

# Grant Management Manual

for Rotary Clubs in Future Vision Pilot Districts



This manual is intended for use with your district Rotary Foundation grant management seminar and is for clubs in Future Vision pilot districts. It includes information to help you properly manage grants from The Rotary Foundation, implement sound financial management systems, qualify to receive Rotary Foundation Global Grants, and fully participate in the seminar. This manual includes worksheets and checklists that you will use at the seminar and while you work to qualify your club and plan service projects and activities. Your district receives and allocates Rotary Foundation District Grant funds for clubs; therefore, please contact your district Rotary Foundation committee for more information on these grants.

This is the 2010 edition of the *Grant Management Manual*. The information in this publication is based on the club memorandum of understanding, the Terms and Conditions for Rotary Foundation District Grants and Global Grants, and The Rotary Foundation Code of Policies. Please refer to those resources for exact guidelines. Changes to these documents by the Foundation Trustees override policy as stated in this publication.

### **Questions?**

#### **For questions about...**

Grant management, qualification

District grants, global grants

This manual, training

#### **E-mail...**

[fvqualification@rotary.org](mailto:fvqualification@rotary.org)

[futurevision@rotary.org](mailto:futurevision@rotary.org)

[leadership.training@rotary.org](mailto:leadership.training@rotary.org)

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# Introduction

Effective grant management ensures that a project is administered with proper stewardship and is guided by humanitarian and educational principles. It ensures that projects effectively meet the needs of the beneficiaries, fulfill project objectives, and responsibly safeguard donors' funds.

Stewardship is the responsible fiscal management and oversight of Rotary Foundation grant funds. Implementing good stewardship practices ensures that funds are used according to Foundation guidelines and benefit populations in need. Adhering to good stewardship practices allows for streamlined grant management, which results in better activities.

As part of the Future Vision pilot, Rotary clubs must be qualified by their district in order to receive Rotary Foundation Global Grants. Qualification is a process of ensuring that each club has the appropriate financial and stewardship controls in place to manage Rotary Foundation Global Grants during the pilot. In order to qualify, a Rotary club must:

1. Have the president-elect or a designated club representative attend the district Rotary Foundation grant management seminar
2. Read and agree to the club memorandum of understanding (MOU) by submitting a copy signed by the club president and president-elect to the district
3. Follow additional district qualification guidelines, as determined by the district

A club can obtain qualified status for one Rotary year. Because club leadership changes annually, the club will need to requalify each Rotary year. For questions on the qualification process, please contact your district Rotary Foundation committee.

## Club MOU

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The club memorandum of understanding (MOU) is designed to ensure that your club has the appropriate controls in place to manage Rotary Foundation Global Grants. It contains the minimum Foundation requirements for managing grants. However, if your club's policies on the management of funds exceed these requirements, you are encouraged to keep those practices in place. You will also need to comply with local laws. The club MOU is a binding agreement between your club and the district, and failure to implement it fully and follow its requirements may result in your club losing qualified status. Therefore, it is important that you educate the entire club on what you learn at this training.

The club MOU can be downloaded at [www.rotary.org/en/members/runningaclub/fv](http://www.rotary.org/en/members/runningaclub/fv) or requested from your district Rotary Foundation committee.

This manual includes a club MOU worksheet to help you better understand the MOU's requirements and plan for how your club will implement them.

## Resources

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For additional information on grant management, use the following resources:

### Publications

- *Communities in Action: A Guide to Effective Projects* (605A) — A complete guide to conducting a service project, including needs assessment, planning, implementation, and evaluation, with strategies and tools for each step.
- *Community Assessment Tools* (605C) — A companion piece to *Communities in Action* that describes eight tools for conducting a community needs assessment.

### Human Resources

- Your district Rotary Foundation committee — Supports clubs on all aspects of the grant process, manages the District Designated Fund, and oversees the qualification of clubs.
- Stewardship staff — Rotary Foundation staff who can answer questions about qualification; e-mail: [fvqualification@rotary.org](mailto:fvqualification@rotary.org).
- Future Vision Pilot Operations staff — Rotary Foundation staff who can answer questions about the Future Vision pilot; e-mail: [futurevision@rotary.org](mailto:futurevision@rotary.org).
- Cadre of Technical Advisers — Rotarians who have volunteered to provide technical expertise to The Rotary Foundation and to Rotarians developing and implementing projects worldwide.

## Rotary.org

- [www.rotary.org/futurevision](http://www.rotary.org/futurevision) — The most up-to-date information on Future Vision.
- Qualification toolbox — Collection of resources to help you implement the requirements of the club memorandum of understanding.
- Club Memorandum of Understanding — Agreement between a club and its district, explaining the measures the club will take to properly implement grant activities and manage Rotary Foundation grant funds.
- Terms and Conditions for Rotary Foundation District Grants and Global Grants — Grant requirements for pilot districts and their clubs.
- *Future Vision Pilot News* — A monthly e-mail newsletter for pilot participants. Sign up to receive it at [www.rotary.org/en/fvdistrict](http://www.rotary.org/en/fvdistrict).

# Worksheet 1: Club Memorandum of Understanding

This worksheet lists the requirements of the club memorandum of understanding (MOU), explains them, and poses questions that your club will need to answer in order to implement them. Use this worksheet to develop an implementation plan for your club. Space is provided for taking notes during the district Rotary Foundation grant management seminar.

An official club MOU, provided by The Rotary Foundation (TRF) for clubs participating in the Future Vision pilot, will be distributed by your district. It is an agreement between your club and its district, explaining what the club is required to do to ensure proper implementation of grant activities and management of TRF grant funds. By authorizing the official club MOU, the club agrees that it will comply with all Foundation requirements.

Requirements	Explanation
<p><b>1. Terms of Qualification</b></p> <ul style="list-style-type: none"> <li>A. Upon successful completion of the qualification requirements, the club will receive qualified status for a period of one year.</li> <li>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.</li> <li>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.</li> <li>D. The club must cooperate with all district and TRF audits.</li> </ul>	<p>When a Rotary Foundation Global Grant is awarded to a club, the entire club's membership, not a single member, is responsible for the grant funds and the outcome of the project. The club membership must understand that when it is embarking in a Foundation project, all members are responsible for the outcomes.</p> <p><b>How will you communicate that all members of the club are responsible for global grant funds?</b></p> <p><b>Who in the club will ensure there are no conflicts of interest when a project is planned?</b></p>
	<p><b>Notes</b></p>



Requirements	Explanation
<p><b>3. Financial Management</b></p> <p>A. The club must maintain a bank account to be used only for Rotary Foundation Global Grant funds in accordance with applicable laws.</p> <ol style="list-style-type: none"> <li>1. The account should be low- or noninterest-bearing, and any interest earned must be documented and used on eligible, preapproved grant activities or returned to TRF or the district.</li> <li>2. Grant funds may not be deposited in investment accounts including but not limited to: mutual funds, certificates of deposits, bonds, and stocks.</li> <li>3. Two Rotarian signatories are required on checks and withdrawals.</li> </ol> <p>B. The club must create a financial management plan that includes measures to</p> <ol style="list-style-type: none"> <li>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).</li> <li>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.</li> <li>3. Maintain separate statements of income and expenses, noting interest earned and recoveries if applicable.</li> <li>4. Maintain a general ledger that separates funds according to each project.</li> <li>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.</li> <li>6. Perform monthly bank reconciliations.</li> <li>7. Maintain a plan for transferring the custody of the bank accounts in the event of a change in leadership.</li> <li>8. Ensure all grant activities, including the conversion of funds, are in accordance with local law.</li> </ol>	<p>A financial management plan is required so that the club has a system for transparency and proper oversight of grant funds. This plan will also aide the club in its reporting responsibilities.</p> <p><b>Who in the club will be responsible for the bank account for grant funds? How will the status of this account be reported to the board? To the full club?</b></p> <p><b>Who will oversee the financial management plan? How will this be monitored regularly?</b></p> <p><b>What will be the role of the club treasurer?</b></p> <hr/> <p><b>Notes</b></p>

Requirements	Explanation
<p><b>4. Document Retention</b></p> <p>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:</p> <ol style="list-style-type: none"> <li>1. Documents relating to qualification</li> <li>2. All records and documentation of policies and procedures required by the club MOU</li> <li>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</li> </ol> <p>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.</p>	<p>One of most common reasons for overdue reporting is that clubs lack adequate records or information about the project or activity, often because club leadership changes or the project contact leaves the club. A document retention system helps centralize and organize information needed for reporting.</p> <p><b>Where will your club store its documents related to qualification and grant activity? Will you use your club’s current archive system or develop a new one?</b></p> <p><b>Who will oversee this process?</b></p> <p><b>What role will the club secretary have in this process?</b></p> <p><b>According to local laws, how long must you retain documents?</b></p> <hr/> <p><b>Notes</b></p>

Requirements	Explanation
<p><b>5. Report on Use of Grant Funds</b>            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.</p>	<p>Reporting on grant activities informs the Foundation, the district, and your fellow Rotarians on how funds are used. Information obtained from grant reports will also help the Foundation evaluate the pilot.</p> <p><b>Who will be responsible for reporting grant activity to the full club, the district, and the Foundation?</b></p> <p><b>How and how often will this information be reported?</b></p> <p><b>How will this report be incorporated into the treasurer’s monthly report to the board?</b></p> <hr/> <p><b>Notes</b></p>

Requirements	Explanation
<p><b>6. Method for Reporting and Resolving Misuse of Grant Funds</b> The club must report any potential misuse or irregularities in grant-related activity to the district.</p>	<p>Because a great deal of effort, time, and dedication goes into fundraising and contributions, it is the responsibility of all Rotarians to ensure that Foundation funds are used correctly. Immediate reporting of problems and irregularities increases the likelihood of a timely resolution, which allows the community to still benefit from the project, and decreases the likelihood of the club being required to return funds. And being aware of the use of grant funds protects the donations of Rotarians and Rotary clubs from around the world. As part of its qualification process, your district is required to track, investigate, and resolve reports of misuse of grant funds before turning to TRF for intervention. Should you suspect any problems, contact your district Rotary Foundation committee immediately.</p> <p><b>Who in your club could serve as a monitor of grant activity?</b></p> <p><b>To whom should club members or members of the community report suspected misuse?</b></p> <p><b>Who do you share this allegation with at the district level?</b></p> <p><b>How do you ensure that all members understand their responsibility for reporting suspected misuse of funds?</b></p>
	<p><b>Notes</b></p>

Requirements	Explanation
7. Authorization and Agreement	<p data-bbox="841 279 1419 489">The club MOU is a legal document between the club and the district. By signing this agreement, the club president and president-elect are authorizing it, which enters the club into a legal agreement with The Rotary Foundation to abide by all TRF and RI policies.</p> <p data-bbox="841 520 1398 615"><b>How will you ensure that all members of the club understand their responsibility as outlined in this agreement?</b></p> <hr data-bbox="824 1150 1427 1152"/> <p data-bbox="841 1171 911 1203"><b>Notes</b></p>

# 1

## Creating a Project

Before applying for a Rotary Foundation grant, clubs should take time to create a project that includes a needs assessment, a strong partnership, and a detailed implementation plan with measurable, achievable goals.

### Community Needs Assessment

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Before any planning is done for a project, your club should conduct a needs assessment of the community it would like to help, in order to hear from the community members themselves what is most needed. Involving the community in this process increases the likelihood that community members will continue it on their own after the grant funds are spent. If the community lacks the desire, motivation, training, or ability to maintain the activity, the project will likely be ineffective or unsustainable.

If multiple community needs are identified, choose your project by determining which needs your club is best able to meet through a Foundation grant and available club resources. Factors to consider include Rotarian technical expertise, financial resources, location of the project site, and the time commitment required.

### Partners

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Project partners can be Rotary clubs or districts in the region or in other parts of the world. Projects that are initiated by the host partner are more likely to meet a real community need and be successful. Although Rotarians outside the project country may be interested in doing a certain type of activity, they should search for host partners who have already identified a need for that type of activity, rather than proposing a project that the community may not need.

For Rotary Foundation Global Grants, clubs in pilot districts can only partner with other clubs/districts in the pilot.

The host partner, because of its local expertise and proximity to the project location, usually manages project implementation and expenses. This leadership role further increases the effectiveness and success of the project. Historically, when an international sponsor has approached host clubs with a planned project, some of those clubs do not want to refuse the goodwill of the international Rotarians, even if they don't have the knowledge or desire for the project. Unfortunately, these projects may not be completed or maintained after the grant is closed.

Communication among Rotarian project partners is essential to project planning and implementation. If the partners communicate with each other frequently, they can establish a strong partnership, which ensures that there is joint decision making for the project. This strong partnership will lead to better oversight of the project and funds and will strengthen Rotary networks for future projects.

## Implementation Plan

Rotarians should develop a detailed plan for how each aspect of the activity will be carried out and how TRF and RI policies will be followed. The plan should address all tasks necessary to complete the activity, who is responsible, when funds will be spent (including the amount), and a timeline. A detailed plan helps to ensure good stewardship, allows the Rotarians to identify and anticipate potential issues and develop a contingency plan, and promotes transparency.

When developing your plan, consult with technical experts, appoint a committee to manage the project, set goals, and create a budget.

### Consult with Technical Experts

Partners should work with qualified Rotarians in their club or region who may be able to assist with planning the technical aspects of their project (for example, consult a civil engineer for a water project). This will help ensure that the project plan is achievable and technically feasible. Additionally, Rotarians can work with cooperating organizations (nongovernmental organizations, community groups, and governmental entities) that have expertise and resources to help plan and implement the project.

### Appoint a Project Committee

Sponsoring clubs or districts must each form a project committee consisting of at least three Rotarians, to ensure that multiple people know the project details and are involved in decision making, and share oversight of the projects and grant. However, be sure to designate one primary contact to be responsible for all correspondence with the Foundation related to each grant.

Members of the project committee should be assigned roles and responsibilities to make sure no tasks are overlooked, including specific tasks that will be performed by the host and international project committees, the primary contacts, cooperating organization (if applicable), and beneficiaries.

All projects that receive Foundation grants must be initiated and controlled by Rotarians.

When selecting a project committee and assigning tasks, Rotarians should be careful to avoid even the perception of a conflict of interest (see club MOU section 1C). No Rotarian who has a vested interest in the project (e.g., is an employee or board member of a cooperating organization, owner of a store where project goods will be purchased, trustee of a university that a scholar plans to attend) may serve on the project committee, and any potential conflict of interest must be disclosed in the application. This helps protect the image of the club, district, and TRF and ensures that funds are managed with transparency.

The club MOU requires the club to 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 excerpted below:

*All individuals involved in a program grant and/or award shall conduct their activities in a way that avoids any actual or perceived conflict of interest. A conflict of interest is a relationship among individuals through which an individual involved in a program grant or award causes benefit, or could be perceived to cause benefit, for such individual or such individual's family, personal acquaintances, business colleagues, business interests, or an organization in which such individual is a trustee, director, or officer. Refer to The Rotary Foundation Code of Policies for more details.*

### **Set Measurable and Sustainable Goals**

Being able to measure the degree of success of your goal allows your club to assess the impact of its efforts. How the project will be measured must be determined during project planning and detailed in the application. Project goals should have both quantitative and qualitative evaluations. To set quantitative goals, first establish a baseline set of data (for example, 60 percent of women in the community are illiterate) and then set concrete project goals (after three years, the percentage of illiterate women should drop to 30 percent). Clubs should also develop a plan for how they will measure their achievements (for example, door-to-door surveys will be done in each village to collect data each year of the project to mark progress).

Activities must also be sustainable, meaning that once the funds are spent, the benefiting community has the training, resources, and supplies needed to maintain the project. For example, if a vocational training team of medical professionals travels to receive training on a procedure, plans should be in place for the team to utilize this knowledge in their home community upon their return. Rotarians should look to buy goods that are replicable and repairable by the local community and ensure that community members have the appropriate training to do so. And giving people the technical skills to replicate and sustain a project themselves can often create business

opportunities, which further increases the effect of the project. For example, training community members how to make and replace water filters allows them to become experts who can charge for their services, instead of allowing the filters to fall into disrepair and requiring the community to pay others to fix them.

### **Create a Budget**

Before applying for a grant, develop a budget for the project. Take into account the goals of the project as well as the resources of the clubs to fundraise. Rotarians should make a preliminary budget, discuss what DDF and cash may be available, and adjust their budget accordingly.

When determining the cost of goods and services, sponsors should always gather at least three separate bids to ensure that they get the highest quality goods and services at the best prices. In selecting a vendor, remember to document the reason for your selection. After completing the competitive bidding process, the club must ensure that no Rotarians associated with a selected vendor are on the project committee, in order to avoid a conflict of interest. Sponsors should also keep records of any bids submitted for their grant files.



# Worksheet 3: Needs Assessment

Read the following case study about one community's needs. On the following pages you will find three possible options and their outcomes. Read the option that your group has been assigned and discuss the strengths and weaknesses of that option. Choose one person to report on your findings. As a group, determine which option had the best outcome.

## Part 1 Case Study: Needs Assessment

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Rotarian Paul Harris is a doctor at a local hospital. The hospital provides services for many people who have malaria. He sees the need to provide insecticide-treated bed nets to patients' families. Harris approaches his club, the Rotary Club of Morning Valley, and suggests that the club organize a fundraiser to provide bed nets for 5,000 families. The club feels that it has solicited a lot of community donations through the year and that, given the difficult economic times, a Rotary Foundation Global Grant might be a better option. Club members contact Rotarians they met at a project fair to try to find an international partner.

The Rotary Club of Cherry Tree expresses interest in partnering with RC Morning Valley. However, it notes that 5,000 bed nets only cost \$5,000, which is under the minimum global grant budget of US\$30,000. RC Morning Valley indicates that there are related needs in the community and perhaps the project can be expanded. It conducts a community needs assessment and finds out that it could develop a program to provide bed nets to anyone in need in the district. This would increase the total project cost to \$40,000. Upon reviewing the community needs assessment, RC Cherry Tree is concerned that a project simply providing bed nets is not sustainable. Therefore, it asks RC Morning Valley to add two training components: training local people to distribute and explain proper use of the bed nets and training people to manufacture the bed nets in the local community as small enterprise development. The RC Cherry Tree Rotarians offer to visit the community and build a community manufacturing facility outside of the global grant funds. The host club likes the idea of training people to distribute the bed nets, but it is reluctant about the manufacturing facility. While there is a need for bed nets and for people to distribute them, a manufacturing facility already exists in the district capital, and it has an established clientele, including the local hospital. The host club is concerned that there will be more supply of bed nets than there is demand. Also, it worries that it will be difficult to implement and manage this small enterprise until it is up and running on its own, which might detract from the other components of the project.

What should the host club do?

**Option A:** Agree with the Rotary Club of Cherry Tree, and submit a global grant application.

**Option B:** Suggest a change to the project plan.

**Option C:** Decline the partnership.

- ➔ If you chose option A, continue to page 17
- ➔ If you chose option B, continue to page 18
- ➔ If you chose option C, continue to page 19

**Option A**

Agree with the Rotary Club of Cherry Tree, and submit a global grant application.

As its community really needs the other components of the project and RC Cherry Tree seems so enthusiastic and generous, RC Morning Valley agrees to this idea. When the Foundation receives the application, community needs assessment, and cadre report, there is a series of e-mails back and forth to determine whether there is a need for the manufacturing plant. The club states that there is because it wants the application to be approved, and it isn't sure that there will be a problem. This back-and-forth takes a few weeks to resolve.

**Results**

In the end, the grant allowed numerous people to receive bed nets, use them properly, and several members of the community to learn practical and transferable skills. Unfortunately, once the bed net manufacturing facility was built, it was difficult for the host club to provide management advice. Local Rotarians helped with the bed net distribution training, but they needed two specialists from outside of the community to help run the manufacturing plant. The overhead costs to run the plant and pay for advertising impacted the profits, and the plant never broke even. It could not produce bed nets at a competitive price. Therefore, it only employed a few people, and because it was not a large-scale production, the employees didn't gain transferable skills that would allow them to be competitive if looking for a job at larger plants.

List the strengths of this option:

List the weaknesses of this option:

**Option B**

Suggest a change to the project plan.

The club explains its concerns to the international club and, instead of doing the small enterprise portion, suggests that it invests in sending community members to the larger manufacturing facility to train as apprentices. The international club is disappointed at first, but then realizes that it is a very good decision and supports the project anyway. It took three months for the above issue to be agreed upon by both clubs, which delayed the submission of the application. However, the extra time allowed for the partners to submit a more complete application, which was quickly approved.

**Results**

The grant allowed numerous people to receive bed nets that they could use properly and several members of the community to learn practical skills that are transferable. In addition, the apprenticeship program also provided community members with job-specific skills that would be useful at any manufacturing plant, knowledge of how a large-scale production plant works, and other valuable business skills. Ten years later, a person who participated in the apprenticeship program came back to the village and opened up a manufacturing plant and employed local people. The benefits of this project were widespread and sustainable.

List the strengths of this option:

List the weaknesses of this option:

**Option C**

Decline the partnership.

The club explains its concerns to RC Cherry Tree and concludes that it doesn't feel it can run the project at this time. It then requests district grant funds from its district to purchase the 5,000 bed nets for community members. Since the club is qualified, the district approves its request and gives it the funds.

**Results**

The project is quickly implemented, and the club is able to provide 5,000 households with bed nets. Later that year, it finds that 10,000 households still need bed nets; however, there are no grant funds remaining. In order to create a sustainable solution to this problem, the club will need to apply for a new grant.

List the strengths of this option:

List the weaknesses of this option:

# Worksheet 4: Project Planning Checklist

Use this checklist to make sure you have considered each step of the planning process. Make note of any items that you have not previously considered when planning for a Rotary Foundation grant.

- Appoint a three-person committee
  - Disclose any potential conflicts of interest

- Assign roles for each member of the project committee

<b>Role</b>	<b>Name of Rotarian responsible</b>
Communication with grant partner	_____
Financial management	_____
Document retention	_____
Conducting a needs assessment	_____
Evaluation	_____
Reporting	_____

- Set goals and objectives that are measurable, sustainable, and achievable
  
- Develop a timeline for the purchase and distribution of goods, training, and funding
  
- Consider liability and protection issues (your club, as an entity, is responsible for the use of grant funds)
  
- Set up a process for retaining documentation in a location that is accessible to all club members
  
- Develop a budget and
  - Research actual costs for a realistic budget (budget should not change once it is submitted to the Foundation)
  - Use a competitive bidding process to determine the price of goods and services
  - Disclose any potential conflicts of interests

# 2

## Applying for a Grant

Once they've created a project, clubs can apply for either a district grant or a global grant. You'll need to determine which type is a better fit for your project.

### District Grants

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Rotary Foundation District Grants are administered by the district. Each year, clubs submit their project funding requests to the district, and the district Rotary Foundation committee submits a Rotary Foundation District Grant application to the Foundation. Once the grant is received from the Foundation, the district distributes grant funds to clubs. (District grant funds may also be allocated for district projects.)

District grant projects and activities must

- Support The Rotary Foundation's mission
- Support local or international humanitarian and service projects, scholarships, or vocational training teams relating to the mission
- Adhere to Foundation policies and applicable governing laws in the project/activity location

Each district will develop its own procedures and policies for how and when clubs submit requests and how funds are allocated, as well as any additional requirements.

### Global Grants

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Rotary Foundation Global Grants are administered by the Foundation and have a two-step application process that uses Member Access at [www.rotary.org](http://www.rotary.org). First, a proposal must be submitted to TRF. If the proposal is accepted, clubs will submit their applications. Through Member Access, your district will confirm your club is qualified to receive a global grant before your application is approved by the Foundation.

Member Access is an online administrative tool that allows Rotarians to manage their personal information, register for the RI Convention, and apply for global grants. Certain Rotary positions have additional administrative rights. Registration is required.

Global grant projects and activities must

- Relate to one or more of the areas of focus
  - Peace and conflict prevention/resolution
  - Disease prevention and treatment
  - Water and sanitation
  - Maternal and child health
  - Basic education and literacy
  - Economic and community development
- Either support humanitarian projects, provide scholarships that fund coursework or research at a graduate level or its equivalent for a term of one to four academic years, or support vocational training teams that demonstrate capacity building by enhancing their own vocational skills or providing professional training to others
- Provide sustainable, measurable outcomes
- Take place in a Rotary country/geographical area
- Help to develop stronger Rotary networks of clubs and districts from different countries/geographical areas
- Be sponsored by at least one qualified Rotary club or district in the country/geographical area where the grant project will take place (primary host sponsor) and at least one qualified Rotary club or district outside of that country/geographical area (primary international sponsor)
- Have a minimum budget of US\$30,000

### **Writing a Global Grant Proposal**

Use the goals of each area of focus and the principles of sustainability (both further explained in the reference boxes in this section) when writing a global grant proposal.

### **Global Grant Financing**

For the global grant proposal and application, you will be required to explain how your proposed project or activity will be funded. There are four main sources for global grant financing:

- Rotarian cash contributions (outright gifts to The Rotary Foundation from Rotarians or funds from Rotarian-led fundraisers; matched 50 cents to the dollar by the Foundation)
- District Designated Fund (matched dollar for dollar by the Foundation)
- Rotary Foundation World Fund award (minimum US\$15,000)
- Non-Rotarian cash contributions (donations from other organizations or party with vested interest; not sent to or matched by the Foundation)

Contributions submitted to The Rotary Foundation should never be collected from the benefiting community. Rotarians cannot collect funds from beneficiaries in exchange for receiving the grant or as part of the Rotarian-raised cash contribution for match.

Sponsors can request beneficiaries to contribute a very nominal amount to a community account to encourage buy-in, but the collected funds should not cover project costs. The funds should be used to provide additional services (e.g., each household receiving a tube well could be charged \$1, and the money would be used to for any future repairs after the grant is finished).

Cash contributions submitted to TRF for grants should always be credited to the individuals who gave the funds. Rotarians cannot collect funds from various individuals and then claim the donation as their own, unless they have received explicit permission from the donors to do so and submit proof of the agreement.

## Areas of Focus Vision Statement and Goals

The Trustees of The Rotary Foundation (TRF) have identified six areas of focus for the new grant structure. These areas reflect critical humanitarian issues and needs that Rotarians are addressing worldwide. They will align Rotary with other international development efforts and strategically further the Foundation's mission.

### Statements of purpose and goals

Each area of focus begins with a statement of purpose, followed by a list of specific goals. The Foundation will use the goals to establish

- Projects and activities for packaged global grants
- Possible strategic partners for packaged global grants
- Evaluation criteria for club- and district-developed global grants
- A system for measuring outcome for all global grants

#### 1. Peace and conflict prevention/resolution

The Rotary Foundation promotes the practice of peace and conflict prevention/resolution by

- Strengthening local peace efforts
- Training local leaders to prevent and mediate conflict
- Supporting long-term peace-building in areas affected by conflict
- Assisting vulnerable populations affected by conflict, particularly children and youth
- Supporting studies related to peace and conflict resolution

## **2. Disease prevention and treatment**

The Rotary Foundation reduces the causes and effects of disease by

- Improving the capacity of local health care professionals
- Combating the spread of HIV/AIDS, malaria, and other major diseases
- Enhancing the health infrastructure of local communities
- Educating and mobilizing communities to help prevent the spread of major diseases
- Supporting studies related to disease prevention and treatment

## **3. Water and sanitation**

The Rotary Foundation ensures that people have sustainable access to water and sanitation by

- Increasing equitable community access to safe drinking water and basic sanitation
- Strengthening the ability of communities to develop and maintain sustainable water and sanitation systems
- Educating communities about safe water, sanitation, and hygiene
- Supporting studies related to water and sanitation

## **4. Maternal and child health**

The Rotary Foundation improves the lives of mothers and their children by

- Reducing the mortality rate for children under the age of five
- Reducing the maternal mortality rate
- Improving access to essential medical services and trained health care providers for mothers and their children
- Supporting studies related to maternal and child health

## **5. Basic education and literacy**

The Rotary Foundation promotes education and literacy for all by

- Ensuring that children have access to quality basic education
- Reducing gender disparity in education
- Increasing adult literacy
- Strengthening the capacity of communities to support basic education and literacy
- Supporting studies related to basic education and literacy

## **6. Economic and community development**

The Rotary Foundation invests in people to create measurable and enduring economic improvement in their lives and communities by

- Strengthening the development of local entrepreneurs and community leaders, particularly women, in impoverished communities
- Developing opportunities for decent and productive work, particularly for youth
- Building the capacity of local organizations and community networks to support economic development
- Supporting studies related to economic and community development

## The Rotary Foundation's Principles of Sustainability for Global Grants

The Rotary Foundation strongly encourages Rotarians to apply the following principles of sustainability to all projects and activities:

1. Global grants incorporate activities and safeguards that ensure the continuity of project impact after TRF funding is fully expended.
2. Global grants work toward multiple levels of sustainability: economic, cultural, social, and resource.
3. Global grants make optimal use of local resources, regional input, and indigenous knowledge as much as possible.
4. Global grants respect the natural resource base and avoid deterioration or destruction of the local environment.
5. Global grants attempt to reach the greatest number of beneficiaries as appropriate.
6. Global grants prepare scholars and individuals to contribute to new and innovative methods in professional fields reflected within a Foundation area of focus.
7. Global grants prepare participants to increase impact and improve effectiveness in the communities and vocations in which they work.
8. Global grants utilize the input and skills of grassroots individuals and groups, such as Rotary Community Corps, to ensure continuation of projects and activities.



# Worksheet 6: Sustainability Case Study

Read the following example of a global grant, and discuss the question below.

## Example

Rotarians in a club within District A seek to alleviate poverty in a neighboring community. In cooperation with Rotarians from a club in District B, they undertake a community needs assessment and determine that an effective approach to target economic development would be the support of a local women's cooperative. The two clubs apply for a Rotary Foundation Global Grant in order to fund:

- The purchase of a mechanized loom and raw materials to allow the cooperative to increase production of textiles for sale in local markets
- A literacy program for members of the cooperative
- A professional training seminar for the members of the cooperative, led in part by members of the host Rotary club, in order to provide guidance on the development of a business plan and the importance of accurate financial accounting

What factors make this project sustainable?

# Worksheet 7: Global Grant Proposal

Read the following proposal for global grant funding. This proposal was sent back to the district because it does not meet the criteria for a global grant. Working with a partner, determine what needs to be changed to make this an acceptable global grant proposal. Make your changes directly on the proposal.

## Global Grants Proposal

Before you begin, please read the ***Terms and Conditions***.

1. The host partner is a:

- Club  
 District

Primary Host Contact Information:

Last Name:	<input type="text" value="Smith"/>	First Name:	<input type="text" value="John"/>
E-mail Address:	<input type="text" value="johnsmith@email.com"/>		
Phone:	<input type="text" value="+00-999-999-9999"/>		
District:	<input type="text" value="1000"/>	Club:	<input type="text" value="South Pole"/>

2. The international partner is a:

- Club  
 District

Primary International Contact Information:

Last Name:	<input type="text" value="Jones"/>	First Name:	<input type="text" value="Jane"/>
E-mail Address:	<input type="text" value="janejones@email.com"/>		
Phone:	<input type="text" value="+00-888-888-8888"/>		
District:	<input type="text" value="1100"/>	Club:	<input type="text" value="North Pole"/>

3. Please describe the benefiting community including its location, using any relevant geographic and demographic information.

4. What community needs have been identified?

Insufficient health care

5. How are these needs currently being addressed with local resources and/or government agencies, NGOs, etc.?

They are not being addressed.

6. Briefly summarize the proposed activity in 250 words or less, including the need it will address, the intended beneficiary(ies), and the potential benefits to the community.

The South Pole Medical Clinic serves over 7,500 people a year. The clinic is using equipment that is more than 25 years old. The Rotary Club of North Pole would like to purchase used (but still serviceable) medical equipment that would be an upgrade to the facility's current equipment.

7. Please list any cooperating organization(s) or university(ies) involved in the proposed activity(ies).

N/A

8. Describe how the benefiting community will be involved in the activity(ies). Provide specific examples.

The staff of the clinic will be using the equipment and providing medical care.

9. Has the benefiting community confirmed that it would like the activity(ies) to take place?

Yes

10. With which area(s) of focus is the proposed activity aligned?

*Check the box(es) that apply.*

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

11. Please describe how the activity(ies) will address the goal(s) of the area(s) of focus.

This project aligns with disease prevention and treatment. We will be providing equipment so that the clinic can provide better care to more people.

12. What will be the immediate and long-term outcomes of the activity(ies)?

Better care and more services available at the clinic. Community health improves.

13. Explain how all involved parties will act to ensure the sustainability of the activity(ies).

The staff will provide required maintenance of the equipment to keep it in working order.

14. Proposed Start Date:

09/01/2010

15. Proposed Completion Date:

10/01/2010

16. Proposed Budget (in US\$):

Medical supplies	16,500
Training materials	1,000

17. Proposed Financing:

DDF Amount in US\$	5,000
Rotarian Cash Amount in US\$	5,000
Additional Outside Funding in US\$	
Requested TRF Match in US\$	7,500
<b>Total Financing in US\$</b>	<b>17,500</b>

# 3

## Project Implementation

The keys to successful project implementation are communication, a financial management plan, document retention, and following the implementation plan.

### Communication

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Constant communication between project partners, the benefiting community, club members, and other interested parties is necessary to ensure that the activity is going as planned and allows all involved to address any problems or difficulties that arise in a timely, collaborative manner. Communication can be in the form of e-mail, phone calls, faxes, visits, presentations, etc. Before implementation begins, Rotarians should plan how often and by what means they will communicate on the grant's activities and progress.

At a minimum, the primary host and international sponsors of a grant must

- Communicate with each other at least once a month about the progress of the grant
- Contact The Rotary Foundation as soon as questions about eligibility arise
- Get preapproval from each other and the Foundation on any changes to the project scope or budget
- Submit reports to the Foundation in accordance with the grant terms and conditions

## Financial Management Plan

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Clubs should have a financial management plan to provide consistent administration of grant funds. Your club will receive Rotary Foundation Global Grant funds directly from The Rotary Foundation and Rotary Foundation District Grant funds from the district. The club, as an entity, is responsible for how grant funds are used by its members and will need to ensure that the funds are properly managed. If a misuse of funds occurs, the club is responsible for rectifying the situation (see club MOU section 1B).

Maintaining complete and thorough financial records for all grants helps clubs report on the use of grant funds. Proper financial management will decrease the opportunity for unintentional errors and misuse of funds. The grant committee manages the club's separate bank account for Rotary Foundation funds; plans for the transfer of custody of the account, if necessary; plans the disbursement of funds; and maintains knowledge of local laws (see club MOU section 3).

Rotary Foundation funds must be treated as a sacred trust, managed with proper stewardship, which includes:

- Adhering to The Four-Way Test
- Following standard business practices
- Using funds in manner that maintains the integrity of The Rotary Foundation
- Reporting any potential misuse or irregularities in grant-related activity to the district

### Bank Account

Maintaining a club-controlled bank account that is used solely for receiving and disbursing TRF grant funds makes it easier for clubs to manage grant funds and properly report on their use. Because grants are not intended to raise money for clubs, all grant funds should be kept in a low- or noninterest-bearing account. The account name should identify the club, and two Rotarian signatories should be required for all transactions (see club MOU section 3A).

Have a succession plan for changing the custody for the club's grant bank account in case a signatory is no longer able to perform his or her duties. Being prepared ensures uninterrupted management of funds and therefore, uninterrupted project implementation (see club MOU section 3B7).

### Funds Disbursement

Grant funds awarded by TRF should be distributed in a timely manner, according to a spending plan. Payments should be made by check whenever possible and should only be made in cash if there are no other options. Making payments in cash requires detailed receipts and record keeping (see club MOU section 3B2). Payments that are not recorded properly or are transferred to individuals lack transparency and can result in mistrust.

Funds cannot be managed by or turned over to non-Rotarian entities such as beneficiaries or cooperating organizations.

A general ledger will help clubs maintain a record of all grant activities in one location, listed by individual activity, including separate statements of income and expenses, noting interest earned and recoveries. Bank reconciliations should be performed monthly to help monitor income and expenses. If an error occurs, monthly reconciliations will allow for quick resolution.

Establish an inventory system to track equipment and other assets purchased, produced, or distributed through the grant, including which individual or entity has ownership of these items. Note that Rotary clubs are not allowed to have ownership of grant assets. All grant assets must legally belong to the beneficiaries (see club MOU sections 3 and 4).

### **Local Laws**

While The Rotary Foundation makes its best effort to follow international guidelines, laws in some countries and regions may be more stringent than TRF requirements. It is the responsibility of both international and host partner clubs and districts involved in grant activities to be aware of and adhere to additional restrictions and regulations required by local laws. TRF policies are the minimum accepted standards. Even if local laws are less stringent, the club still needs to meet TRF requirements (see club MOU section 3B8).

Situations in which local laws are not compatible with TRF requirements (e.g., bank account naming) will be handled on a case-by-case basis. Please contact Future Vision or qualification staff at The Rotary Foundation for more information.

### **Document Retention**

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Maintaining detailed records adheres to standard business practices and ensures that the club complies with local laws, as well as any TRF or district reporting requirements and audits.

Retain all documents required by the financial management plan in a known, accessible location. This practice promotes transparency to the club; aids in revealing any potential misuse early and at a time when it could be corrected; allows for better reporting, audit compliance, and overall organization; and prevents knowledge gaps in the event the project contacts are no longer available.

Ensure shared responsibility for financial and grant documents. Documents that are accessible to multiple people tend to be more transparent and decrease the chance of misuse or mismanagement of funds.

If your club's record keeping system for membership, dues, and other documents complies with the above requirements, incorporate grant-related files into the current record keeping system. Make copies of all documents to ensure that the club's activities could continue uninterrupted in the case of fire or other catastrophe. If local laws require you to submit original information to TRF, it is still necessary to keep copies of these documents.

## Following the Implementation Plan

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Following your project implementation plan, including roles and deadlines, will result in a project that was envisioned by all partners.

### Project Evaluation

Project evaluation and monitoring happens both during implementation and after it is complete. During the project, you will evaluate how closely you are following the implementation plan, noting any changes you need to make for future projects or if adjustments are needed to ensure successful implementation of the current project. If there is a change in the scope or budget for a Rotary Foundation Global Grant, clubs must notify The Rotary Foundation to ask for approval before implementing the change.

Use the goals set during the planning stage to evaluate the success of the project and the impact of the grant as approved in the grant application. In addition, the evaluation will identify the strengths and weaknesses of the activity so that you can determine best practices in planning for future grant activities.

An evaluation will also help you report on the results of the activity to beneficiaries, donors, club members, districts, and The Rotary Foundation. It can also serve as a publicity tool to promote how Rotarians do good in the world and demonstrate that donations to TRF are managed with proper oversight, which encourages others to donate to the Foundation.

For more information on choosing an evaluation method, writing a project summary, and celebrating successes, see *Communities in Action* (605A).

### Reporting Requirements

Grant recipients are responsible for reporting on the use of grant funds in accordance with the terms and conditions of the grant.

At the close of a project, any unused grant funds may be spent on additional eligible expenses with Foundation approval or returned to The Rotary Foundation (returned funds will be credited to the World Fund). All original documents related to grant-funded expenditures, including receipts and bank statements, must be retained for a minimum of five years, or longer if required by applicable law (see club MOU section 4A).

Additional reporting requirements are listed below.

#### ***District Grants***

Your club's reporting responsibilities for district grant funds are determined by your district.

The district is responsible for annually reporting to its clubs how the district used its Rotary Foundation District Grant funds. All members of the district should review this report to ensure that funds were spent according to district-specific guidelines for these grants. This creates a districtwide environment that encourages transparency and oversight.

### **Elements of a Global Grant Report**

Purpose of the grant

Project/activity goals

Evaluation of goals and how they addressed the areas of focus

How both partners were involved in the grant

Number of project/activity beneficiaries and how they benefited

Itemization of how the funds were spent, including vendors

Role of cooperating organizations, if any

Additional reports (for scholarship or vocational training)

### **Global Grants**

1. Progress reports must be submitted within 12 months of receiving the first grant payment and every 12 months thereafter.
2. Final reports must be submitted within two months of completing the project.
3. Unused grant funds must be returned to The Rotary Foundation and will be credited to the World Fund.
4. Progress and final reports must be submitted through Member Access at [www.rotary.org](http://www.rotary.org).

### **Cadre of Technical Advisers: Reviews, Visits, and Audits**

The Rotary Foundation Cadre of Technical Advisers is a group of Rotarians who have volunteered to provide technical expertise to the Foundation and to Rotarians developing and implementing projects worldwide.

The cadre's primary purpose is to ensure projects are technically feasible. This objective is achieved by

- Providing technical expertise to assist The Rotary Foundation Trustees in evaluating grant applications for proposed projects
- Evaluating the implementation of projects that have already received Rotary Foundation grant funds, ensuring that stewardship guidelines are fulfilled
- Providing assistance and advice to Rotarians planning and implementing projects

Cadre reviews and visits help the Foundation ensure that grant funds are going to feasible and well-planned projects and that the funds are spent as intended and identify good stewardship and grant management practices.

Cadre reviews, visits, and audits are scheduled on a routine basis for most grants, but the Trustees also perform random audits every year. Cadre involvement is meant to assist Rotarians and does not indicate suspicion of mismanagement. Through the assistance of the cadre, this process can be confirmation that their grant management practices are sound. If you implement the club MOU fully, you should be prepared for an audit, which may happen at any time (see club MOU section 1D).

Throughout the life of your project, these types of evaluations may occur:

- **Technical review** — Evaluates the technical feasibility of a project based on the application only (does not include a site visit or communication with the project sponsors)

- **Site visit** — On-site evaluation of the technical feasibility of a proposed project (**advance site visitor**), the implementation of an ongoing project (**interim monitor**), or the impact and resolution of a completed project (**post-project monitor**). A cadre member travels to the project site and meets with the project sponsors and the benefiting community.
- **Audit** — Evaluates the financial management and oversight of grant funds. A cadre member travels to the project site and meets with the project sponsors and the benefiting community.



# 4

## Qualification

Qualification assures The Rotary Foundation that your club and district have the proper financial and stewardship controls in place to successfully manage Foundation grants that are effective and sustainable. Clubs must be qualified by their district in order to receive Rotary Foundation Global Grants. It is up to your district to determine whether clubs will need to be qualified to receive district grants.

### **Maintaining Qualified Status**

To maintain qualified status, a club must abide by the terms of the club MOU, the Rotary and Rotary Foundation codes of policies, and the grant terms and conditions (all available on [www.rotary.org](http://www.rotary.org)). The club MOU requires that the club appoint one or more club members to manage club qualification and ensure that stewardship measures and proper grant management practices are implemented for all Rotary Foundation grants. However, the club as an entity is responsible for the use of all grant funds (see club MOU section 2A).

A club's qualified status could be suspended or revoked if the club is not in compliance with the terms of the club MOU or if an investigation by the district or The Rotary Foundation finds misuse or mismanagement. If a club is suspended or if qualification is revoked, the club may need to undergo additional grant management and stewardship training as determined by TRF. Remember to keep copies of all qualification documents, including the previous years' copies of the signed club MOU (see club MOU section 4A).

### **Succession Planning**

Clubs remain qualified for one year. Each year, the new president-elect or club-designated appointee must attend grant management training organized by the district, and the club MOU must be re-signed by the club president and the club president-elect.

Establishing a succession plan of who will manage the club's qualification status and how the transfer of grant records will be managed will ensure the retention of information and documents (see club MOU section 2B). By appointing a committee to manage the qualification process, the club can decrease the chance of records and historical information being lost if one member is no longer active or available. It is recommended that committee members serve staggering terms to keep continuity. Keeping these club records for grants and qualification organized and up-to-date will help clubs easily prepare reports for the district and TRF, and comply with audit requirements.



# Worksheet 10: Club Qualification Checklist

The following checklist summarizes the action steps that clubs must take to complete the qualification process, implement the club MOU, and maintain qualified status. Clubs should refer to the club MOU for the complete, binding list of qualification requirements. Clubs will receive qualified status for a period of one year.

## To Become Qualified

- The club president-elect or a club-designated appointee attends the district Rotary Foundation grant management seminar conducted by the club's district
- The club president and club president-elect sign and agree to abide by all stated terms in the club MOU and return the form to the district
- The club follows any additional district qualification guidelines, as determined by the district

## Implementation

- Establish a succession plan for the club leadership to ensure retention of information and documentation related to qualification
- Open a club bank account for grant funds and select two members in good standing who understand their roles as account signatories, in accordance with MOU section 3
- Establish a financial management plan by
  - Maintaining a standard set of accounts
  - Disbursing funds in a timely and direct manner
  - Maintaining separate statements of income and expenses
  - Maintaining a general ledger
  - Establishing an inventory system
  - Ensuring grant activities are in accordance with local law
  - Performing monthly bank reconciliations
  - Planning for transferring the custody of the bank account(s)
- Establish a document retention system in a location accessible and available to Rotarians that maintains all documents required by the club MOU for a minimum of five years or longer if required by local law, including:
  - Original documentation for district and global grants
  - Club qualification documents
  - Documented plans and procedures
- Fulfill TRF and district reporting requirements for the use of grants
- Report potential misuse to the district



