CLUB MEMORANDUM OF UNDERSTANDING

ROTARY CLUB OF NANAIMO DAYBREAK

This document is the official Memorandum of Understanding (MOU) provided by The Rotary Foundation (TRF) for clubs participating in the Future Vision pilot. It is an agreement between the club and its district, explaining what measures the Club will Global Grant funds. By authorizing this document, the Club agrees that it will comply with all Foundation requirements.

Each district may decide that clubs that receive grant funds from the Rotary Foundation District Grant will be held responsible for implementing this club MOU.

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1. Terms of Qualification

A. Upon successful completion of the qualification requirements, the club will receive qualified status for a period of one year.
B. By entering into this agreement and receiving Rotary Foundation grant funds, the club understands and confirms that the club, as an entity, is responsible for the use of grant funds, regardless of which individual(s) or group controlled the funds.
C. The club must disclose any potential conflicts of interest and must comply with the Conflict of Interest Policy for Grant Participants as outlined in section 7.030. of the Rotary Foundation Code of Policies.
D. The club must cooperate with all District 5020 and TRF audits.

2. Club Leadership Responsibilities for Qualification

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 TRF grants.
B. The club must establish a succession plan for the transfer of grant records to ensure retention of information and documentation.
C. The club president-elect or a club-designated appointee must attend grant management and qualification training arranged by the district.

3. Financial Management

A. The club must maintain a bank account to be used only for Rotary Foundation Global Grant funds in accordance with applicable laws.
1. The account should be low or noninterest-bearing, and any interest earned must be documented and used on eligible, pre-approved grant activities or returned to TRF or the district.
2. Grant funds may not be deposited in investment accounts including but not limited to: mutual funds, certificates of deposits, bonds, and stocks.

3. Two Rotarian signatories are required on checks and withdrawals.
B. The club must create a financial management plan that includes measures to
1. Maintain a standard set of accounts, including a complete record of all receipts and disbursements, and maintain receipts for all expenditures equal to or over US$75 or more (or those of any amount required by applicable law).
2. Disburse grant funds, as appropriate, directly to Rotarians, vendors, and beneficiaries as approved in the grant application. Grant funds not immediately disbursed must be kept in the established project account without diversion, except for direct payment for grant activities or to return funds to the district or TRF.
3. Maintain separate statements of income and expenses, noting interest earned and recoveries if applicable.
4. Maintain a general ledger that separates funds according to each project
5. Establish an inventory system for the control of equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities.
6. Perform monthly bank reconciliations.
7. Maintain a plan for transferring the custody of the bank accounts in the event of a change in leadership.
8. Ensure all grant activities, including the conversion of funds, are in accordance with local law.

4. Document Retention
A. The club must create a document maintenance system or club archives to maintain original documents for a minimum of five years or longer if required by applicable law, including, but not limited to:
1. Documents relating to qualification
2. All records and documentation of policies and procedures required by the club MOU
3. Documentation related to grants, including original documents for all grants, copies of proposals and applications, copies of grant agreements, copies of reports submitted to TRF and the district, receipts and invoices for all purchases made with grant funds, written or electronic correspondence
B. Documents must be stored in a known location that is accessible to club Rotarians and must be provided to TRF or the district upon request or in the case of an audit

5. Report on Use of Grant Funds
The club must report on the use of grant funds as outlined in the Terms and Conditions for Rotary Foundation District Grants and Global Grants.

6. Method for Reporting and Resolving Misuse of Grant Funds
The club must report any potential misuse or irregularities in grant-related activity to the district.

District 5020 Addendum to Club Memorandum of Understanding

District 5020 has determined that additional requirements for a club to be qualified to receive Rotary Foundation District Grant funds are appropriate.

1. Club Leadership Responsibilities
2. Financial Management

3. Use of Grant Funds

1. Club Leadership Responsibilities
    a. The individual appointed to manage club qualification and to ensure that stewardship measures and prober grant management practices are implemented cannot be responsible for oversight of the grant funded project or be a signatory of the Grant bank account.
    b. To ensure that clubs are kept current on Foundation procedures District 5020 will require that the club President-elect or designated representative annually attend a District Grant Management Seminar.
2. Financial Management
    a. If a common bank account is used for project funding appropriate accounting practices must ensure accountability of Grant funds.
    b. Those individuals with signature authority for the Grant Funds account cannot be responsible for oversight of the project.
    c. The club acknowledges that it is responsible for complying with this MOU for the life of any grant funded project or activity.
3. Use of Grant Funds
    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 not proper disbursed or accounted for.
    c. 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.
    d. Permitted uses
        1) construction of infrastructure limited to:
            i. toilet blocks and sanitation systems
            ii. access roads
            iii. dams
            iv. bridges
            v. storage units
            vi. fences and security systems
            vii. water/irrigation systems
            viii. greenhouses
        2) renovation, repair, and refurbishment of structures that are currently occupied or operational in which individuals live, work, or spend a significant amount of time. This may include the provision of new services or upgrade of utilities (i.e., electrical, plumbing, and heating), repair of roofs, additions to existing schools or hospitals, elevators, renovation of bathrooms, etc.
        3) international travel only to support the travel of beneficiaries from one country to another.

        4) domestic travel for beneficiaries and both Rotarian and non-Rotarian professionals needed to provide direct project implementation.

5) direct program costs, salaries, stipends, or honorariums related to project implementation.

e. Prohibited uses:

1) continuous or excessive support of any one beneficiary, entity, or community. the establishment of a trust, a permanent foundation, or permanent interest bearing account.

2)Grant funds can be used to establish a revolving loan fund if the sponsors comply with all Rotary Foundation revolving loan requirements.

3) activities that consist primarily of research-oriented projects or data collection.

4) the purchase of land or buildings.

5) new construction (without a strategic partner) of any permanent structure in which individuals live, work, or spend a significant amount of time, such as buildings (e.g., schools, homes/low cost shelters, and hospitals), containers, and mobile homes or structures in which individuals carry out any type of activity including manufacturing and processing. If the grant depends on the construction of a building, the construction must be funded by additional club/district funds (nonmatched cash contributions not processed by The Rotary Foundation) or funded by another entity.

6) renovations to complete buildings that are partially constructed (including buildings with only the exterior completed) but have never been occupied or operational.

7) cash donations or stipends to beneficiaries outside of a revolving loan fund. The Rotary Foundation will support beneficiaries through the use of goods, education, services, and care.

8) operating, administrative, or indirect program expenses of another organization.

f. District Block Grant funds may be used for the types of projects or programs below:

1) District Rotary Ambassadorial Scholarships (DRAS)
2) Vocation Training Teams (VTT)
3) District Simplified Grants (DSG)
   i. DSGs may be used for local and international projects.
   ii. DSGs are intended for small projects and do not require an international partner.
   iii. DSGs will match a club contribution dollar for dollar up to a grant size of US $2,500.
   iv. Payment of completed DSG will be in US$ using the current currency exchange rate from the RI website for the month in which the check is written.
   v. DSGs are reimbursable grants.
4) District Matching Grants (DMG)
   i. DMGs are intended for projects not qualifying for Global Grants.
   ii. DMGs are international grants and require an international partner.
   iii. DMGs will match a club contribution up to a grant size of US 10,000.
   iv. DMG will be paid to the District 5020 club initiating the grant request.

v. Checks will be written in US$ using the current RI exchange rate.
vi. District 5020 clubs will be held accountable for management of grant funds under the terms and conditions contained herein and as specified in the Club Memorandum of Understanding (MOU) and are responsible for providing required reports within the timeframes specified.
vii. Failure to complete the grant within 12 months from date of receipt of grant funds, to provide final reports or documentation of expenditures, or misuse of grants funds will require the club to repay the full amount of the grant to District 5020.

8. 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.*

President:	**President-Elect:**
Term:	**Term:**
Name:	**Name:**
e-mail:	**e-mail:**
Signature:	**Signature:**
Date:	**Date:**