



## *Terms and Conditions of Matching Grant Award*

YOU MUST AGREE TO THE FOLLOWING TRUSTEE REQUIREMENTS PRIOR TO THE IMPLEMENTATION OF YOUR MATCHING GRANT PROJECT:

### **I. Matching Grant Criteria:**

Matching Grants support the international service projects of Rotarians. Matching Grants projects are based on international partnership: Rotary clubs or districts in at least two countries (a partner outside of the project country and a partner within the project country) must work together to plan, implement, and complete the project. Each grant must:

- A. Assist in the development of stronger Rotary networks as clubs from different nations work together to implement projects that have been initiated by a Rotary club in a project location, with the aim of providing sustainable development;
- B. Be submitted according to the Matching Grants Business Cycle;
- C. Be implemented after the grant application is approved by the Foundation.

### **II. Rotarian Involvement:**

Rotarians from both partner clubs/districts must be actively involved in each Matching Grant project, and are responsible to The Rotary Foundation (TRF) for the conduct of the project and for reporting on it. Rotarian activities in relation to the grant project must be reported to TRF.

The required Rotarian activities are as follows:

- A. Matching Grants (US\$5,000-25,000):
  1. Maintain communication and dialogue for the life of the project
  2. Establish a committee of at least 3 Rotarians for both host and international partners
  3. Jointly assess community needs and plan the project.
  4. Provide a paragraph outlining all non-financial participation
  5. Visit the project site on an as-needed basis. The international partner must share information via correspondence or by visiting the project site.
- B. Competitive Matching Grants (US\$25,001-150,000): All of the above and
  1. Provide evidence of a community needs assessment
  2. Provide information indicating how the project is viable and will be maintained; and
  3. Provide evidence of community involvement and ownership

The following are suggested additional activities for both partner Rotary clubs/districts:

- Manage the project on-site
- Form a Rotary Community Corps which supports aspects of the project
- Provide volunteer service and train volunteers
- Donate or seek out donations of money, goods, and services to continue or expand project
- Act as liaison with government agencies and customs officials
- Provide representation on central project committee with cooperating organizations/government agencies
- Manage grant funds
- Promote the project to local media and at Rotary district and zone meetings
- Provide technical expertise in implementation of project
- Design or assist in design of project
- Travel to work with project community or share technology and expertise at project site

- Donate or seek out donations of money beyond the matching amount, or goods and services
- Promote the project to local media and at Rotary district or zone meetings
- Attend major project events and ceremonies, where feasible
- Share expertise and technology via correspondence
- Arrange shipping supplies, equipment, or materials to project country

### III. **Partner Contributions:**

The following information applies to all partner contributions:

- Matching Grant partner contributions are considered restricted giving to TRF and are not included in district contribution totals;
- Paul Harris Fellow (PHF) Recognition Credit will only be granted for sponsor contributions sent to TRF, RI's international office(s) or fiscal agent(s); and PHF Recognition Credit will not be granted for sponsor contributions sent directly to the project;
- Partner contributions above and beyond the amount specified in the Matching Grant Agreement and sent to TRF, RI's international office(s), or its fiscal agent(s) will be credited as Annual Giving and will not be forwarded to the project (such contributions will be included in district contribution totals); and
- Contributions sent to TRF prior to Trustee approval of the Matching Grant may not be available for a specific grant.
- Contributions from the participating clubs/districts must be at least equal to the amount being requested from TRF. In addition, a significant portion of the contributions must come from outside the project site country.
- Cash contributions are matched at 0.5:1; SHARE DDF contributions are matched at 1:1.
- Project budgets can be supplemented by funds from non-Rotary sources; however, TRF cannot match such funds. TRF will only match funds contributed by Rotary clubs/districts. In addition, TRF will not match the value of any goods or services donated to the project.

**Note:** Beginning 1 July 2006, a minimum contribution of US\$100 will be required for all host partners.

### IV. **Matching Grant Funding and Payment:**

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

- TRF has received a signed Matching Grant Agreement Form from the primary partner Rotary clubs/districts (signed by the club president or district grants subcommittee chairperson, as appropriate);
- The sponsor contributions have been received either by TRF, RI's international office(s), its fiscal agent(s) or deposited into a Rotary club/district-controlled account or otherwise sent to the project directly (documentation verifying this must be provided);
- TRF has received information regarding an appropriate payee for the grant. Please know that:
  - Matching Grants must be paid to a Rotary club/district-controlled account, provided the account has at least two signatories
  - Matching Grants will not be paid to an individual, cooperating organization or beneficiary.

## V. **Stewardship of TRF Funds**

Matching Grant awardees must:

- A. Treat TRF 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 grant funds only for eligible purposes as outlined in the TRF established grant criteria and detailed on the approved project budget, which shall be strictly interpreted:
  1. Any deviation from the approved budget or changes in the implementation of the project must receive prior written authorization from TRF;
  2. 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:
  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 care to the prevention of even the appearance that TRF grant funds are being used in an improper manner. Such care 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 TRF;
- G. Return any unused funds and/or interest earned at the completion of the project to TRF.

## VI. **Reporting and Auditing Requirements**

TRF Trustees require Matching Grant awardees to adhere to the following:

- A. Submit progress and final reports:
  1. Progress reports are required every twelve months during the project’s implementation, detailing the project’s progress. Final reports are due within two months of the project’s completion. Both progress and final reports must include:
    - A detailed description of the project
    - How Rotarians from the International Partner club/district participated in the project
    - How Rotarians from the Host Partner club/district participated in the project
    - A full description of Rotarian oversight and management
    - A statement of income and expense
    - A bank statement which correlates to the statement of income and expense
    - Receipts appropriately cross-referenced to statement of income and expense

- A narrative statement about the beneficiary
- The role of the cooperating organization (if applicable)
- Photo proof that shelter recipients are occupying the homes (Low Cost Shelter projects only)

New applications will be returned without processing if project partners have not provided progress reports for a current Matching Grant or have overdue final reports. This will affect both the international partner and the host partner in the project country.

B. Provide an Annual Independent Financial Review (*encouraged for all grant awardees, required for grants in the amount of US\$25,001 or more*):

1. Independent annual reviews must be carried out by an appropriately licensed, chartered, or certified “accountant” or “accounting firm” which has no direct linkages with the project to be examined. 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). TRF reserves the right to appoint the independent annual reviewer as necessary.
2. The agreed-upon procedures for the independent annual review 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 as well as a determination to ensure funds were expended in a manner consistent with the Terms and Conditions of the grant award;
  - d) A determination of whether an inventory of all assets has been maintained;
  - e) An examination of expenditures to ensure funds used for intended purpose, proper records maintained and a system of controls over expenditure is in place i.e., whether there are at least two signatories on each account; receipts are maintained for all expenditures over US\$25; identify purchasing procedure used (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 and certification of the opening and closing balances of all project funds and bank statements.
3. The independent annual review must be submitted to The Rotary Foundation no later than 15 months after the first payment is received and every twelve months thereafter until the project partners are notified that the grant period of the project is officially completed.

C. Cooperate with TRF Audits.

1. TRF reserves the right to conduct an audit of or send a monitor to any grant, regardless of size, at any time. A monitor is required for those grants in the amount of US\$50,001 or more.
2. 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.
3. The sponsoring club or 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. These financial records would include copies of receipts, canceled checks, invoices, etc.
4. The responsibility for annual independent annual reviews for all grants, rests with the primary partner, the cost of which may be shared among all sponsoring Rotary clubs, Rotary districts or other grantees. For those grants above US\$25,001, if the grantees cannot provide for

these costs, they may apply for up to US\$500 per year for the life of the project for this purpose.

## **VII. Appropriate Grant Implementation:**

### A. The use of grant funds from TRF must:

1. Address a humanitarian condition that benefits a community in need.
2. Have significant Rotarian involvement and visible Rotary identification.
3. Demonstrably benefit no less than six individuals directly.
4. Benefit the recipient community as a whole. The project must not be designed to help any individual(s) to obtain an academic degree or professional advancement, or for any individual(s) to attend a seminar, conference or international exchange. Projects can involve educational training, but the training must be short-term in nature and provide for basic educational needs only.
5. 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.
6. 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.
7. Not duplicate any existing Foundation or other Rotary-sponsored program.
8. Exclude any liability to TRF to Rotary International except for the amount of the grant.
9. Be consistent with the criteria, procedures, and policies of the Polio Plus program and the World Health Organization for projects involving vaccines and immunizations.

### 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 additional (that is non-matched) club/district funds or funded by a cooperating organization. TRF will not release grant funds until such construction is completed;
2. For activities involving the 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 activities involving the renovation of structures, including the provision of new services or upgrade of utilities (i.e. electrical and 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 any one beneficiary, cooperating organization, or project.

## **VIII. Time Limits:**

TRF has established deadlines for the payment and implementation of Humanitarian Grants. Therefore,

- A. If a pending Matching Grant project file remains unapproved for more than six months, the grant will be withdrawn.
- B. If an approved Matching Grant project file remains unpaid for more than six months, the grant is cancelled.
- C. If a paid Matching Grant project file is not implemented within twelve months, the grant is cancelled and sponsors will be required to return the funds.

## **IX. Cooperating Organizations:**

A grant conducted in cooperation with another organization must meet the following conditions:

- A. The Rotary partner(s) must clearly demonstrate that the project is initiated, controlled and conducted by the Rotary clubs or districts involved; Rotarians must participate in giving their time, resources, and personal involvement to the project.
- B. Both the international partner and the local Rotary clubs or district (where appropriate) must have knowledge of the cooperating organization and provide a letter of endorsement for the organization which states that it is reputable and responsible, and that the organization is registered and acts within the laws of the project country.
- C. The organization cooperating in such projects must agree to participate and cooperate in any financial review of activities connected with the project.
- D. An annual limit of eight grants can be made in cooperation with another organization.

## **XI. The Rotary Foundation's Policies on 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. Matching Grant funds may be used to support the following types of 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

## **XII. Matching Grant Rotary Name and Emblem Use Guidelines:**

The following guidelines on the use of the “Rotary” name and emblem are RI policy. Please follow them when naming your project and in any literature you may develop.

### 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. (See the *2004 Manual of Procedure* at Chapter 17. 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.
4. 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.” *RI Bylaws, Article XVIII, 18.020.*)

If you have questions, please contact TRF at:

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