

## **Guidelines, Terms and Conditions 5300 District Simplified Grants (DSG)**

IN ACCEPTING A 5300 DSG YOU AGREE TO FOLLOW TRUSTEE REQUIREMENTS REGARDING  
THE IMPLEMENTATION OF YOUR DSG PROJECT(S):

### **5300 District Simplified Grant Criteria:**

District Simplified Grants are funded by a portion of the DDF (District Designated Funds) from three years prior that support the service activities or humanitarian endeavors of the district.

District 5300 receives the total funds from TRF and must then distribute it and provide stewardship of the funds.

Each project the grant supports must:

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

### **5300 DSG Stewardship of the funds**

Rotary clubs in District 5300 who receive money from the DSG account agree to comply with the Stewardship of The Rotary Foundation Funds as outlined in Section III.

### **5300 DSG Rotarian Involvement**

The 5300 DSG District Committee will be composed of at least three voting members. These will include:

- The District Foundation Chair
- The District Matching Grant Chair
- The District Governor from the year in which the funds were donated (2000-2001 for 2003-2004 Sal Briguglio; 2001-2002 for 2004-2005 Margaret Cooker; 2002-2003 for 2005-2006 Lee Harlan; 2003-2004 for 2006-2007 Barbara Risher Welch; 2004-2005 for 2007-2008 Roy York; 2005-2006 for 2008-2009 Stew Anderson etc.).
- In addition those clubs who donated the most (top 3 slots) to the annual fund in per capita and total giving (potential 6 members) in the year the funds were donated (see previous) will be offered positions on the committee (if a club is in the top three in both categories they will be offered either 2 members or one member with 2 votes)
- The sitting governor will be an ad hoc member of the committee.

### **5300 DSG Process**

Clubs must submit a fully completed original DSG request form by the deadline (download from the district web site). Forms that are not complete will be returned. It is recommended that a club consult with the District Matching Grant Chair to ensure that guidelines have been met and for completeness.

The initial process for allocating the DDF monies received from TRF for the DSGs will provide for a one time committee review and allocation of the funds. If any funds are lefts after the initial allocation then DSG requests may be approved on an on-going basis until the fund for the current Rotary year is exhausted. A deadline for the receipt of DSG will be established by the District Foundation Chair in consultation with the District Governor. This deadline may be extended at the request of the sitting DG if insufficient response is garnered.

The District DSG committee will determine the criteria to be used.

Within a month of the deadline all applications will be reviewed by the members of the committee and rated.

The committee will discuss the results of the review and prioritize both the order of awarding grants and the amount to be awarded.

Monies will be issued to the successful clubs from the District account until funds received from TRF are exhausted.

Successful clubs must submit reports at six months and by July 31 2004 then every six months until the project is completed. (see District web site for report format).

**R.I. requirements imposed on District 5300 upon which the above is based.**

**Section I: District Simplified Grant Rotarian Involvement:**

Rotarians from the district must be actively involved in each District Simplified Grant project. Therefore, a committee of at least three Rotarians from the sponsoring Rotary district must be established to oversee the expenditure of grant funds. The members of the committee must serve for the entire length of the project, 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 a plan;
- B. Establishment of a committee containing at least three 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.

**Section II: District Simplified Grant Funding and Payment:**

District Simplified Grant funds will not be released until all of the following conditions are met:

- A. The Rotary Foundation (TRF) must receive a signed District Simplified Grant Request and Agreement Form from the sponsoring Rotary district (signed by the District Rotary Foundation Chair and District Governor-elect).
- B. The Rotary Foundation receives information regarding an appropriate payee for the grant.
- C. District Simplified Grants must be paid to a Rotary controlled project account, preferably an account established for the project with at least two signatories.
- D. District Simplified Grants will not be paid to an individual, cooperating organization or beneficiary.
- E. Spending plan and publicity plan for grants above US\$25,000 have been submitted to TRF.
- F. Reporting requirements on all previous DSGs undertaken by the district have been met.

**Section III: Stewardship of The Rotary Foundation Funds:**

District Simplified Grant awardees agree to:

- A. Treat The Rotary Foundation 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 TRF grant funds only for eligible purposes as outlined herein, and will be strictly interpreted. Funds expended on unapproved or ineligible items and/or for unapproved or ineligible purposes must be refunded to TRF.
- 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:
- E. Maintaining regular accounts of all transactions, retaining original receipts and invoices for a minimum of three years; and
- F. Establishing an inventory system for the control of equipment purchased with grant funds.
- G. 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;
- H. Report immediately any irregularity in grant related activity to The Rotary Foundation;
- I. Return any unused funds and/or interest earned at the completion of the project to The Rotary Foundation.

**Appropriate Grant Implementation:**

**Section IV: The use of funds from The Rotary Foundation must:**

- A. Promote active and personal participation of all Rotarians involved in the implementation of the project;
- B. 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 which receive TRF support should satisfy the real humanitarian needs of the

- receiving community;
- C. 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;
- D. 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;
- E. Not duplicate any existing TRF or other Rotary-sponsored program;
- F. Exclude any liability to The Rotary Foundation or to Rotary International except for the amount of the grant;
- G. Be consistent with the criteria, procedures, and policies of the Polio Plus program and the World Health Organization for projects involving vaccines and immunizations;
- H. 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.
- I. The 5300 DSG committee will only fund projects that have been reviewed and approved by the 5300 DSG committee prior to their initiation.

**Section V: Grant funds cannot be used:**

- A. For the purchase of land and buildings. If the grant depends upon the construction of a building, the construction must be funded by additional (that is non-matched) club/district funds or funded by a cooperating organization. The Rotary Foundation will not release grant funds until such construction is completed;
- B. 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;
- C. 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;
- D. For salaries, stipends or honorariums for an individual or individuals working for a cooperating organization or beneficiary;
- E. To support the operating or administrative expenses of any organization;
- F. For post-secondary education activities, research, or personal or professional development;
- G. For excessive support of any one beneficiary, cooperating organization, or project;
- H. For international travel expenses of any kind except where expressly permitted.

**Section VI: Time Limits:**

- A. Failure to provide acceptable reports on previous grants in a timely manner will result in the sponsors (both international and local where appropriate) not being able to initiate new projects;
- B. Sponsors must meet all preconditions for payment 15 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 fifteen months, the grant will be cancelled;
- C. Sponsors must demonstrate significant progress within 15 months of the release of payment installment or the grant will be terminated. If a paid District Simplified Grant project is not implemented within fifteen months, the grant will be cancelled and the sponsors will be required to return the funds.

**Section VII: Reporting Requirements and Independent Financial Reviews:**

The Rotary Foundation Trustees require District Simplified Grant awardees to:

**Section VIII: Submit interim and final reports:**

- A. Submit interim reports at least every six months during the implementation of the projects detailing the project's progress, financial activities, including copies of receipts and invoices, and the estimated completion date;
- B. Submit Final Reports within two months of the full expenditure of grant funds. Failure to adhere to the TRF policies and guidelines in the implementation of projects and expenditures of funds will result in the district 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) Copies of receipts for items purchased with a cumulative dollar value of US\$1,000 or more;
  - c) Detailed information regarding all beneficiaries of grant funds;
  - d) A detailed account of Rotarian participation in the implementation of the projects, and
  - e) A detailed narrative delineating the implementation of the projects and how experiences garnered will inform/guide the district for the next Rotary year;
  - f) New requests will not be accepted and will be returned to the district if the project sponsors have not provided interim reports for a current District Simplified Grant or have overdue final reports.

**Section IX: Provide a Prescribed Audit (Independent Financial Review):**

- A. An annual prescribed audit is required for those grants in the amount of US\$25,001 or more. The financial review must be submitted to The Rotary Foundation no later than 15 months after the first grant payment is received, and every twelve months thereafter until the project sponsors are notified that the grant file has been officially closed;
- B. Prescribed audits must be made by an appropriately licensed, chartered, or certified accountant or accounting firm which has no direct relationship with the project to be examined. The District Governor of the district in which the project is located must make the appointment of such an independent accounting firm or accountant. The Rotary Foundation reserves the right to appoint the independent financial reviewer.
- C. The scope of the prescribed audit must include the following:
  - a) An examination and certification of the opening and closing balances of all project funds;
  - b) A determination of whether the funds received for the project were expended for the intended purpose and, if not, why not;
  - c) An examination of the accounts for all funds received and expended to determine if they were maintained according to standard business practices, including a standard set of accounts which records all receipts and disbursements by date, amounts, and purpose;
  - d) A determination of whether an inventory of all assets has been maintained;
  - e) An examination to determine if there is a system of control for all funds received and disbursed: i.e., whether there are at least two signatories on each account; receipts are maintained for all expenditures over US\$25; there is a standard purchasing procedure (competitive bidding is encouraged where appropriate); and that all project activities, including the conversion of funds, are in accordance with local laws and regulations;
  - f) A determination of whether the accounts were reconciled in a timely manner.

**Section X: Cooperate with TRF audits:**

- A. The Rotary Foundation reserves the right to conduct an audit of any grant, regardless of size, at any time.
- B. In addition, TRF 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.
- C. The District 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.

**Section XI: The Rotary Foundation's Guidelines for the Construction of Low Cost Shelters:**

Any district undertaking a Low Cost Shelter project with District Simplified Grant funds should contact TRF staff prior to implementation to ensure all eligibility requirements can be met.

The Trustees of The Rotary Foundation agreed to support the construction of Low Cost Shelters as an exception to The Rotary Foundation's established Construction Policy in an effort to help the extremely underprivileged and as such, the construction of shelters should be very simple and meet basic human needs;

- A. Shelters should provide a safe place to live for a family unit in an acceptable, safe environment (the area must be free from possible floods, rock slides, volcanic eruption, etc.);
- B. A complete set of plans including schematic drawings of the shelters, the construction site and safe water and sanitation facilities as well as information relating to installation of electricity, and all other information needed to facilitate a complete technical and financial review of the project is required with any application that supports the construction of Low Cost Shelters;
- C. The minimum number of shelters to be constructed with a single grant award is five, so that economies of scale can be achieved, appropriate water and sanitation installed and administrative costs minimized. The maximum number of shelters to be constructed at a single site, with total use of Foundation funds, is not to exceed 50, as any more would result in a need to provide an expensive urban infrastructure which is beyond the scope of Low Cost Shelter projects;
- D. The use of common walls in the design of the shelters is encouraged as a means of minimizing project costs;
- E. Written documentation from both the land donor and the local competent authority that the project has their full support and they will permit the project to start without delay once grant funds are released must be included with all complete applications;
- F. No expansion or alteration of individual shelters should be provided for in the initial plans to construct the Low Cost Shelters or actually implemented for five years after the shelter is constructed;
- G. Payments for Low Cost Shelter projects will be made in installments, based upon an agreeable payment plan, with the first payment released upon the receipt of all payment requirements and with subsequent payments made upon the receipt of acceptable interim reports that include photographic evidence of the project's progress. Additionally, an amount of US\$5,000 or more, which is no less than 10% of the project budget, will be withheld until the shelters are fully completed, and all evaluation visits and other reports have been submitted and approved;
- H. The incorporation of a home maintenance plan for all projects as a means of assuring the long-term sustainability of Low Cost Shelter projects is encouraged. Such plans should provide training for the individual and collective upkeep and maintenance of construction elements like water wells, latrine blocks, the roof, etc.

### **Section XII: Population Growth and Development:**

The Rotary Foundation (TRF) supports the programs of Rotary International, including their aims and objectives with respect to RI's statement on Population Growth and Development.

The district utilizing TRF funds may consider funding the following expenditures associated with population growth projects:

- A. Pre-natal medications/vitamins
- B. Birthing medications
- C. Newborn baby screenings
- D. Surgical instruments to help with births
- E. Pre-natal screening
- F. Ultrasound equipment (as long as it is used for diagnosing and treating patients)
- G. Education and Training
- H. Public health education
- I. Family planning training
- J. Information on sexually transmitted diseases
- K. Community health training
- L. Balanced diet and nutrition awareness

### **Section XIII: Revolving Loans:**

Any district undertaking a Revolving Loan project with District Simplified Grant funds should contact TRF

staff prior to implementation to ensure all eligibility requirements are met.

- A. Clubs and districts are encouraged to establish their own revolving loan programs, whether they involve money, animals, equipment, or other types of loan programs, as a way of undertaking sustainable development projects. Cooperating organizations can assist Rotary clubs and districts working with micro credit and revolving loan funds. The Foundation will not consider any grant applications for micro credit or revolving loan funds involving cooperating organizations until those organizations can demonstrate their ability to meet the requirements of The Rotary Foundation and significantly involve local Rotarians in these activities.
- B. Grant awards for Revolving Loan Funds may be approved within all appropriate Humanitarian Grants up to US\$10,000.

#### **Section XIV: 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:

##### **ROTARY NAME:**

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.

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."

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).

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").

The naming of any project that does not conform to the guidelines must receive specific RI Board approval.

##### **THE ROTARY EMBLEM:**

The Rotary Emblem, like the Rotary Name, represents the international association, RI.

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.

Any reproduction of the Rotary Emblem must meet RI's proper emblem specifications.

Camera-ready art can be obtained through your Club and District Administration Supervisor.

No alterations, modifications or obstructions of the Rotary Emblem are permitted. The emblem must be faithfully reproduced and always appear in its entirety.

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.

*Please note that the District 5300 DSG funds are administered by the District 5300 DSG Committee and any questions should first be directed to the District Foundation or Matching Grants Chair (see current directory).*

If you have questions about how the district receives money for the District Simplified Grants, please feel free to contact the District Simplified Grant staff at:

District Simplified Grants, Rotary Foundation, One Rotary Center  
1560 Sherman Avenue

Evanston, Illinois 60201 USA

Phone: (+1) 847 866-3000

FAX: (+1) 847 328-8554

*The foregoing is based on an R.I. document dated 04/2003*