

EE. Humanitarian projects that primarily focus on research or data collection

FF. Humanitarian projects whose only expenses are for travel

GG. Undergraduate studies, such as for a bachelor's degree

HH. Multiple unrelated projects under one grant

3. **APPLICATION REQUIREMENTS**

A. Apply online in the [Grant Center](#). Applications are accepted throughout the Rotary year and approved throughout the year, depending on the availability of funds.

B. Primary host and international sponsors must each establish a grant committee of three Rotary members. The members of this committee must come from the primary sponsor club (if the grant is club-sponsored) or district (if the grant is district-sponsored). Rotary International fiscal agents, national treasurers, and board members and paid staff of a cooperating or beneficiary organization associated with the grant may not serve on the committee.

C. Qualify the primary sponsor districts involved in the grant activity.

D. For club-sponsored grant applications, district Rotary Foundation chairs need to confirm that the primary sponsor clubs are qualified.

E. Rotaract clubs that apply for a global grant must have partnered previously with a Rotary club or district on a global grant-funded project. Districts are responsible for tracking previous Rotaract participation in grants. If one grant sponsor is a Rotaract club, the other needs to be a Rotary club or district.

F. All parties involved in the grant must be in good standing with Rotary International and The Rotary Foundation.
G. Ensure that the project’s name complies with Rotary’s policies for use of its logos, emblems, and graphics (see section I, Eligible Activities).

H. Limit each primary sponsor club or district to 10 open grants at a time.

I. Plan for contingencies. Sponsors may include a budget line item for contingencies that represents no more than 10% of the total budget, in order to offer protection from price increases or currency fluctuations.

J. Include administrative costs. Sponsors may allocate up to 10% of the project budget for project management costs, which may include a project manager and project-specific overhead and administrative costs for cooperating organizations.

K. Measure outcomes. Sponsors may allocate up to 10% of the project budget for measuring project outcomes.

L. Nonmembers who receive grant funding for scholarships, participation in vocational training teams, or travel to implement a humanitarian project are expected to:
   1. Participate in an orientation session before their departure (either online or in person)
   2. Take part in club and district activities as requested by their sponsors, such as speaking at club or district meetings and participating in service projects

M. Scholars and vocational training team members submit individual applications to supplement the overall grant application. Grant sponsors should ensure that scholar and vocational training team applicants understand that the Foundation must approve their applications before they incur any expenses or make travel arrangements.

N. Guidelines for scholarship applicants:
   1. Applicants must provide proof of university admission to a graduate-level program or a letter of invitation to conduct postgraduate-level research when they apply for the grant. Admission that requires a guarantee of financial support is acceptable.
   2. Applicants must study outside their home country.
   3. Applicants who would begin studies in August, September, or October must apply by 30 June.
   4. The scholar’s study period may begin at any point during the course of their studies, but funding can be for no less than one academic year.

O. Guidelines for vocational training teams:
   1. A vocational training team comprises at least three members, including a team leader who is a Rotary member. Each team member must have at least two years of work experience in the area of focus. The team leader needs to have general knowledge about Rotary, international experience, leadership skills, and some expertise within the area of focus. Nonmembers may serve as team leaders if the sponsors demonstrate the need for this in the grant application.
   2. Rotary members and their family members may participate in a vocational training team as long as the team is providing training, not receiving training, and the family members meet eligibility requirements.
   3. If more than one team travels under a single grant, the teams must share the same two primary sponsors and begin travel within one year of each other.
   4. All team members must be approved by the Foundation before travel. Any changes to the team’s composition must be reported to and approved by the Foundation.
P. Applications that involve travel by scholars, vocational training teams, or other volunteers must be submitted 90 days before the travel begins.

Q. If a grant application is not submitted within 12 months after it is started, it will be canceled.

R. If a grant application isn’t completed and approved within six months after it is submitted, it will be canceled.

S. Global grant applications have the following assessments:

1. Requests for World Fund amounts up to $50,000, known as Level 1 applications, are reviewed by the general secretary and analyzed by an expert in the area of focus if necessary.

2. Requests for World Fund amounts of $50,001-$200,000, or total funding of $100,001-$400,000 that involves directed gifts or endowment earnings, known as Level 2 applications, are reviewed by the general secretary and analyzed by an expert in the area of focus, and the project will have an interim site visit from The Rotary Foundation Cadre of Technical Advisers.

3. Requests for a World Fund amount of $200,001-$400,000, or total funding of $400,001 or more that involves directed gifts or endowment earnings, known as Level 3 applications, are reviewed by the general secretary and the Trustees and analyzed by an expert in the area of focus, and the project will have an advance site visit and an audit or interim site visit by the Cadre. The Trustees review global grant applications as follows:

<table>
<thead>
<tr>
<th>Application Received</th>
<th>Trustee Review</th>
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<tr>
<td>1 March..................                    June</td>
<td></td>
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<tr>
<td>1 June                        September or October</td>
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<td>1 October                      January</td>
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<td>1 December                   April</td>
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4. An area of focus expert, working with the Cadre chair, can waive or add requirements.

5. Grants for only a vocational training team or scholarship are exempt from Cadre review requirements.

4. COOPERATING ORGANIZATIONS

A. Cooperating organizations are reputable non-Rotary organizations or academic institutions that provide expertise, infrastructure, advocacy, training, education, or other grant support. Universities that host scholars are not considered cooperating organizations.

B. Cooperating organizations must comply with all of the Foundation’s reporting and auditing requirements, including by providing required receipts and proof of purchases.

C. Sponsors must provide a memorandum of understanding (MOU) that is signed by both primary sponsors and the cooperating organization with the grant application. It should include:

1. Verification by both primary sponsors that the grant is initiated, controlled, and managed by Rotary members

2. An endorsement by the primary sponsors that affirms that the cooperating organization is reputable and responsible and follows all applicable laws

3. A grant implementation plan that clearly lists the responsibilities of each party
4. An agreement by the cooperating organization to participate in any financial review by the Foundation of activities connected with the grant

5. TRAVEL POLICIES

A. Anyone whose travel is paid for by grant funds should make their own travel arrangements. Rotary International Travel Service (RITS) can help.

B. Global grants cover the following budgeted expenses related to international travel:
   1. Economy-class airplane tickets
   2. Transportation to and from airports and local travel related to implementing the grant
   3. The cost of inoculations or immunizations, visas, and entry and exit taxes
   4. Normal and reasonable baggage charges
   5. Travel insurance

C. Global grants do not cover:
   1. Expenses associated with optional stopovers before or after travel that has been approved
   2. Penalties that result from changes in personal travel arrangements, including optional stopovers
   3. Charges for excess baggage or shipping travelers’ baggage or other personal belongings

D. The grant sponsors should keep up-to-date emergency contact information and travel itineraries for anyone who travels on grant funds. Be ready to share this information with the Foundation when asked to do so.

E. Travelers are responsible for:
   1. Making travel arrangements promptly to avoid increasing the cost of travel; delays may result in the grant being canceled
   2. Any expenses that exceed the approved travel budget, unless changes are approved by the Foundation
   3. Meeting medical requirements for international travel
   4. Abiding by Rotary International travel restrictions for particular countries (see item G below)
   5. Obtaining travel insurance
   6. Arranging and paying for any personal travel; grant recipients may travel on their own for up to four weeks after the grant activities but are expected to return home after that

F. Each health care professional who provides services as part of the grant-funded activities is expected to have at least $500,000 in professional liability insurance coverage, known as errors and omissions liability. The participant obtains and pays for this coverage.

G. Rotary International works with a global security advisory firm to maintain a travel ban list. Because of safety concerns, the Foundation does not fund travel to these countries. If a country is added to the list while grant-funded travelers are in it, arrangements will be made for their immediate evacuation. Refusal to comply with these travel restrictions or evacuation requests will result in the Foundation canceling the grant and requiring the return of any funds that have already been disbursed. The Foundation cannot fund any grant project whose success relies on international travel to a country on the list, even if the cost of travel is not part of the project budget.
6. **HOW GRANTS ARE FUNDED**

A. Global grants are funded by their sponsors and a World Fund award of up to $400,000. The minimum global grant budget is $30,000.

B. Grant sponsors can use a combination of District Designated Funds (DDF), cash, and directed gifts and endowment earnings to fund a global grant.

C. The Foundation will provide an 80% World Fund match for all DDF contributions.

D. There is no minimum World Fund match.

E. Sponsors also have the option of financing global grants without a World Fund match by using any combination of cash, DDF, and directed gifts and endowment earnings to reach a minimum budget of $30,000.

F. Rotary members and nonmembers may contribute cash toward a global grant, but it will not be matched by the Foundation.

G. Cash contributions cannot come from a cooperating organization, a project supplier or vendor, or someone who benefits from the grant.

H. Both Rotary member and nonmember cash contributions sent directly to The Rotary Foundation must include an additional contribution of 5% to pay for processing and administrative expenses.

I. Funds should never be collected from beneficiaries.

J. At least 15% of contributions to global grants that fund humanitarian projects need to come from outside the project country. Host sponsors of humanitarian projects are also encouraged to contribute toward the financing of the grant.

K. Cash contributions to the Annual Fund may not be applied to a global grant.

L. Grant financing cannot be changed after it is approved.

M. Paul Harris Fellow recognition credit will be given only for sponsor contributions sent to The Rotary Foundation, not for contributions sent directly to the project.

N. Contributions shouldn’t be sent to the Foundation before a grant is approved. If the application isn’t approved, these contributions are credited to the Annual Fund-SHARE and can’t be reassigned or reallocated after that.

O. All global grant contributions are considered irrevocable contributions to The Rotary Foundation and will not be refunded. 

P. Scholars who receive funding from sources other than their Rotary scholarship may use them, but the Foundation will not match them.

Q. The Rotary Foundation is required to withhold tax on any expenses beyond tuition, books, necessary equipment, and fees from global grant scholarships awarded for study in the U.S. (except for scholars from Canada, Germany, or Japan, whose studies are funded through associate foundations in those countries). The amount withheld will be deducted from the scholarship payment.

7. **PAYMENTS**

A. Grant funds won’t be released until the grant sponsors have entered their bank account information in the Grant Center, sponsor contributions have been submitted to The Rotary Foundation, and any payment...
contingencies have been met.

B. Grant funds will be sent to the account listed in the Grant Center.

C. Project funds may not be paid to a vendor, cooperating organization, or beneficiary organization before project expenses have been incurred or services have been delivered.

D. Organizations being reimbursed for project expenses need to give the Rotary project sponsors copies of the original invoice or receipt before they’ll be paid.

E. The people who have signing authority for the bank account need to be members of the sponsor clubs or districts.

F. Grants will be paid at the Rotary International exchange rate at the time of payment.

G. Grants for which the World Fund award is $50,001-$400,000, or total funding is $100,001 or more that involves directed gifts or endowment earnings (Level 2 and 3), will be paid in installments according to a spending plan. Payments after the first installment will be made after the grant sponsors submit a satisfactory progress report and a Cadre representative conducts an interim site visit.

H. All grant-related transactions will be recorded using the current published monthly Rotary International exchange rate, and all grant-related transactions will be officially communicated in U.S. dollars.

I. For cash contributions sent to the Foundation, sponsors will be shielded from currency exchange fluctuations of more than 10% of the rate at the time it was approved.

J. The Foundation will not distribute to project sponsors currency gains of more than 10% of the rate at the time it was approved.

K. All cash contributions to global grants sent to the Foundation need to include an extra 5% to pay for processing and administrative costs. Paul Harris Fellow recognition points will be awarded on the full cash contribution, and charitable tax receipts will reflect that amount. The additional 5% is not required for contributions sent directly to a project’s bank account. Those contributions don’t generate Paul Harris Fellow recognition points and the Foundation won’t issue tax receipts for them.

L. All contributions to the Foundation that are above the amount pledged to the grant, or are sent to a grant after it has been paid, will be added to the World Fund.

M. If payment requirements aren’t met within six months of approval, the grant will be canceled (see section 9, Canceled Grants).

8. REPORTING REQUIREMENTS

A. Grant recipients report to the Foundation on how grant funds are used.

B. Progress and final reports are submitted through the Grant Center. Only complete forms are accepted.

C. Both the host sponsor and the international sponsor are required to complete, authorize, and submit global grant reports.

D. All activities you add to the grant after it has been approved need to be approved by the Foundation before you can spend the money. Sponsors need to report on the use of these funds or return them to the Foundation if they aren’t used.

E. The Foundation won’t approve new grant applications from grant sponsors that have any overdue reports
for any Foundation grant, with one exception: the international sponsor of a humanitarian global grant won’t be restricted from receiving new grants if a report is overdue and the international sponsor did not receive the funds.

F. The Foundation may, at any time, review grants, conduct audits, send monitors, require additional documentation, or suspend any or all payments.

G. Districts are required to report on the use of grant funds to their member clubs according to the terms of their qualification.

H. Grant sponsors are required to keep copies of all receipts and bank statements related to spending of grant funds, according to the terms of their qualification and applicable laws.

I. Grant sponsors that don’t adhere to Foundation policies and guidelines in implementing and financing grant projects will be required to return all grant funds and may be barred from receiving other grants for up to five years.

J. The first progress report must be submitted within 12 months of receiving the first grant payment. After that, progress reports are due within 12 months of the acceptance date of the previous report.

K. Final reports must be submitted within two months of completing the project.

L. If grant activities aren’t implemented within 12 months of payment, the grant will be canceled, and the sponsors will be required to return the funds.

M. If more than $1,000 of grant funds remain after a project is completed, the Foundation needs to approve their use for additional project-related expenses. If you cannot spend these funds as approved, you must return them to The Rotary Foundation, and the funds will be credited as follows:

1. If the full grant amount is returned, World Fund, DDF, endowed fund spendable earnings, directed gifts, and corporate social responsibility funds will be returned to their original sources. Cash and Foundation donor advised fund contributions will be credited to Annual Fund-SHARE. Non-Rotary cash contributions will be credited to the World Fund.

2. If a partial grant amount is returned, all funds will be credited to the World Fund.

N. If $1,000 or less of grant funds remain after a project is completed, they may be used for activities that meet the global grant eligibility requirements without preapproval from the Foundation. Remaining grant funds in any amount may not be spent on expenses that are not related to the global grant.

O. Grant funds of $1,000 or less that are returned to the Foundation will be credited to the World Fund.

P. The following countries have their own requirements for returning funds:

1. Argentina: Any unused grant funds of more than ARS10 must be returned.
2. Brazil: Any unused grant funds of more than BRL100 must be returned.
3. India: Any unused grant funds of more than INR10,000 must be returned.

Q. Acceptable reports include the following details about the project:

1. A description of how the project advanced the goals of the selected areas of focus
2. An account of how the project achieved the specific objectives outlined in the grant application, including the measures you set and the data you collected
3. An explanation of how the project’s results will be sustained over time
4. A description of how the host and international partners, as well as any cooperating organizations associated with the grant, participated in the project.

5. A detailed account of project spending and complete project account bank statements. The Foundation may also ask sponsors to submit receipts. Scholars and vocational training teams need to give their sponsors receipts for expenses of more than $75. For grants paid to Argentina and Brazil, receipts for all expenses must be submitted with reports.

R. The Foundation will close the grant when the project implementation is finished and the sponsors have shown that sustainability measures are in place to ensure that community members can continue the project.

9. CANCELED GRANTS

A. If a grant has not been approved, cash and Foundation donor advised fund contributions received for the grant will be credited to the Annual Fund-SHARE. Non-Rotary cash contributions will be credited to the World Fund.

B. If a grant has been approved but not paid, World Fund, DDF, endowed fund spendable earnings, directed gifts, and corporate social responsibility funds will be returned to their original sources. Cash and Foundation donor advised fund contributions will be credited to Annual Fund-SHARE. Non-Rotary cash contributions will be credited to the World Fund.

C. If a grant has been fully paid but all funds are returned, World Fund, DDF, endowed fund spendable earnings, directed gifts, and corporate social responsibility funds will be returned to their original sources. Cash and Foundation donor advised fund contributions will be credited to the Annual Fund-SHARE. Non-Rotary cash contributions will be credited to the World Fund.

D. If a grant has been fully paid but a partial amount is returned, all of those funds will be credited to the World Fund.

E. Any interest earned on grant funds must be sent to the Foundation.

10. MICRO CREDIT

A. The Rotary Foundation is committed to using microcredit projects to support small and medium-sized enterprises, family-based businesses, and local entrepreneurs.

B. Clubs and districts that apply for global grants need to work with registered microfinance institutions (MFIs) that have operated for at least three years to administer loan programs as a way to carry out sustainable development projects.

C. Microcredit activities need to be supervised and controlled by the sponsor clubs or districts.

D. Microcredit projects must be clearly identifiable as Rotary projects.

E. Loan capital allocated for microcredit must be lent at least twice, over at least 18 months (ideally, a loan cycle is 12 months).

F. The Foundation considers a microcredit grant project to be completed when the total amount of budgeted loan capital has been lent and repaid at least twice and all other project activities have been completed.

G. The annual interest rate that borrowers are charged must be the lesser of either 10 points less than the
national average in the host country or an annual interest rate of 36%.

H. Interest and fees generated by microcredit fund capital from Rotary Foundation grant funding may be used for administrative expenses that directly support the project. The remaining amount should be added into the loan capital. Interest and fees collected must not be used to pay for the MFI’s administrative and operations expenses outside of the grant project.

I. Grant funds must be tracked separately in the MFI’s accounting system.

J. Microcredit programs funded by the Foundation need to include training for the people who will benefit that extends beyond the management of loan capital.

K. Clubs and districts that want to use global grant funds to support a microcredit project need to submit the Global Grant Application Supplement for Microcredit Projects with their grant applications.

L. All microcredit projects will receive an interim site visit by a member of The Rotary Foundation Cadre of Technical Advisers.

M. Grant sponsors need to submit a Global Grant Report Supplement for Microcredit Projects with each global grant report.

N. The final grant report must include baseline data, data from the end of the project, and an explanation of the exit plan.

O. If a microcredit project ends prematurely, sponsors must return the grant funds to the Foundation.

P. When the Foundation closes the grant, if the MFI will no longer use the funds for microloans in the community, it must return the loan capital and any unused interest to The Rotary Foundation.

Q. The Rotary Foundation does not fund loan guarantee systems. (That is, Foundation funds may not be used as collateral for loans that the MFI makes from other funds.)

11. SPECIAL CONSIDERATIONS FOR INDIA

A. In addition to all the other terms and conditions, grants that are paid in full or in part to a club or district in India must follow the payment and reporting procedures below to comply with Government of India laws and the Foreign Contribution Regulation Act (FCRA) read with Foreign Contribution Regulation Amendment Act 2020.

B. For general information about the FCRA, go to feraonline.nic.in. An FCRA-registered club or district is responsible for furnishing an FC-4 return along with the financial statements to the Ministry of Home Affairs, New Delhi, in a timely manner.

C. All grant payments will be remitted to bank accounts especially opened to receive funds in INR or to a club controlled FCRA account. Grant funds will not be released to a bank account in India unless all general payment conditions listed below have been met. Either the staff need to determine that enough funds are available from contributions made within India or the sponsors need to provide documentation showing that the bank account is registered under the FCRA. Otherwise, the payment will be placed in a queue and paid on a first-come, first-served basis only when more contributions (within India) are made and enough funds are available. Grant sponsors need to ensure that funds received in a FCRA-registered bank account are not commingled with local funds. Funds won’t be released until all sponsor contributions have been submitted to The Rotary Foundation and any payment contingencies have been met. Grant funds will be paid to the account provided by the grant sponsors.
D. Progress reports on grant funds paid from Rotary Foundation (India) or from Rotary International South Asia office through 31 March are due by 31 May of the same year. Final reports are due two months after the grant’s completion. All progress reports need to meet all general reporting requirements as listed in section 8, Reporting Requirements. In addition, the grant sponsors need to:

1. Submit a progress report electronically in the Grant Center
2. Inform the South Asia office that the progress report has been filed
3. Upload the utilization certificate if grant funds have been used, along with a statement of receipt and payment for the grant amount, certified by an independent chartered accountant (including that person’s membership number); the utilization certificate must say whether it was Rotary Foundation (India) or Rotary International South Asia office that paid the grant funds
4. Upload the bank statement or passbook (or a photocopy certified by the bank manager or a chartered accountant)
5. Upload all bills, invoices, and receipts in the Grant Center

E. If for any reason the grant funds were not used, include an original bank statement or bank passbook (or a photocopy certified by the bank manager or a chartered accountant) indicating the date on which the grant amount was credited and a statement explaining why the grant amount has not yet been used, even if it was received before March.

F. Final reports need to meet all general reporting requirements listed in section 8, Reporting Requirements. In addition, the grant sponsors need to:

1. Submit a final report electronically in the Grant Center
2. Inform the South Asia office that the final report has been submitted
3. Upload the utilization certificate if grant funds have been used, along with a statement of receipt and payment for the grant amount, certified by an independent chartered accountant (including that person’s membership number); the utilization certificate must say whether it was Rotary Foundation (India) or Rotary International South Asia office that paid the grant funds
4. Upload the bank statement or bank passbook (or a photocopy certified by the bank manager or a chartered accountant)
5. Submit a bank reconciliation statement, if multiple grants were paid to a single INR or FCRA account
6. Upload all bills, invoices, and receipts in the Grant Center
7. Upload the undertaking that “all originals will be kept for a period of eight years and will be produced as and when required by Rotary Foundation (India) or Rotary International South Asia Office” in the Grant Center
8. Return any unused grant funds of more than INR10,000 to the entity that paid the funds, Rotary Foundation (India) or Rotary International South Asia Office
9. Retain beneficiary information, including photographs, newspaper clippings, and letters of appreciation from the beneficiaries or beneficiary organization, because it may be requested by Rotary Foundation (India) or Rotary International South Asia Office
12. SPECIAL CONSIDERATIONS FOR THE PHILIPPINES

A. In addition to all the other terms and conditions, grants paid to a Rotary district in the Philippines require more documentation to comply with Philippine law.

B. The Securities and Exchange Commission of the Philippines requires foundations to include supporting documents for all projects for which they have provided funding when they file financial statements. More information can be found in Securities Regulation Code 68, as amended. So that The Rotary Foundation can comply, grant sponsors need to get certification from any of these people or organizations in the area where they have jurisdiction:

1. Office of the Mayor, stamped with an office seal
2. Head of the Department of Social Welfare and Development, stamped with an office seal
3. Head of the Department of Health, stamped with an office seal
4. Office of the Barangay Chairman, stamped with an office seal
5. Head or an officer of a private institution or actual beneficiaries, notarized

C. Please send five original certificates on each project to: Phil. Consulting Center Inc., c/o Erika Mae Bautista, 2D Penthouse, Salamin Bldg., 197 Salcedo St., Legaspi Village, Makati City 1229, Philippines.

D. You can get sample templates of the certification from the Rotary International South Pacific and Philippines office.

E. Certifications of projects that were paid for from July to May should be received by 30 June of the same fiscal year, and those paid in June should be received by 31 July.

13. CONFLICT OF INTEREST POLICY FOR GRANTS

A. Ensuring integrity in Rotary Foundation grants requires that everyone involved in Rotary grants avoid actual and perceived conflicts of interest.

B. A conflict of interest occurs when someone is in a position to make or influence a decision about a grant that could benefit them, their family, their business, or an entity in which they serve in a paid or voluntary leadership or advisory position.

C. All actual or perceived conflicts of interest must be disclosed to Rotary grants staff during the grant application process. If you’re uncertain whether a situation presents a conflict of interest, you should disclose it.

D. No Rotary members can serve on a grant committee for any global grant for which they have a conflict of interest.

E. Global grants may not be financed with contributions (directed gifts, corporate social responsibility funds, etc.) from donors (individuals or organizations) that have conflicts of interest regarding the grant.

F. The Rotary grants staff or the Trustees will determine whether a conflict of interest exists in a particular case. If they conclude that there is or has been a conflict of interest in a grant, the Rotary grants staff will recommend to the Trustees an appropriate remedy to protect the integrity of the grant process. Remedies may include removing a Rotary member from a grant committee, declining a grant application, canceling an approved grant, and suspending a particular member, club, district, or cooperating organization from participating in Rotary grants.
G. Some people are not eligible for grants or to benefit from any Foundation grants. They include:

1. Current Rotarians

2. Employees of clubs, districts, other Rotary entities (as defined in section 1.040. of the Rotary Code of Policies), or Rotary International

3. The spouses; children or grandchildren by blood, legal adoption, or marriage without adoption; the spouses of those children or grandchildren, or parents or grandparents by blood of people listed above; and employees of agencies, organizations, or institutions that partner with Rotary International or the Foundation

4. Former Rotarians and people with the familial relationships to former Rotarians described above, for three years after their or their relative’s membership ends

H. Rotary members who serve on a club or district selection committee that is responsible for a grant-funded activity need to be completely transparent about their personal, family, or business relationships with any person or organization that would be affected by a potential Rotary grant. This includes, but is not limited to, any relationship with scholarship candidates, cooperating organizations, vendors, or other individuals or organizations that would benefit from the grant. Committee members need to notify the committee chair of any actual or perceived conflict of interest before the selection process begins, and the actual or potential conflict also needs to be disclosed in the grant application.

I. Before a Rotary district, club, or member conducts business related to a grant-funded activity that involves a vendor being paid by a Rotary entity, a fair, transparent, and thorough request for proposals or a bidding process needs to be conducted to ensure that the best services are secured at a reasonable cost. Possible conflicts of interest may arise when a Rotary entity is considering business in which funds will be paid to a member, a provider of goods or services that is owned or managed by a member, an honorary member, or the people listed above who are ineligible for Foundation grants.

J. All grant transactions need to be reviewed to confirm that there is no conflict of interest with vendors or payment recipients, including, among others, partner nongovernmental organizations, providers of goods or services, insurance companies, shipping companies, and educational institutions. Vendors with conflicts of interest may be used if the vendor provides the best product or service at fair market cost, as evidenced by a sales quote or an offer obtained through a fair, transparent, and thorough bidding process.

K. For more information on Rotary’s Conflict of Interest Policy, please see section 30.040. of The Rotary Foundation Code of Policies.