

## District 7600 Rotary Foundation District Grant Policy

*January 2018*

*The purpose of this policy is to inform Rotary District 7600 leaders and club Rotarians of the policies and procedures for the award, implementation and management of District Grants, the District Rotary Foundation Committee (DRFC) reserves the right to update and modify this policy at any time. Updates will be posted on the District website and Club Presidents notified.*

### **District Grant – Process and Expectations**

Under the revised The Rotary Foundation (TRF) grants program effective July 2013, up to 50% of the annual TRF allocated D7600 District Designated Funds (DDF) may be requested for District Grants. The request is based on the District Spending Plan (see below) that must be submitted to TRF for approval. To receive the DDF early in the Rotary year, action must be taken to assemble the District Spending Plan before the Rotary year commences. Once approved by TRF, DDF is released to D7600 as an annual block grant. D7600 is then responsible for administering the activities undertaken with district grant funds and to disperse these funds at its discretion for district or club-sponsored activities, either local or international. The remaining 50% of the TRF DDF allocation and district grant funds not requested in the spending plan will be designated for Global Grants.

It is essential to note that a higher level of planning is required in a shortened calendar period for clubs to plan for and request a district grant. The work required and the deadlines for action by the president-elect and his/her incoming club team have been moved forward into the current president's term. Coordination and cooperation are critical if a club or clubs working jointly plan to submit a grant request. Projects involving multiple Rotary Clubs are encouraged.

Both the district and clubs are now required to be qualified by TRF (district) and D7600 (clubs) respectively. Once qualified by TRF, D7600 in turn must certify club qualification for a club to be eligible to receive DDF for a District Grant. A club is considered qualified when the President and President-Elect (PE) for each Rotary year (July through June) agree to, sign and submit the Club Memorandum of Understanding (MOU). For example, the 2018-19 Club MOU should be signed by the 2018-19 Club President and PE. If a club has not identified a PE, then a club officer can sign in lieu of the PE. In addition, all grant reporting for prior grant years must be complete before a Club will be considered as qualified to apply for a current grant. Qualification is valid for one Rotary year and must be renewed each Rotary year.

District Grant On-line Application (instructions are available on the D7600 website) will be utilized for all grant requests. Applications are due for submission to D7600 no later than a date established by the District Grants Subcommittee, which is typically in mid-May of each year. No exceptions or extensions shall be granted to accept a submission after the designated date.

Application must be complete when submitted by the sponsor club. Prior to submission, one of the two members that have signed the Club MOU must enter their names in the District Grant on-line program to enable their approval of a club proposed grant. Instructions for these on-line procedures are available on the D7600 website.

Please note that attendance at a Grants Management Seminar (GMS) is mandatory for a club to be eligible to receive a district grant. There will be two opportunities during the spring of 2018 to fulfill this requirement. An in-person GMS being held on 24 March 2018 and one Webinar, 21 April 2018. A club will not receive a district grant if it is not represented at one of these seminars.

**D7600 District Grant general guidelines:**

All activities funded with Rotary Foundation grant funds must adhere to the requirements set forth in the Terms and Conditions for Rotary Foundation District Grants and Global Grants and this D7600 Policy. Further, a named club member in good standing that will be associated with a District Grant for the life of the project must be familiar with and agree to this Policy.

1. District Grants are intended to be used to fund smaller-scale Rotary club projects. The minimum grant award for a grant is \$1,000 of District Designated Funds; the maximum grant award is \$25,000 DDF (see club funds limits below.) At least 10% of the requested District Designated Funds (DDF) must be provided by the participating Rotary club(s). The limits on DDF requests do not apply to the total estimated cost of a given project. Any cost above the DDF allocated by District 7600 is a club(s) responsibility. The application process includes a budget section to identify funds source as DDF, club or other.
2. To motivate multi-club projects, each club is limited to a total award of \$5,000 for District Grants in each Rotary year. This limit applies whether funds are used for a single grant or for more than one grant where a club is a co- sponsor. To motivate clubs to cooperate in a larger effort, clubs are encouraged to join together (each with the \$5,000 cap) to request a maximum DDF of \$25,000 for a jointly sponsored project. The District Governor may waive the limits under certain circumstances.
3. TRF has renewed emphasis in requiring active Rotarian participation in all funded grant activities. To ensure active participation the district will require that clubs provide in their project application and final report at least two examples of Rotarian direct and hands-on involvement in the project, neither of which may relate to fundraising.
4. As with Global Grants, D7600 requires all grants to fall within one of the 6 Areas of Focus. Further sustainability of the project outcome will be considered in selection for award. Sustainability is critical to maintain an outcome benefit that serves a longer term after funds have been expended.
5. Multiple year projects will not be considered. Because total project funding is set aside in the year of award and closeout is by the end of the award year (see Reporting below) the advanced commitment of funds into future years is neither feasible nor reasonable. An exception will be considered if a defined project activity overlaps two Rotary years provided full justification is given.
6. TRF will not fund “continuous or excessive support of any one beneficiary, entity, or community”. Under this condition, a district grant will not be awarded to support a project or a single beneficiary for two consecutive years. However, with the latitude allowed to a District for

district grants, an exception will be considered if support to a beneficiary has discreet, standalone activities that will be accomplished in the award year. An example might be a two part project to rehab and refurbish a local food bank in year One and a project to purchase a computer system in year Two.

7. As noted in the grant application, project start dates may not be prior to the annual award of the TRF block grant of DDF (which is usually on or before July 15 of the new Rotary year). All district grants funds must be implemented and the funds disbursed by the club within the Rotary year that it was funded. The final report must be submitted to the Grants Committee no later than May 1 of the implementation year.

8. TRF and the District will allow funds for District Grants to be spent on construction, renovation, repair, and refurbishment of structures that are currently occupied or operational in which individuals live, work, or spend a significant amount of time. New construction will not be approved for any profit-making activity. The renovation may include the provision of new services or upgrade of utilities (i.e., electrical, plumbing, and heating), the repairing of roofs, the additions to existing schools or hospitals, the addition of elevators, and the renovation of bathrooms.

9. District Grants will not be used for scholarships to local colleges or universities. It is recognized that clubs have historically funded scholarships to local universities and colleges. However, DDF will not be used to augment such awards given the limited benefit to only an individual, the need to define where such a scholarship falls within an Area of Focus and the questionable value or sustainability to the larger community. It should be noted that long term international scholars are considered under the Global Grant process.

10. As an exception to 9 above, scholarships for specific short term support to an individual in a vocational-type program at a local community college or similar institution will be considered. Such programs shall be no more than 18 months in duration and shall have defined goals that can be applied to both an Area of Focus and have a community benefit. An example might be an EMT certificate course for a local emergency squad member.

11. If a project is intended for an international activity, the sponsor club must have an identified association with a Rotary club in the host country area of the project. This is not intended to be a formal agreement as with a Global Grant, but rather a contact relationship that can assist in the oversight and informal reporting on the project. This host RC association would also apply where a recognized cooperating agency is involved on site.

12. Clubs must directly pay for and keep records of all grant-related expenses. A club is not authorized to use grant funds to directly reimburse a benefiting agency or cooperating organization that paid for grant-related expenses. Such reimbursement would in essence be a contribution which is not allowed with DDF.

13. Projects sponsored by a non-Rotary organization will not be eligible for district grant funding. Such sponsorship is in essence considered a contribution not eligible for funding with DDF.

14. Clubs are encouraged to use a competitive pricing process to select and purchase items purchased with District Grant funds. When possible pro forma invoices should be available if requested. A complete itemized budget with costs and source of funds is required as part of the District Grant application.
15. Clubs will be required to document any potential conflicts of interest. The club must comply with the Conflict of Interest Policy for Grant Participants as outlined in The Rotary Foundation Code of Policies.
16. D-7600 also requires that in order for clubs to be awarded grant funding they must be current with their payments (dues) to the district and to Rotary International and current with reports for previously awarded grants.
17. Group Study Exchange (GSE) no longer exists at TRF level. The GSE concept has been replaced by Vocational Training Teams (VTT), which can be supported at either district or TRF level.
18. Clubs requesting to partner (as opposed to sponsor) with a non-Rotary cooperation organization must establish the credibility of the agency and provide an executed Cooperating Organization MOU.
19. Clubs are not required to maintain a separate bank account for District Grants. Clubs must, however, provide to the District Rotary Foundation Treasurer all bank identification and codes needed for funds transfer from the District Grants account.
20. Clubs will maintain all grant records such as bank statements, checks, receipts, pertinent electronic and written correspondence and other documentation and shall include such documents with the final report. All District Grant files are maintained in electronic format within the Grants Module in accordance with the D7600 Data Management policy.

### **District Grant Business Cycle:**

The annual District Grant application process follows a two Rotary year business model. After the President Elect Training Seminar (PETS) of the current Rotary year, clubs should complete planning and apply for acceptance and inclusion in the D7600 "Spending Plan". The consolidated District plan is submitted before the end of the current Rotary year to TRF for final approval. In the first quarter of subsequent Rotary year, TRF approves and awards the D7600 Block Grant.

### **Application**

Clubs will submit an electronic District Grant application to D7600 via the Grants Module on DACdb in accordance with the announced time line for each Rotary Year. The club MOU must be an integral part of the electronic submission. Paper copies of the MOU will not be accepted. A club or group of clubs may submit an application for a project. A member in good standing from the sponsor club will be named as the primary contact on the application. If there is more than one club associated with a grant, a member from each contributing club will also be listed in the application but not as a primary contact. The individual attending the mandatory GMS does

not need to be the primary contact, but should be listed on the committee. For multiple club application, each club must have attended at a GMS.

### **Review Process**

The District Grants Subcommittee utilizes a competitive method to recommend approval of DG funds distribution. The committee weighs each application's merits in relation to the available DDF dollars, the criteria and guidelines and the other applications submitted. The committee prepares the proposed spending plan from those applications that adhere most closely to the District Grants criteria. The committee may or may not fund 100% of the requested amount. The committee may elect to not provide any funding to a project. Once compiled, the spending plan is forwarded for approval by the District Governor Elect (DGE), District Rotary Foundation Committee Chair (DRFCC) and DGSC.

### **District Application**

In order to receive a District Grant (block grant), District 7600 must submit a Spending Plan as required by The Rotary Foundation. The Spending Plan:

- a. Is limited to the 50% of TRF annual allocation of DDF dollars available for District Grants.
- b. Outlines all activities and/or projects to be funded with DDF.
- c. Is based on the club on-line District Grant application process. All club requests that have been reviewed and accepted will be included in the Spending Plan that is subsequently submitted to TRF for award of the block grant.
- d. Requires approval by TRF prior to DDF release of the given Rotary year's block grant for credit in the established District Grants Account.
- e. May include a 20% contingency fund to be applied towards emerging projects during the Rotary year and a 3% administrative set-aside.
- f. Can be modified only for essential changes with required approval by District and TRF prior to applying any change.

### **Notice of Acceptance**

The District Grant on-line process includes status of the D7600 spending plan and club allocations. If additional information is needed the District Grants Subcommittee will notify by email the primary club contact listed on the application of their project's inclusion in the D7600 spending plan upon submission to TRF. In the event TRF funding is not awarded, notification of non-award will also be made by email along with the reason(s) funding was not awarded.

### **Scope /Budget Change**

The District Grant Subcommittee must be notified in writing should the project scope and/or project budget change during implementation of the project. Information to be provided shall include a detailed description of the scope/budget change, reason(s) for the change, and dollar amount (if applicable) of the change. Overall project scope and budget are two significant factors the District Grant Subcommittee considers when awarding grant funds and therefore reserves the right to reduce the award amount after review of the change in scope and/or budget.

### **Payment**

Upon TRF approval of the D7600 spending plan and receipt of the block grant DDF, the District Rotary Foundation Treasurer will issue a check to the respective club of the primary contact

named on the application. Any club that is not fully qualified (see above) or is overdue on any Foundation grant reporting to either TRF or the District at the time of check issuance will not receive funding until all requirements are brought into compliance.

### **Reporting**

A final report should be filed immediately upon use of the Grant funds, even if the total project is not completed, but in no event should the final report be submitted later than May 1 of the implementation year. The DRFCC, DGSC and the District Audit and Stewardship Chair will review the final report for program compliance. Failure to comply with the grant criteria or to submit timely progress and/or final reports may, at the discretion of the District Governor and DRFCC, result in the club having to reimburse the amount of the grant TRF funding and will disqualify the club from receiving further grants during the period of non-compliance.

### **Record Keeping**

Clubs are required to retain all grant records and supporting documentation for inclusion in the Final Report. Documentation should include all pertinent records such as paid invoices and other items associated with common accepted business practice.

The District assumes responsibility for the five-year storage requirement for audit purposes. However, if additional records are required by an audit, it is the responsibility of the primary club to produce such records. Failure to produce such records may result in the club or club(s) having to repay the grant amount and disqualification from future grants.