

ROTARY INTERNATIONAL DISTRICT 9800 INC
THE ROTARY FOUNDATION
DISTRICT GRANTS GUIDELINES

The purpose of these guidelines is to encourage Rotary clubs and Rotarians in District 9800 to carry out local and international humanitarian service projects and educational initiatives. These guidelines are to ensure stewardship and accountability of Rotary Foundation funds entrusted to District 9800 Rotarians, to establish financial guidelines and for oversight of Rotary Foundation funds.

The Mission of The Rotary Foundation of Rotary International is to enable Rotarians to advance world understanding, goodwill and peace through the improvement of health, the support of education, and the alleviation of poverty.

District 9800 and the Foundation's Goals

- Eradicate polio
- Assist and encourage clubs to meet their Rotary Foundation contribution targets and to support them to fully participate in Foundation's education and humanitarian projects
- Increase sustainable service focused on –
 - New Generations program
 - The Rotary Foundation's six areas of focus
- Increase collaboration and connection with other organisations
- Create significant projects both locally and internationally.

1. Where there is a conflict between District 9800 guidelines and the policies, bylaws or rules of The Rotary Foundation (TRF) or of Rotary International (RI) the RI or TRF policy will apply.
2. Each year, no later than April 30th in the year prior to the program year, the District Foundation Committee

Chair (DFCC) and the District Grants Committee Chair (DGCC) will determine in consultation with the DGE the percentage, up to a maximum of 50%, of District Designated Funds (DDF) that the District will apply for as a District Block Grant and finalise the draft spending plan for the next program year.

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

- a) Global Scholarships (GS)
- b) Vocational Training Teams (VTT)
- c) District Grants – Local Community
- d) District Grants – International.

4. District Grants – Local Community :

- i. may be used for local community projects
- ii. are intended for small local community projects and do not require an international partner, but still require active Rotarian involvement
- iii. will match a club contribution dollar for dollar up to a grant size of \$2500
- iv. the project is to be completed by 30 April and the final report to be provided to the DGCC not later than 1 June. Clubs failing to meet the 1 June report deadline will have their grant cancelled unless an extension has been requested and approved by the DFCC
- v. grant payment will be made by cheque to the club upon completion of the project and provision of the final report in a satisfactory form.

5. District Grants – International

- a) are intended for international projects that do not qualify for Global Grants
 - b) are international grants and require an international partner. The partner can be a Rotary District or Club or a third party. Preference is given to projects with a Rotary District or Club as partner but a third party as partner would be considered
 - c) will match a club contribution 50 cents to the dollar up to a grant size of \$6,000
 - d) District 9800 clubs will be held accountable for management of grant funds under the terms and contained of any project approval granted and in accordance with the Club Qualification Memorandum of Understanding and are responsible for providing required reports within the timeframes specified in the project approval
 - e) grant payment will be paid by cheque to the club with 50% of the grant funds payable upon approval and the balance upon provision of the final report in a satisfactory form
 - f) failure to complete the grant project within 12 months of receipt of the first grant payment, to provide a final report in a satisfactory form, or misuse of grant funds will result in the club being liable to repay the full amount of the grant to District 9800.
6. A bank account will be maintained exclusively for receipt and disbursement of TRF funds. The account will be managed by the District Designated Grant Accountant (DDGA). All disbursements must be authorised by the DGCC and cheques signed by two signatories approved by the DG. Records will be maintained in Australian dollars.
7. Approval for projects must be given before the project is started.

8. District Grants Record Keeping – The District Grants Committee (DGC) will maintain a series of files of the following with the indicated retention times:
 - a) an individual file for each District Grant containing the original application as reviewed by the DGCC prior to the grant of approval, interim reports and the final report;
 - b) a copy of cheque requests made to fund the approved grants; and
 - c) the retention period for the files shall be five years.

9. District Grants Financial Accounting – The DDGA will be responsible for the following:
 - a) maintaining a general ledger in accordance with generally Accepted Accounting Principles;
 - b) ensure that all DGC banking activities, including the conversion of funds, are in accordance with local law;
 - c) adhere to all TRF bank account requirements as follows
 - the DGC bank account should be low or non interest bearing, any interest earned will be documented and used on eligible, approved grant activities or returned to TRF
 - the name on the grant account will be Rotary International District 9800 Inc Grant Account
 - grant funds may not be deposited in investment accounts of any kind;
 - d) perform monthly bank reconciliations and retain them electronically; and
 - e) annually within 30 days after the end of each Rotary year the DDGA will make available to the DGCC a copy of the general ledger.

- f) The District Foundation Committee (DFC) is responsible for informing District 9800 Rotarians concerning the use of District Grants Funds and encouraging publicity about district grants by:
- the DFC will frequently highlight district grant projects on the district website, district newsletter and at district seminars and training events
 - the DFC will maintain a liaison with the district director of marketing and external relations to ensure projects are publicised in a variety of media
 - a verbal report will be provided at the District Conference.

10. The DGC will meet no less frequently than once every three months for the purpose of reviewing open, in process and closed district grants, project interim and final reports, and interim and final financial reports. The committee may meet by conference call or other electronic means.

11. The DGC will appoint a District Foundation Audit Committee to review the District Block Grant financial records and grant documentation. The audit will be concluded within three months after the end of each District Grant Rotary year. The audit review committee will be comprised of Rotarians who meet the qualification requirements as specified by TRF and who are not directly involved in any project granted funding in the year being audited.

12. All unused District Grant funds on 30th June each year will be returned to TRF no later than twelve months after receipt of funds from TRF.

13. To be eligible to receive a District Grant, the sponsoring club must meet the following eligibility requirements:

- is certified in accordance with the requirements laid down by the District and TRF. Certification includes signing a Club Qualification Memorandum of Understanding (MOU) and having a representative or representatives attend one of the District Foundation Grant Seminars
- is not delinquent in meeting the reporting requirements established from time to time by the DGC
- is not delinquent in payment of dues or other debts for more than 90 days to District 9800, RI or TRF.

14. District grants may be used for approved local or international service projects. The DGC will not apply specific percentage allocations of funds to either local or international service projects. Grants will be awarded on a first in/first out basis until funds are fully committed.

15. Use of Grant Funds

- a) The club acknowledges that it is responsible for the proper disbursement of grant funds as specified in the terms and conditions of any grant and in the District 9800 Grant Guidelines, Transferring District 9800 Grant funds to another Rotary District or 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 9800 or TRF any grant funds not properly 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 TRF Code of Policies.
- d) Permitted uses
 - Construction of infrastructure including but not 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
 - 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, elevators, renovation of bathrooms, etc.
 - International travel for up to two people to implement a service project or to provide training, provided the host sponsors have confirmed that the skill set is not readily accessible locally and warrants funding international travel. Staff, officers or members of a cooperating organization involved in the project are not eligible to receive grant funding for travel expenses. In special circumstances where these individuals have specific skills or qualifications necessary to implement the project, consideration will be given to permit

funding their travel. A humanitarian project budget may not be used to solely fund international travel; it must be a component of a larger humanitarian project budget and the travel portion must be reasonable in proportion to the project budget

- Domestic travel for beneficiaries and both Rotarian and non- Rotarian professionals needed to provide direct project implementation
- Direct program costs, salaries, stipends, or honorariums directly related to project implementation, and must be fully documented.
- Immunization activities, including the purchase of polio vaccines, as long as polio vaccine is not the only vaccine being purchased.

e) Prohibited uses

- Continuous or excessive support of any one beneficiary, entity, or community
- The establishment of a trust, a permanent foundation, or permanent interest-bearing account
- Activities that consist primarily of research oriented projects or data collection
- The purchase of land or buildings
- 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 (nonmatched cash contributions not processed by TRF) or funded by another entity

- Renovations to complete buildings that are partially constructed (including buildings with only the exterior completed) but have never been occupied or operational
- Cash donations or stipends to beneficiaries outside of a revolving loan fund. TRF will support beneficiaries through the use of goods, education, services and care.
- Operating, administrative or indirect program expenses of another organisation.
- Projects primarily initiated and controlled by a non-Rotary organization
- Unrestricted cash donations to a beneficiary or cooperating organization.

16. Proposals for grants will be accepted by the DGC commencing on 1st April prior to the Rotary program year and shall be submitted in the prescribed form established from time to time by the DFC.

Applications for grants may be submitted prior to 1st July but must contain the signatures of the current president and president elect of the club.

17. Grant applications which are not funded due to a lack of available funds in any one year will not be carried forward from one Rotary year to the next.

18. Project sponsor clubs are encouraged to partner with other District 9800 clubs, particularly with those clubs which are either too small or which have no prior experience of projects funded with TRF grants.

19. The DGC may request updates on grant projects in the form of an interim report. The DGC is responsible

to ensure clubs submit all reports on or before the dates required.

20. Clubs shall include a plan in the grant application for public awareness and media relations regarding the project.
21. The club shall state in writing and real, potential or perceived conflict of interest involved in the project. The conflict of interest policy as set out in TRF Code of Policies (September 2016) 10.030 “Conflict of Interest Policy for Program Participants” will apply in District 9800. The Policy is Annexure A to these Guidelines.
22. The DGC will follow the guidelines as outlined in the TRF Code of Policies regarding what types of projects or payments are not permitted for funding. It is the responsibility of clubs to establish that their project qualifies for funding before submitting an application. Clubs are encouraged to contact their District Grant Coordinator for advice before submitting an application or proposal.
23. Any alleged misuse or mismanagement of grant funds must be immediately reported to the DG, the DFCC and the DGCC. Procedures to report and resolve misuse of grant funds are Annexure B to these Guidelines.
24. All unused grant funds are to be returned to the DGC within 60 days of the completion of any grant funded project, and may not be carried forward or applied to future projects of the sponsor club.

25. Appeal from a decision of the DGC or the DFC may be made to the DG. The DG may review the decision personally or may direct mediation as considered appropriate. The decision of the DG shall be final.

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ANNEXURE A

CONFLICT OF INTEREST POLICY FOR PROGRAM PARTICIPANTS

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. The conflict of interest policy shall be applied in the following circumstances as specifically set forth below. The application of this conflict of interest policy shall not be limited to these circumstances.

1. Award Recipient Eligibility

Pursuant to section 9.3 of the TRF bylaws, those individuals defined below shall not be candidates or final award recipients or beneficiaries of any TRF program. Such individuals shall include current Rotarians; employees of clubs, districts, and other Rotary Entities (as defined in the Rotary Code of Policies) or of Rotary International; spouses, lineal descendants (children or grandchildren by blood, legal adoption, or marriage without adoption), spouses of lineal descendants or ancestors (parents or grandparents by blood) of persons in the foregoing categories; and employees of agencies,

organizations, or institutions partnering with TRF or RI.

Former Rotarians shall continue to be ineligible for a period of 36 months after termination of their membership. Persons who were ineligible based on their familial relationship to a former Rotarian shall continue to be ineligible for a period of 36 months after termination of their family member's membership. Notwithstanding the foregoing, such individuals shall be eligible to participate in vocational training teams and in individual travel for humanitarian projects (when such individuals are determined to be qualified) funded by district grants, global grants, and packaged grants.

2. Impartiality of Selection Committees

Rotarians who serve on a club or district-level selection committee for a TRF program are expected to exercise complete transparency in their familiar, personal, or business relationship with an applicant and must notify the committee chair in advance of a selection process of any actual or perceived conflict of interest due to the committee member's association with a TRF program award candidate, e.g. employees of the same firm or organization, members of the same Rotary club or member of the same club sponsoring an application, familial relationship, etc.

The selection committee chair will decide how and if that committee member should participate in the selection process for that one or all candidates with whom there is an actual or perceived conflict of interest. If the selection

committee chair is the individual with an actual or perceived conflict of interest, the club board or the DRFC chair, as appropriate, will decide how and if such chair should participate in the selection process for that one or all candidates with whom there is an actual or perceived conflict of interest.

3. Business Transactions with Vendors

Before TRF, a Rotary district, a Rotary club, or a Rotarian conducts business transactions related to a TRF program award in which the vendor receives payment from a Rotary Entity, a fair, open and thorough request for proposals or bidding process must be conducted to ensure that the best services are secured at a reasonable cost, despite any connection between a vendor and a Rotary Entity.. Possible conflicts of interest may arise when a Rotary Entity is considering business in which funds will be paid to a Rotarian; a goods and/or services provider owned or managed by a Rotarian, Honorary Rotarian, employee of a club, district, or other Rotary Entity or of Rotary International, Rotarian's spouse, lineal descendants (child or grandchild by blood, legal adoption, or marriage without adoption), spouses of lineal descendants, and ancestors (parents or grandparents by blood), or employees of agencies, organizations, or institutions partnering with TRF.

Examples of business relationships that may require further review to confirm that a Rotarian conflict of interest does not exist include business transactions with a partner nongovernmental organization, goods or services

provider, insurance company, travel agency, shipping agency, study institution, language skill testing firm, etc.

Business transactions with individuals or entities with whom there is an actual or perceived conflict of interest can be completed upon approval of the general secretary if such transaction provides the best product or service at fair market value, as evidenced by a sales quote of offer obtained through a fair, open and thorough request for proposals or bidding process.

The general secretary shall provide advise on how to interpret and implement this conflict of interest policy. Any unresolved conflict of interest involving a program grant or ward must be reported by a Rotarian or Rotary entity involved to the general secretary at least 30 days in advance of the selection process or proposed business transaction. The general secretary will decide if a conflict of interest may exist for a particular case, If, upon review of the situation, the general secretary concludes that there is or has been a conflict of interest in the execution of a TRF program grant or award, the general secretary shall fashion an appropriate remedy. Such remedy may include the cancellation of current or suspension of future TRF program grants or awards involving a particular Rotarian, Rotary club or Rotary district.

ANNEXURE B

PROCEDURES TO REPORT AND RESOLVE MISUSE OF GRANT FUNDS

1. Any alleged misuse or mismanagement of grant funds must be immediately reported to the DG or the DFCC.
2. The report may be oral in the first instance but must subsequently be in writing specifying in detail the alleged misuse or mismanagement of grant funds and providing objective evidence of the same if it exists.
3. Upon receipt of a written report alleging misuse or mismanagement of grant funds there shall be formed an investigation committee comprising the DG, the DFCC, the DFGCC and the DFSCC which shall be chaired by the DG. If any member of the investigation committee is unavailable, or is conflicted in being a member of the committee, the other members of the committee may co-opt to the committee a chair or member of any District Foundation sub-committee.
4. The investigation committee shall meet promptly and shall determine:
 - (i) whether there is a need to meet with the person(s) alleging misuse or mismanagement of grant funds to clarify any matters arising out of the written report or to obtain further evidence of the alleged conduct;
 - (ii) whether, after having reviewed all the evidence, the allegations made could constitute proof of misuse or mismanagement of grant funds;

- (iii) if yes to (ii), to direct the DFSCC to provide full details of the alleged misuse or mismanagement of grant funds, together with any evidence, to the person or club against whom or which the allegations are directed and request a response in writing within 14 days, together with any evidence in support of the response;
- (iv) if no to (ii), to direct the DFSCC to advise the person(s) making the allegations that the evidence provided could not constitute proof of misuse or mismanagement of grant funds;
- (v) to direct the DFSCC to advise TRF of the allegations and of the fact that these procedures have been activated.

5. Upon receipt of the written response under clause 4 (iii), the investigation committee shall meet to consider the response. At that meeting the investigation committee may determine that:

- (i) there is a need to meet with the person(s) or club representatives against whom the allegations are made to seek further clarification of their response; or
- (ii) there is no need to meet with such persons as there appears to exist sufficient evidence to make a recommendation or determination in relation to the allegations.

6. In the event that the allegations relate to misuse or mismanagement of grant funds in a Global Grant, the DFSCC shall forward a recommendation of the investigation committee as to remedy to TRF for its consideration and determination.

7. In the event that the allegations relate to misuse or mismanagement of grant funds in a District Grant, the investigation committee shall fashion an appropriate remedy and the DFSCC shall notify TRF of the action taken to resolve the allegations.