**APPENDIX 4: CLUB/DISTRICT MEMORANDUM OF UNDERSTANDING**

*This document is a Memorandum of Understanding (MOU) between the club and district. It explains what measures the club must undertake to ensure proper implementation of grant activities and management of grant funds. By authorizing this document, the club agrees that it will comply fully with all The Rotary Foundation (TRF) requirements including but not limited to the following District 1220 (District) requirements.*

**This document replaces all previous and undated versions.**

**1. Terms of Qualification**

1. The club will complete the qualification requirements (see Note1) prior to the receipt of any Foundation Funds. The club understands and confirms that completion of the qualification requirements is an annual rolling requirement that must be fulfilled until all reporting requirements relating to Rotary Foundation grants received by the club have been completed and approved by the District Foundation Team and TRF.
2. 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 spending of the funds.
3. The club will disclose any potential conflicts of interest and comply with the Conflict-of-Interest Policy for Grant Participants as outlined in section 10.030. of the Rotary Foundation Code of Policies which can be accessed at https://www.**rotary**.org/my**rotary**/en/document/**rotary**-**foundation**-**code**-**policies**
4. The club will cooperate with all District and TRF audits.
5. The club will meet all requirements of this MOU prior to receiving Grant funds.
6. A Project cannot start before the Grant Application has been approved.

**2. Club Leadership Responsibilities for Qualification**

1. The Club President has appointed a Club Foundation Officer/………………………………………. \* to manage club qualification and ensure that stewardship measures and proper grant management practices are implemented for all Rotary Foundation grants.

\*Insert another position if not The Foundation Officer.

1. The Club Secretary will ensure the implementation of Section 5 below.
2. The Club President will confirm a club-designated appointee attended the Rotary Foundation familiarisation and grant management and qualification training at the annual District Assembly or has completed all required courses at Rotary Learning Centre and will attend the District Foundation Seminar.

**3. Financial Management of District Grants**

In the case of District Grants the Club Treasurer will clearly identify within the Club’s accounts or Trust Fund account as appropriate, all income and expenditure relating to the Grant. These accounts to be available for inspection for a period of at least five years from the date the Grant was received. The Club is liable to refund any misused Grant funds and the following procedures will be adhered in order to minimise this risk.

3.1 a. Two Rotarian signatories will be required on cheques and withdrawals against Grant Funds, or as Individual Club Automated Banking Rules.

b. The transfer of Grant funds to another bank account can only be made into an account that requires at least two approved signatories for withdrawals. Under no circumstances can funds be transferred into a single signatory bank account.

c. When funds are used to settle a supplier invoice this will only occur after it has been fully ascertained that the goods and services are of the quality specified in the grant and have been supplied.

**4 Financial Management of Global Grants**

4.1 The Sponsoring (International) club will establish a bank account to be used only for all income and expenditure relating to the Grant project and specifically Rotary Foundation Grant funds. This account to be managed by the Club Treasurer and form part of the Clubs annual accounts and be “examined” in the same manner as the other Club Accounts.

* 1. The account should be low or non-interest-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 will not be deposited in investment accounts including but not limited to mutual funds, certificates of deposits, bonds, and stocks.
  3. Two Rotarian signatories will be required on cheques and withdrawals, or as Individual Club Automated Banking Rules.
  4. If Grant funds are being transferred to a Grant Host Rotary Club, such transfers must take place in accordance with the Grant Proposal. It is the responsibility of the Sponsoring Club to ensure the account into which such funds are being paid is no less secure than the above.

4.2 The club will create a financial management plan that includes measures to ensure:

1. The maintenance of 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 any lower amount required by applicable local laws or by Rotary Foundation in specific jurisdictions).
2. Disburse grant funds, as appropriate, solely and directly to Rotarians, vendors, and beneficiaries as approved in the grant application. Grant funds not immediately disbursed will be kept in the established project bank 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 laws.
   1. Global Grants Awarded to Global Scholars:
      1. Grant Funds should be received into a separately established bank account by the Sponsoring Rotary Club (unless the Scholar is undertaking their studies in USA when Rotary Foundation will pay the funds directly into the scholars US Bank Account).
      2. The bank account above should meet the requirements of 4.1 a, b & c above.
      3. Grant Funds should be transferred into the Scholars location bank account on request in accordance with the approved budget within the Scholarship Grant Application. Such transactions should be managed by the International Club, Primary Contact. Any requests, which require funds in excess of the budgeted amounts in the Grant Application should, before payment is made, be discussed and the variation within the overall budget approved by the District 1220 Scholarship Officer or the District 1220 Foundation Officer.

**5. Document Retention**

5.1 The club will create a document maintenance system ( Electronic acceptable ) 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:

a. Documents relating to qualification

b. All records and documentation of policies and procedures required by the club MOU

c. 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.

5.2 Documents will 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

**6. Report on Use of Grant Funds**  The club will report on the use of grant funds as outlined in the Terms and Conditions for Rotary Foundation District Grants and Global Grants. (See Note 2)

**7. Method for Reporting and Resolving Misuse of Grant Funds**  The club will report any potential misuse or irregularities in grant-related activity to the District immediately on becoming aware of them.

**8. Authorisation 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 *excluding clause 4*\* and will notify Rotary International District 1220 of any changes or revisions to club policies and procedures related to these requirements. \*Delete *excluding clause 4* if this MOU relates to a Global Grant Application.

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| **Term: 2025 – 2026** | **Term: 2025 – 2026** |
| Name (President): | Name (Foundation Officer) |
| Signature: | Signature: |
| Date: | Date: |
| **Term: 2025 – 2026** |  |
| Name (Hon Sec) |  |
| Signature: |  |
| Date: |  |

**Notes:**

1. **Qualification Requirements**: The minimum requirement is for the President-elect and/or the Foundation Chair to have attended the Foundation session of the previous District Assembly and District Foundation Seminar. In the event that this has not occurred the District 1220 Foundation Officer may following discussion with the Chair of the Grants Sub Committee at his/her discretion accept an undertaking from the Club President that there is adequate Foundation knowledge in the club to ensure proper management of Foundation funds.
2. **Reporting Terms and Conditions**: this requires Completion of the District 1220 DISTRICT GRANT REPORT FORM (Appendix 6: of the District 1220 Foundation Grants Information Pack) as and when requested. In the case of Global Grants, the online completion of all reporting requirements is required as and when requested.