



*Terms and Conditions
District Simplified Grants (DSG)
Rotary Year 2009 ~ 2010*

IN ACCEPTING A DISTRICT SIMPLIFIED GRANT YOU AGREE TO FOLLOW REQUIREMENTS:

I. District Simplified Grant Criteria:

District Simplified Grants support the service activities or humanitarian endeavors of clubs. Each project the grant supports must:

- A. Respect the wishes of the receiving community;
- B. Understand and appreciate another country's tradition and culture if grant activities will take place outside of the recipient district's country; and
- C. Comply with all standard Humanitarian Grant Policies and Guidelines.

II. District Simplified Grant Rotarian Involvement:

Rotarians from the club must be actively involved in each District Simplified Grant project. Therefore, a committee of at least two Rotarians from the sponsoring Rotary club must be established to oversee the project and the expenditure of grant funds. The members of the committee should serve for the entire term of the District Simplified Grant, even if it extends into future Rotary years. District Simplified Grants require the direct involvement of Rotarians who will conduct the following:

- A. Assessment of community needs and development of a project plan;
- B. Establishment of a committee containing at least two Rotarians to oversee the expenditure of funds;
- C. Oversight of grant funds;
- D. Involvement in the implementation of projects;
- E. Provision of evidence of community involvement and ownership;
- F. Organization of meetings with local service providers, local officials, and/or recipients; and
- G. Promotion of projects in the local media.

III. Stewardship of District Simplified Grant Funds:

District Simplified Grant awardees agree to:

- A. Treat the District Simplified Grant funds as a sacred trust to be constantly safeguarded from loss, misuse, or diversion;
- B. Assure competent and thorough oversight of the project with clear delineation of responsibility;
- C. Use District Simplified Grant funds only for eligible purposes as outlined herein, which will be strictly interpreted. Funds expended on unapproved or ineligible items and/or for unapproved or ineligible purposes must be refunded to the District Rotary Foundation Committee.
- D. Conduct all financial transactions and project activity relating to the grant at least at the level of standard business practices and always in consonance with the "Declaration of Rotarians in Business and Professions" and in the full spirit of "The Four Way Test." This requires:
 - 1. Maintaining regular accounts of all transactions, retaining original receipts and invoices for a minimum of three years; and
 - 2. Establishing an inventory system for the control of equipment purchased with grant funds.
- E. Exercise the highest attention to the prevention of even the appearance that The Rotary Foundation grant funds are being used in an improper manner. Such attention is expected to go beyond that afforded to the use of private or corporate funds;
- F. Report immediately any irregularity in grant related activity to the District Rotary Foundation Committee;
- G. Return any unused funds and/or interest earned at the completion of the grant to the District Rotary Foundation Committee.
- H. Obtain approval from the District Rotary Foundation Committee prior to transferring DSG funds to (directly or indirectly), or using DSG funds to purchase goods or services for use in any country, entity, or person that is subject to economic or trade sanctions under U.S. law (these currently include, but are not limited to, Cuba, Iran, Iraq, Sudan, Libya, North Korea, and Myanmar). This is necessary so that TRF can obtain necessary regulatory approvals to allow such use of the funds.

IV. Appropriate Grant Implementation:

A. The use of District Simplified Grant funds must:

1. Promote active and personal participation of all Rotarians involved in the implementation of the grant;
2. Assist in the development of stronger Rotary networks as clubs from different communities and/or nations work together to implement projects that have been initiated by a Rotary Club in a project location. Projects that receive support should satisfy the real humanitarian needs of the receiving community;
3. Not involve the establishment of a permanent foundation, trust, or permanent interest-bearing account. Grant projects can involve the establishment of a revolving loan fund, but must include training and detailed information regarding recipient payback schedules (see section X);
4. Not directly benefit a Rotarian; an employee of a club, district or other Rotary entity, or of Rotary International, or a spouse, lineal descendant (child or grandchild by blood or legally adopted child), a spouse of a lineal descendant, or an ancestor (parent or grandparent by blood) of any living Rotarian or Rotary employee;
5. Not duplicate any existing TRF or other Rotary-sponsored program;
6. Exclude any liability to The Rotary Foundation or to Rotary International except for the amount of the grant;
7. Be consistent with the criteria, procedures, and policies of the Polio Plus program and the World Health Organization for projects involving vaccines and immunizations;
8. Not be used to reimburse clubs/districts for projects already undertaken and in progress, an existing project, activities primarily sponsored by a non-Rotary organization, or for projects that are already completed.

B. Grant funds cannot be used:

1. For the purchase of land and buildings. If the grant depends upon the construction of a building, the construction must be funded by club/district funds or funded by a cooperating organization. The Rotary Foundation will not release grant funds until such construction is completed;
2. For construction of any structure in which individuals live, work, or engage in any gainful activity such as buildings, containers, and mobile homes or structures where individuals carry out any type of activity including manufacturing, processing, maintenance and/or storage. The only exception to the above guidelines is the funding of low cost shelters for extremely underprivileged families.

- Construction of infrastructure such as service roads, wells, reservoirs, dams, bridges, latrines, toilet blocks, and water supplies and other similar structures is acceptable;
3. For renovation of structures, including the provision of new services or upgrade of utilities (i.e. electrical & plumbing), in which individuals live, work, or engage in any gainful activity such as buildings, containers, and mobile homes or structures where individuals carry out any type of activity including manufacturing, processing, maintenance, and/or storage;
 4. For salaries, stipends or honorariums for an individual or individuals working for a cooperating organization or beneficiary;
 5. To support the operating or administrative expenses of any organization;
 6. For post-secondary education activities, research, or personal or professional development;
 7. For excessive support of anyone beneficiary, cooperating organization, or project;
 8. For international travel expenses of any kind.

V. Time Limits:

- A. Failure to provide acceptable reports on previous grants in a timely manner will result in the club not being able to initiate a new District Simplified Grant;
- B. Sponsors must meet all preconditions for payment 12 months from the date of the grant announcement letter or the grant will be terminated. If an approved District Simplified Grant remains unpaid for more than 12 months, the grant will be cancelled;
- C. Sponsors must demonstrate significant progress within 12 months of the release of payment installment or the grant will be terminated. If a paid District Simplified Grant is not implemented within 12 months, the grant will be cancelled and the sponsors will be required to return the funds.

VI. Reporting Requirements and Independent Financial Reviews:

The Rotary Foundation Trustees and the District Rotary Foundation Committee require District Simplified Grant awardees to:

- A. Submit Progress and Final Reports:
 1. Submit Progress Reports at least every three months during the implementation of the grant detailing the projects' progress, financial activities, and the estimated completion date;

2. Submit Final Reports within one month of the full expenditure of grant funds. Failure to adhere to these policies and guidelines in the implementation of projects and expenditures of funds will result in the club returning misused grant funds in their entirety and being barred from receipt of future grants for a period up to five years. The final report shall include the following:
 - a. A highly detailed and clearly organized report of all expenses;
 - b. Detailed information regarding all beneficiaries of grant funds;
 - c. A detailed account of Rotarian participation in the implementation of the projects, and
 - d. A detailed narrative describing the implementation of the projects and how experiences gained will inform/guide the club for the next Rotary year;
3. New requests will not be accepted and will be returned to the club if the club has not provided Progress Reports for a current District Simplified Grant or has overdue Final Reports.

B. Retain receipts for all purchases to be made available upon request.

C. Provide an Independent Financial Review (Prescribed Audit):

All grant recipients are encouraged to have an independent financial review/prescribed audit.

An independent financial review/prescribed audit must be made by a licensed, chartered, or certified "accountant" or "accounting firm," which has no links to the project. The appointment of such an independent accounting firm or accountant must be made by the district governor of the project district (where the funds were sent). The Rotary Foundation reserves the right to appoint the reviewer as necessary.

The independent financial review/prescribed audit must include the following:

- 1) A determination of whether the funds received for the project were expended in a manner consistent with the spending plan and if not, why.
- 2) A determination of whether a standard set of accounts was maintained and included a complete record of all receipts for all expenditures in excess of US\$25.00 and disbursements.
- 3) An examination of expenditures to ensure funds were used for intended purpose, proper records maintained, and a system of controls in place. This examination should include:
 - a) Selection of a sample of disbursements and reconciliation to supporting documentation.

- b) A review of the full listing of expenditures to ensure funds were expended in a manner consistent with the Terms and Conditions of the grant award.
- c) Identification of the purchasing procedure used.
- 4) A determination of whether funds were held in an interest bearing account and documentation of how interest earned was used.
- 5) Review of bank reconciliations to ensure reconciliations were prepared correctly and in a timely manner and that opening and closing balances agreed to the financial records of the project and bank statements.
- 6) A determination of whether or not all project activities, including the conversion of funds, were made in accordance with local laws and regulations.

The independent financial review/prescribed audit must be submitted to the District Rotary Foundation Committee no later than 12 months after the first payment is received and every twelve months thereafter until the project sponsors are notified that the grant is officially closed. All grant records, including financial records, must be maintained for three years after the close of the activity. These records will include copies of receipts, canceled checks, invoices, etc. The District Rotary Foundation Committee reserves the right to conduct an audit of any grant, regardless of size, at any time.

The primary partners are responsible for annual independent financial review/prescribed audits, the cost of which may be shared among all involved parties.

- D. Cooperate with TRF audits:
 1. The District Rotary Foundation Committee reserves the right to conduct an audit of any grant, regardless of size, at any time.
 2. In addition, the District Rotary Foundation Committee reserves the right to review the project at any time, require the submission of additional documentation, and suspend any or all payments if in its sole discretion progress is not considered to be satisfactory.
 3. The Club will maintain detailed, accurate, and complete financial records throughout the life of the grant and for a period of three years after the grant closure date.

VII. Rotary Name and Emblem Use Guidelines:

Guidelines on the use of the "Rotary" name and emblem are RI policy. When naming your DSG funded project and in any literature developed they must be compliant as follows:

A. ROTARY NAME:

1. The RI Board has determined that any use of the "Rotary" name without a further qualifier, such as the name of a Rotary club or a Rotary district, refers to the international association, RI.
2. New project names or programs not under the exclusive control of RI, when using the name, "Rotary," must include the name of the participating Rotary club(s) or district(s) and should not use the name, "International."
3. If using the words, "Rotary," and "Foundation," these words must not appear together, but must be separated by additional identifying information, such as the name of the participating Rotary club(s) or district(s).
4. Ongoing programs not under the exclusive control of RI and not conforming to these guidelines should be renamed to provide this additional identifying information (i.e. the name of the participating Rotary club(s) or district(s) must be included when using the name "Rotary").
5. The naming of any project that does not conform to the guidelines must receive specific RI Board approval.

B. THE ROTARY EMBLEM:

1. The Rotary Emblem, like the Rotary Name, represents the international association, RI.
2. Whenever the Rotary Emblem is used for a project, program or activity not under the exclusive control of RI, the name of the participating club(s) or district(s) should also be used in addition to the emblem; should appear directly adjacent to the emblem; and be of a size of equal prominence to the emblem.
3. Any reproduction of the Rotary Emblem must meet RI's proper emblem specifications.
4. Camera-ready art can be obtained through your District General Secretary.
5. No alterations, modifications or obstructions of the Rotary Emblem are permitted. The emblem must be faithfully reproduced and always appear in its entirety.
6. The RI Bylaws discourage any joint use of the RI Emblem with the emblem or logo of another organization. The use of such name, emblem, badge or other insignia in combination with any other name or emblem is not recognized by RI.

If you have questions about District Simplified Grants, please feel free to contact the District Rotary Foundation Committee at:

The District Rotary Foundation Committee

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