

Club Memorandum of Understanding

For Rotary Foundation Funded Grants

This Document must be signed as presented and cannot be edited in any way.

This document is the official Memorandum of Understanding (MOU) provided by The Rotary Foundation (TRF) for Clubs modified to include the requirements of District 5020. It is an agreement between the Club and District 5020, explaining what measures the Club will undertake to ensure proper implementation of Foundation Grant activities and management of District 5020 Community Grant and Global Grant funds. By authorizing this document, the Club agrees that it will comply with all TRF grant management requirements as specified in The Rotary Foundation Terms and Conditions for District and Global Grants (updated for 2024),

CONTENTS:

1. Terms of Qualification
2. Club Leadership Responsibilities for Qualification
3. Financial Management for Global Grants
4. Financial Management for District Community Grants
5. Bank Account Requirements (Global Grants Only)
6. Document Retention
7. Report on Use of Grant Funds
8. Method for Reporting and Resolving Misuse of Grant Funds
9. Use of Grant Funds
10. Authorization and Agreement

1. Terms of 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. In addition to this signed Club MOU and a trained Grant Writer District 5020 requires Club Foundation Goals (Annual giving, PolioPlus giving, and Membership) to be uploaded to Rotary Club Central. 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 Leadership Responsibilities for Qualification

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

- A. A club member must be appointed to manage club qualification and ensure that stewardship measures and proper grant management practices are implemented for all District 5020 grants.
- B. The club must establish a succession plan for the transfer of grant records to ensure retention of information and documentation until the final report is accepted on the online Grant Module.
- C. The club must appoint a member(s) to attend grant management and qualification training arranged by the District.
- D. Club Officers must ensure 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 for Global Grants

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. Financial Management for District Community Grants

- A. DCGs are intended for small service projects and do not require an international partner.
- B. For 2026-2027 the match structure for DDF is the same as for 25-26. Annual Fund contributions in 2025-26 Less than \$100 per capita \$2,000, \$100 to \$199.99 \$3,500, \$200 or more \$5,000 The match amount will be assigned at the time the initial application is received based on then current 2025-26 TRF Annual Fund reporting. Multiple Club DCG's will receive a match appropriate to each Clubs current reporting up to \$10,500 total.
- C. Payment for completed DCG will be in USD using the current currency exchange rate from the RI website for the month in which the Grant is approved.
- D. The Club collects and records all receipts. In the event of local labor or materials in an international project a written receipt with the Projects name, activity the reimbursement is for, the amount and the name and signature of the recipient will suffice.
- E. Ensure all grant activities, including the conversion of funds, are in accordance with local law.

F. Existing Club money handling procedures are sufficient for DCG's.

5. Bank Account Requirements (Global Grants Only)

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 Rotarian signatories from the club for disbursements
2. Be a low- or noninterest-bearing account

B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.

C. A separate account should be opened for each club-sponsored Global 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.

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. Global Grant paper documents should be retained for 5 years, as well as in the grant module in myrotary.org.

1. Documents that must be maintained include, but are not limited to:

- a. Bank information, including copies of past statements
- b. Club qualification documents including a copy of the signed Club MOU
- c. Documented plans and procedures, including:
 - i. Financial management plan
 - ii. Procedure for storing documents and archives
 - iii. Succession plan for bank account signatories and retention of information and documentation

iv. Information related to grants, including receipts and invoices for all purchases

2.. Club records must be accessible and available to Rotarians in the club and at the request of the district.

3.. Documents must be maintained for a minimum of five years, or longer if required by local law.

B. DCG documents will be retained electronically on the online Grant Module in DACdb District 5020.

7. 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.

- A. The club must report on the use of grant funds as outlined in both the Terms and Conditions for Rotary Foundation District Grants and Terms and Conditions for Rotary Foundation Global Grants.
- B. All reporting and record retention will be on the online Grant Module. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.
- C. A completed DCG project report will consist of
 - 1. A completed Individual Project Report with narrative and income and expense report in the DACdb District 5020 grant module.
 - 2. Receipts organized documenting expenses uploaded to the Expenses Tab of the District 5020 DACdb grants module
 - 3. Photos of the project and Rotarians working on the project uploaded to the Images Folder in the Documents Tab of the District 5020 DACdb grants module.
 - 4. Article submitted for UD5020 magazine_including photos sent by email to Foundation Chair. Article posted in DACdb as a document file.
- D. The Project MOU for a Global Grant will outline the required reporting items

8. Method for Reporting and Resolving Misuse of Grant Funds

The club must immediately report any potential misuse or irregularities in grant-related activity to the District Foundation Chair. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.

9. Use of Grant Funds

The Club must comply with the Rotary Terms and Conditions for Rotary Foundation District Grants (October 2025) and Global Grants (October 2025)

- A. The Club acknowledges that it is responsible for the proper disbursement of Grant funds as specified in the District 5020 Grant Guidelines. Transferring District 5020 Grant funds to another Rotary Club or cooperating organization does not relieve The Club of this responsibility.
- B. The Club acknowledges that it is responsible for promptly repaying to District 5020 or The Rotary Foundation any Grant funds identified by a Foundation audit as not properly disbursed or accounted for. Grants are subject to audit for 5 years following completion.
- C. Unused Grant funds must be promptly returned to the Foundation.
- D. Grant funds cannot be used for any project undertaken prior to the approval of the Grant or for any purpose not permitted under The Rotary Foundation Code of Policies or Terms and Conditions for Rotary Foundation District Grants.
- E. When the number (and dollar amount) of Global Grant applications do not use all the available DDF the District may allow for more applications to be proposed, including additional applications from clubs that have already applied within the Rotary Year.
- F. District Community Grant funds may be used for the types of projects or programs below:
 - 1. District Rotary Ambassadorial Scholarships (DRAS)
 - 2. District Community Grants (DCG)
 - i. DCGs may be used for local and international service projects to include construction projects generally prohibited under Global Grants.
 - ii. DCGs are intended for small projects and do not require an international partner.

- iii. DCGs can be used for travel associated with either a Community Assessment for a Global Grant or attendance at a Project Fair.
 - iv. For 2026-27 the match structure will continue; Annual Fund contributions in 2025-26
Less than \$100 per capita \$2,000, \$100 to \$199.99 \$3,500, \$200 or more \$5,000
The match amount will be assigned at the time the initial application is received based on then current 2025-26 TRF Annual Fund reporting. Multiple Club DCG's will receive a match appropriate to each Clubs current reporting up to \$10,500 total.
 - v. Payment of completed DCG will be in US\$. All income and expenses will be in US\$.
 - vi. DCGs are reimbursable grants.
 - vii. Global Grant Community Assessments.
 - viii. Visits to Rotary Project Fairs.
 - ix. Vocational Training Teams
3. For DCGs, the District may also open a second or third round of applications if the available funds are not committed previously.
 4. For a DCG to be approved the Club President must acknowledge that he/she is aware of the project and the Club President and Club Board approve and support the application. The approval must specify the project name and the grant writer.

10. Authorization and Agreement

We, being responsible for administering grant activities for
the **Rotary Club of** _____

certify that the club adheres to the requirements listed in this Memorandum of Understanding and will notify Rotary International District 5020 of any changes or revisions to club policies and procedures related to these requirements.

NOTE, we need two different signatures from Club officers for 26-27. So, if there is no PE or the President and the PE is the same person, the Treasurer or Secretary can be the second signature.

President 2026-27:

Name: _____

Club: _____

e-mail: _____

Signature: _____

Date: _____

President-Elect 2026-27 (i.e., Pres. 2027-28):

Name: _____

Club: _____

e-mail: _____

Signature: _____

Date: _____

RETURN THIS PAGE TO THE DISTRICT 5020 DISTRICT COMMUNITY GRANTS 23-27 CHAIR:

Barbara Barney

bsbarneycpa@comcast.net