



Terms and Conditions of District Simplified Grants (DSG)

DISTRICTS MUST AGREE TO THE FOLLOWING TRUSTEE REQUIREMENTS PRIOR TO THE IMPLEMENTATION OF THEIR DSG:

I. District Simplified Grant Criteria

District Simplified Grants support the service activities or humanitarian endeavors of districts. 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
- C. Comply with all standard Humanitarian Grant Policies and Guidelines. Guidelines on eligibility and Trustee Standards can be found on the Rotary website ([www. rotary.org](http://www.rotary.org))

II. Rotarian Involvement

The District Rotary Foundation Committee (DRFC) chair serves as the primary contact for a District Simplified Grant. When the DRFC chair position changes, the new officer becomes responsible for communicating with TRF regarding all DSG-related activity. A district's current DRFC chair represents the committee and the district in all communications with TRF.

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 project(s) 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. Any change in the committee must be formally communicated to TRF, and documents in relation to the project must be handed over to the new project committee to ensure successful transfer of responsibility and execution of DSG activities.

District Simplified Grants require the direct involvement of Rotarians. The required Rotarian activities are as follows:

- A. Assess the community needs and develop a project plan
- B. Establish a committee of at least three Rotarians from the district to oversee the expenditure of funds
- C. Provide oversight of grant funds
- D. Be involved in the implementation of projects
- E. Ensure there is community involvement and ownership
- F. Organize meetings with local service providers, local officials, and/or recipients
- G. Promote projects in the local media
- H. Complete progress and final reports outlining all non-financial participation
- I. Visit project sites on an as-needed basis

III. Appropriate Grant Implementation

- A. The use of grant funds from TRF must:
 1. Benefit a community in need
 2. Have significant Rotarian involvement and visible Rotary identification
 3. Demonstrably benefit a community as a whole and not an individual person
 4. Exclude any liability to The Rotary Foundation or to Rotary International except for the amount of the grant

5. 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 club/district funds or funded by a cooperating organization. The Rotary Foundation 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. 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 & 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. Ineligible expenditures include, but are not limited to: provision of plumbing or electrification inside buildings, walls, roofs, repairs of utilities, demolition.
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 excessive support of any one beneficiary, cooperating
7. organization, Rotarian cooperating organization or project. In the case of a Rotarian cooperating organization, excessive support shall mean grant awards in excess of US\$1 million within the preceding five years.
8. For international travel expenses of any kind.
9. To support fundraisers of any kind.
10. For unspecified or cash donations to beneficiaries, except through revolving loan projects. This includes cash prizes, gift cards, gift certificates, and material goods that do not serve a humanitarian, educational, or medical need given as prizes. Grant funds should be used to purchase budgeted and itemized humanitarian goods.
11. For expenses related to Rotary events such as district conferences or anniversary celebrations.
12. For entertainment activities that do not include a humanitarian aspect.
13. As donations to cooperating or benefiting organizations.
14. To support purely religious functions at churches and other places of worship.
15. For the provision of Rotary signage of any kind unless the sign informs the community of an available service, such as posters for a project that will provide immunizations to the community. Grant funds may not be used for Rotary plaques at a project site, Rotary logos, Rotary stickers, Rotary signage on a vehicle, or any type of sign/plaque that publicizes Rotary.
16. As funding for the following programs: EarlyAct, Interact, Rotaract, Rotary Friendship exchange, RYLA, and Rotary Youth Exchange. Grant funds may not be used to fund projects initiated and executed by these entities.
17. To reimburse expenses incurred prior to approval of the grant, to help fund already existing projects, or to pay for activities primarily sponsored by a non-Rotary organization.
18. For the establishment of a permanent foundation, trust, or permanent interest-bearing account, nor may grant funds be invested in fixed-term deposits, as this would entail moving the funds out of the designated project account for purposes other than payment of project expenditure. Grant projects can involve the establishment of a revolving loan fund, with the approval of TRF, but must include training and detailed information regarding recipient payback schedules.

19. To 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.
20. To duplicate any existing Foundation or other Rotary-sponsored program.
21. For post-secondary education activities, research, or personal or professional development or 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/professional needs only.
22. As a contribution to The Rotary Foundation or as a contribution for any Humanitarian Grant program including Matching Grants and Global Grants.
23. For any purposes other than those approved by TRF.

IV. District Simplified Grant Funding and Payment

District Simplified Grant funds will be released when all of the following conditions are met:

- A. The Rotary Foundation (TRF) has received a completed, signed District Simplified Grant Request and Agreement Form from the sponsoring Rotary district (authorized by the District Rotary Foundation Committee Chair and the appropriate District Governor-elect or District Governor).
- B. The Rotary Foundation has received information regarding an appropriate payee for the grant.
- C. District Simplified Grants must be paid to a Rotary controlled project account with at least two signatories, preferably a separate account established specifically for the grant. Acceptable DSG account names include, but are not limited to, "Rotary District 1234" or "District Simplified Grant # 12345."
- D. District Simplified Grants will not be paid to an individual, a Rotary club, a cooperating organization or a 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.
- G. Districts may administer no more than two paid-open District Simplified Grants at a time. Demonstration of significant progress, defined as the submission of reports containing eligible expenditures of 50% or more of the total grant award, is required for one District Simplified Grant before payment is made on a second District Simplified Grant.
- H. Districts may only apply for one DSG per program year. Any requests for an increase in the original DSG amount requested must be made while the grant is still in approved status. No increase to DSG payments can be made once any portion of the grant funds has been paid out.

V. Stewardship of TRF Funds

District Simplified Grant awardees must:

- 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, proper fiscal management, and full transparency regarding project activities and financial transactions.
- C. Use TRF 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 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 and retaining original receipts and invoices for a minimum of five years or more if required by local law/regulations

2. Keeping grant funds in the established project account without diversion, except for direct payment of project expenses and/or to return funds to TRF
 3. Establishing an inventory system for the control of equipment and other assets purchased with grant funds, and maintaining records for items that are produced, purchased, and/or distributed through the project
- 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. Disclose any possible conflicts of interest. A conflict of interest is defined as 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. Any and all disclosures must be explained prior to grant approval:
 1. 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, or employees of agencies, organizations, or institutions partnering with The Rotary Foundation.
 2. If a Rotarian serves on the board or has professional responsibilities in relation to a Cooperating Organization, Vendor or Beneficiary involved with a Matching Grant, they may NOT serve on the Project Committee.
 - G. Report immediately any irregularity in grant related activity to The Rotary Foundation.
 - H. Return any unused funds and/or interest earned at the completion of the grant to The Rotary Foundation. These funds will be credited back to the district's current DDF account and will be available to use for other TRF programs.
 - I. Obtain approval from TRF 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 may include, but are not limited to, Cuba, Iran, Sudan, Libya, North Korea, and Myanmar). This is necessary so that TRF can obtain necessary regulatory approvals to allow such use of the funds.

VI. Time Limits

The Trustees established District Simplified Grants with the intention that districts will receive, distribute, spend, and report on the use of grant funds within one Rotary year. The following time limits are established to ensure that districts proceed in a timely manner with the implementation of a DSG:

- A. It is strongly recommended that sponsors submit DSG requests by 31 March and meet all preconditions for approval by 15 May in the Rotary year prior to the availability of District Designated Funds. Failure to receive approval by 15 May of the program year will result in the withdrawal of the DSG request.
- B. Failure to provide acceptable reports on previous grants at least every twelve months will result in the district not being able to initiate a new DSG. Sponsors must demonstrate significant progress within 12 months of the release of payment installment or the grant will be cancelled and the district will be required to return the funds.
- C. Sponsors must meet all payment requirements no later than May 15th of the program year. Approved DSGs not meeting the payment requirements by this date will be cancelled as DSG funds are not available after the close of the program year.

VII. Reporting and Auditing Requirements

The Rotary Foundation Trustees require District Simplified Grant awardees to:

- A. Submit progress and final reports:
 1. Progress reports are required every twelve months after the payment is received detailing the project's progress, financial activities, and the estimated completion date.
 2. Final reports are due 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. Progress and final reports must include the following:
 - a. A narrative statement with project outcomes clearly defined for each grant-funded project
 - b. Information regarding the impact of the projects on the beneficiaries
 - c. A full description of Rotarian oversight, management and involvement in each grant-funded project
 - d. A statement of income and expense
 - e. A bank statement from the district which supports the statement of income and expense
 - f. A detailed narrative describing the implementation of the projects and how experiences gained will inform/guide the district for the next Rotary year
 3. Progress and final reports must be submitted using the official TRF District Simplified Grant report form (available at www.rotary.org).
 4. New requests will not be accepted and will be returned to the district if the district has not provided progress reports for a current District Simplified Grant or has overdue final reports for other grant types.
- B. Maintain copies of all receipts related to grant-funded expenditures in accordance with local laws and for a period of at least five years following closure of the grant. The Rotary Foundation reserves the right to request copies of receipts for any grant-funded expenditure.
- C. Provide an independent financial assessment with the final report (encouraged for all grant awardees and required for grants over US\$25,000 or as requested by TRF)
 1. Independent financial assessments 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, district Rotary Foundation chair, or district grants subcommittee chair of the project district (where the funds were sent). TRF reserves the right to appoint the independent accounting firm or accountant as necessary.
 2. The minimum agreed-upon procedures for the independent financial assessment must include the following:
 - a. A comparison of the statement of income and expense to the approved budget
 - A determination that funds received for the project were expended in a manner consistent with the approved project budget
 - b. A comparison of the statement of income and expense to the project's bank statement including:
 - A determination that project income and expense were properly recorded in a standard set of accounts
 - c. An inspection of a selection of expenditures

- Trace an appropriate sample of expenditures to invoices and receipts
 - Inspect the purchasing procedure used and advise whether comparative bids or quotations were obtained, if appropriate
 - Inspect the payment procedure to determine the controls that were in place
 - d. A determination that an inventory system has been maintained, if appropriate
 - e. A determination that all project activities including the expenditure or disbursement of funds are in accordance with local laws and regulations
3. The independent financial assessment must be submitted to TRF within two months of completion of the grant and may be submitted with the project's final report.
 4. The responsibility for an independent financial assessment for all grants rests with the primary sponsor(s), the cost of which may be shared among all sponsoring Rotary clubs, Rotary districts, or other grantees. If the grantees cannot provide for these costs, up to US\$500 of the grant award may be used for this purpose.
- D. Cooperate with TRF audits
1. The Rotary Foundation reserves the right to conduct an audit of any grant, regardless of size, at any time.
 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 district will maintain detailed, accurate, and complete financial records throughout the life of the grant and for a period of five years after the grant closure date.

VIII. The Rotary Foundation's Policies on Population Growth and Development

TRF supports the programs of Rotary International, including their aims and objectives with respect to RI's statement on Population Growth and Development. District Simplified Grant funds may be used to support the following types of population growth projects:

- A. Prenatal medications/vitamins
- B. Birthing medications
- C. Newborn baby screenings
- D. Surgical instruments to help with births
- E. Prenatal 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

IX. 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 (see the *2010 Manual of Procedure*, chapter 5). 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 Rotary Emblem may be reproduced in a single color or in two colors. When it is reproduced in two colors, it must be reproduced in its official colors of royal blue (PANTONE® 286 Blue] and gold (PANTONE® 123C [for coated paper]) or PANTONE®115U [for uncoated paper]). The Rotary Emblem should never be printed in more than two colors.
5. Where providing recognition for sponsors or cooperative relationships refer to *Rotary Code of Policies* Section 11.040.6 Guidelines for Rotary clubs, Rotary Districts and other Rotary Entities for Sponsorship and Cooperative Relationship Purposes. This policy section governs the use of the Rotary Marks, including the Rotary emblem by any Rotary clubs(s) or Rotary district(s) when used in combination with the emblem of another organization for sponsorship or cooperative relationship purposes.

If you have questions, please contact TRF at:

District Simplified Grants

The Rotary Foundation

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