TERMS AND CONDITIONS FOR ROTARY FOUNDATION DISTRICT GRANTS AND GLOBAL GRANTS

For grants awarded after 1 July 2013

The Rotary Foundation (TRF) may modify the terms and conditions of the grant at any time. Updates can be found on www.rotary.org/grants or requested from Rotary grants staff. Terms and conditions for packaged grants may be found on the website.

I. What We Fund

The Rotary Foundation funds district grants and global grants. District grants are block grants to districts that fund scholarships, projects, and travel that align with the mission of The Rotary Foundation, which 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. Global grants fund scholarships, projects, vocational training teams, and some travel within the six areas of focus that are sustainable, measurable, and host community-driven.

II. Eligibility Guidelines

All Foundation grant activities must:

1. Relate to the mission of The Rotary Foundation
2. Include the active participation of Rotarians
3. Exclude any liability to The Rotary Foundation or Rotary International beyond the funding amount of the grant
4. Adhere to the governing laws of the United States and the host area of the grant, and harm no individuals or entities. Sponsors for projects and travel planned for countries sanctioned by the US Department of the Treasury Office of Foreign Assets Control may need to supply additional information.
5. Only fund activities that have been reviewed and approved by TRF before their implementation. Grants may not be used to reimburse clubs or districts for activities and expenses already completed or in progress. Planning for grant activities prior to approval is encouraged, but expenses may not be incurred. After grant approval, any changes to the original project plan must be pre-approved by TRF. TRF considers each semester of a degree program to be a new activity and therefore eligible for funding.
6. Demonstrate sensitivity to the host area's tradition and culture
7. Comply with the Conflict of Interest Policy for Grant Participants as outlined in section 10.030 of The

Rotary Foundation Code of Policies

8. Comply with the policy regarding the use of Rotary Marks as outlined in section 4.090 of The Rotary Foundation Code of Policies

District Grants

1. Support local and international projects, scholarships, vocational training teams, and related travel
2. May allocate up to 3 percent of the grant award for grant-related administrative expenses such as bank fees, postage, software, and an independent financial assessment
3. May allocate up to 20 percent of the grant for contingencies, but all projects and activities added to the grant post-approval must be pre-approved by TRF
4. May fund projects and activities in Rotary and non-Rotary countries and geographic areas where permitted by applicable governing laws and in accordance with Foundation policies
5. May fund scholar and vocational training team orientation and grant management seminars

Global Grants

1. Align with one or more of Rotary's areas of focus
2. Are sustainable. Host communities must be able to address their own needs after the Rotary club or district has completed its work.
3. Are measurable. Sponsors select standard measures from the Global Grant Monitoring and Evaluation Plan supplement, and may add their own measurements. Expenses to measure project outcomes are capped at 10 percent of the project budget.
4. Are host community-driven. The host community designs the grant based on local needs that they have identified.
5. May allocate up to 10 percent of the project budget for project management costs, which may include a project manager and project-specific overhead and administrative costs of cooperating organizations.
6. Support humanitarian and educational projects
7. Provide international scholarships to fund graduate-level coursework or research or its equivalent for a term of one to four academic years
8. Support vocational training teams that address a humanitarian need by providing or receiving professional training
9. Support travel for up to two individuals as part of a humanitarian project. These individuals provide training or implement the project should the host club confirm that their skills are not readily available locally.
10. Support communities in Rotary countries and geographical areas
11. Are sponsored by at least one Rotary club or district in the country or geographical area where the grant project will take place (primary host sponsor) and one or more outside that country or geographical area (primary international sponsor). An exception to this policy may be made for projects taking place in non-

Rotary countries where the RI Board is actively pursuing extension.

12. May allocate up to 10 percent of the project budget for contingencies to offer protection from price increases and/or currency fluctuations

III. RESTRICTIONS

Grants cannot be used to unfairly discriminate against any group; promote a particular political or religious viewpoint; support purely religious functions; support activities that involve abortion or that are undertaken solely for sex determination; fund the purchase of arms or ammunition; or serve as a new contribution to the Foundation or another Rotary Foundation grant.

In addition, grants cannot fund:

1. Continuous or excessive support of any one beneficiary, entity, or community
2. Establishment of a foundation, permanent trust, or long-term interest-bearing account. Grant funds can be used to establish a microcredit fund if the sponsors comply with the requirements detailed in section X.
3. Purchase of land or buildings
4. Fundraising activities
5. Expenses related to Rotary events such as district conferences, conventions, institutes, anniversary celebrations, or entertainment activities
6. Public relations initiatives, unless they are essential to project implementation
7. Project signage in excess of $500
8. Operating, administrative, or indirect program expenses of another organization with the exception of expenses allowed within the project management allocation for global grants.
9. Unrestricted cash donations to a beneficiary or cooperating organization
10. Activities for which the expense has already been incurred
11. Transportation of vaccines by hand over national borders
12. Travel to National Immunization Days (NIDs)
13. Immunizations that consist solely of the polio vaccine
14. Study at a Rotary Peace Center partner university in the same or similar academic program as those pursued by Rotary Peace Fellows

Global grants

In addition to the restrictions listed above, global grants cannot fund:

1. Rotary Youth Exchange, RYLA, Rotary Friendship Exchange, Rotaract, or Interact;
2. International travel for youth under the age of 18, unless accompanied by their parents or guardians
3. New construction of or additions to any structure in which individuals live, work, or engage in any gainful activity, such as buildings (schools, homes/low-cost shelters, and hospitals), containers, and mobile

homes, or of structures in which individuals carry out manufacturing or processing activities.

4. Travel for staff of a cooperating organization involved in a humanitarian project
5. Activities primarily implemented by an organization other than Rotary
6. Humanitarian projects that consist primarily of research-oriented projects or data collection
7. Humanitarian projects that consist solely of individual travel expenses
8. Undergraduate (Bachelor's degree) studies

IV. How to Apply

Apply for grants online at www.rotary.org/myrotary/grants.

In order to receive a grant from The Rotary Foundation, all primary sponsor districts involved must be qualified by The Rotary Foundation, and for global grants, all primary sponsor clubs involved must be qualified by their district. In addition, districts, clubs, and all grant committee members must be in good standing with Rotary International and The Rotary Foundation. Individuals prohibited from serving on a grant committee include RI fiscal agents, national treasurers, and officers and paid staff of a cooperating or beneficiary organization associated with the grant. When acting as a primary sponsor, each district and each club is limited to 10 open grants at a time.

District Grants

Districts must establish a grant committee of three Rotarians, including the district governor of the implementation year, the district Rotary Foundation committee chair, and the district grants subcommittee chair. These three committee members are responsible for authorizing and submitting the district grant application.

Districts may submit one application per Rotary year, and this application must include a spending plan. Any requests for an increase in the grant amount must be made before any portion of the grant has been paid by the Foundation. Districts may reserve up to 20 percent of their district grant funds for contingencies that may arise during the year; note this contingency fund on the spending plan and itemize contingency items when you submit your final report. All district grant applications must be received before 15 May of the Rotary year for which the funds are requested. (For example, applications for 2014-15 district grants must be received by 15 May 2015.)

Global Grants

Primary host and international sponsors must each establish a grant committee of three Rotarians for a global grant. Members of this grant committee must come from the primary sponsor club (if the grant is club-sponsored) or district (if the grant is district-sponsored). For club-sponsored grant applications, district Rotary Foundation committee chairs must confirm that the primary sponsor clubs are qualified.

Sponsors may include a budget line item for contingencies representing no more than 10 percent of the total

budget. Sponsors must report on the use of these funds or return them to the Foundation if they are not used.

Scholars and vocational training team members must submit individual applications to supplement the overall grant application. Grant sponsors should ensure that scholar and vocational training team applicants understand that their application must be approved by the Foundation before incurring any expenses or making travel arrangements. Applications are accepted on a rolling basis throughout the Rotary year; however, applications involving travel should be submitted 90 days prior to the travel dates. Note that:

1. If grant applications are not formally submitted within 12 months of initiation, the application will be canceled.
2. If grant applications are not completed and approved within six months of submission, the application will be canceled.
3. If payment requirements are not met within six months of approval, the grant will be canceled.
4. If grants are not implemented within 12 months of payment, the grant will be canceled and the sponsors will be required to return the funds.

Additional criteria for scholarship applications:

1. Applicants must provide proof of university admission to a graduate-level program or letter of invitation to conduct postgraduate-level research when applying for the grant. Admission that requires a guarantee of financial support is acceptable.
2. Applicants must study outside of their home country.

Additional criteria for vocational training team applications:

1. Teams must be composed of at least two members with at least two years of work experience each in the area of focus and a Rotarian team leader who has a general level of Rotary knowledge, international experience, leadership skills, and some expertise within the area of focus. Non-Rotarians may serve as team leaders provided the sponsors establish the need for this in the grant application.
2. Rotarians and their family members may participate in a vocational training team as long as the team is providing training, not receiving training.
3. Relatives of a vocational training team member may participate on the same team if they meet eligibility requirements.
4. If more than one team is traveling under a single grant, the teams must share the same two primary sponsors and begin travel within one year of each other.
5. All team members must be approved by The Rotary Foundation prior to travel. Any alterations to team composition must be reported to, and approved by, The Rotary Foundation.

Global grant applications for projects requesting between US$50,001 and $100,000 from the World Fund will receive a technical review and interim site visit by The Rotary Foundation Cadre of Technical Advisers. Scholarships and VTTs do not receive these additional reviews.

Global grant applications for projects requesting between $100,001 and $200,000 from the World Fund must be approved by the Trustees at one of their meetings. These applications will receive an advance site visit, audit and interim site visit by a member of the cadre. Grants that consist exclusively of a vocational training team or scholarship are exempt from this requirement. Global grant applications received by:

1. 1 June will be reviewed by the Trustees in October
2. 1 October will be reviewed in January
3. 1 December will be reviewed in April
4. 1 March will be reviewed in June

V. Travel Policies

Airfare for any international travel funded by Rotary Foundation grants must be booked through Rotary International Travel Services (RITS)/BCD (except district-grant funded youth exchange travelers) according to established travel policies. Domestic travel bookings are the responsibility of the grant traveler.

Rotary Foundation grants will cover the following budgeted expenses related to international travel:

1. Economy-class ticket(s)
2. Transportation to and from airport and local travel related to grant implementation
3. Cost of inoculations/immunizations, visas, and entry and exit taxes
4. Normal and reasonable luggage charges
5. RITS/BCD booking fees (ranges from US$50-US$70 per ticket)

Rotary Foundation grants will not cover the following expenses related to international travel:

1. Expenses associated with optional stopovers before or after preapproved travel
2. Penalties resulting from changes in personal travel arrangements, including optional stopovers
3. Excess baggage charges, shipping charges, and any supplemental insurance

The club or district sponsoring the grant is responsible for maintaining emergency contact information and travel itineraries for all grant recipients traveling on grant funds. This information must be provided to the Foundation upon request.

Grant recipients are responsible for:

1. Making travel arrangements through RITS/BCD. Failure to arrange travel promptly may increase the cost of travel or result in the cancellation of the grant.
2. Any expenses that exceed the approved travel budget, unless approved by the Foundation

3. Meeting all medical requirements for international travel.
4. Arranging and funding any personal travel. Such travel may take place for a maximum of four weeks at the end of the grant activities, after which grant recipients are expected to return home.
5. Abiding by RI country travel restrictions.

All individuals receiving grant funding for international air travel are required to make their travel arrangements through RITS/BCD Travel. When using RITS/BCD, there will be automatic coverage by an insurance policy that meets Rotary International's travel insurance requirements. This coverage is only available for travelers who are essential to grant implementation. If receiving a grant without funding for air travel, completing the travel report form is required to activate insurance coverage. Domestic travelers also must complete the travel report form prior to their trip to receive insurance coverage. (Note: medical benefits are not available to domestic travelers; other travel accident benefits apply.) The club or district sponsoring the grant should ensure that all grant recipients are aware of their insurance coverage. Visiting the grants travel insurance webpage is strongly recommended. No grant funding will be provided for additional insurance coverage that is purchased by choice.

Healthcare professionals who will be providing services as part of the grant activities are expected to have a minimum of US$500,000 in professional liability insurance coverage (a.k.a. errors and omissions liability). This refers to coverage for that participant's legal liability arising from their professional acts or omissions that cause harm to others. The participant is responsible for obtaining and paying for this coverage.

Rotary International contracts a global security advisory firm to maintain a travel ban list of extremely dangerous countries. TRF-funded travelers are not permitted to travel to these countries due to safety concerns. If a country is added to the travel ban list while funded travelers are in-country, plans will be made for their immediate evacuation. Should the funded individual not defer travel to or evacuate from a country as instructed, it will result in TRF canceling the grant and any funds already issued would need to be returned to TRF.

Non-Rotarians receiving grant funding for scholarships, participation in vocational training teams, or travel to implement a humanitarian project are expected to:

1. Demonstrate knowledge of Rotary
2. Participate in an orientation session before departure (either online or in person)
3. Participate in club and district activities as requested by their sponsors, such as speaking and presenting at club or district meetings and participating in service projects
4. Be proficient in the language of the host country

VI. How Grants Are Funded

District Grants

District grants are funded by The Rotary Foundation solely with allocations from the District Designated Fund (DDF). A district may apply for a single grant each Rotary year to support one or more projects using up to 50

percent of the district's SHARE allocation, which represents 50 percent of its annual giving from three years' prior plus any Permanent Fund-SHARE earnings.

Global Grants

Global grants are funded by The Rotary Foundation from the World Fund, and awards range from US$15,000 to $200,000. The Foundation matches cash at 50 percent and DDF contributions at 100 percent. All global grants have a minimum budget of US$30,000.

The Foundation will match non-Rotarian contributions toward a grant, provided they do not come from a cooperating organization or a beneficiary of the project. Funds should never be collected from beneficiaries in exchange for receiving the grant or as part of the cash contribution for match.

At least 30 percent of contributions to global grants funding humanitarian projects must come from outside of the project country and host project district. Host sponsors for humanitarian projects are encouraged to contribute toward the financing of the grant.

Grant financing cannot be changed after approval. Paul Harris Fellow recognition credit will only be given for sponsor contributions sent to The Rotary Foundation and will not be granted for contributions sent directly to the project. Contributions sent prior to grant approval may not be available for that specific grant. All global grant contributions are considered irrevocable contributions to The Rotary Foundation and will not be refunded.

VII. Cooperating Organizations

Cooperating organizations are reputable non-Rotary organizations or academic institutions that provide expertise, infrastructure, advocacy, training, education, or other support for the grant. Cooperating organizations must agree to comply with all reporting and auditing activities required by The Rotary Foundation and provide receipts and proof of purchase as required. No more than six global grants may be approved in one Rotary year for projects involving a single cooperating organization. Universities hosting scholars are not considered a cooperating organization.

District Grants

All funding provided to cooperating organizations must be used for specific project expenses. The sponsoring district must maintain an itemized report of such expenses.

Global Grants

At the time of application, grant sponsors need to provide a memorandum of understanding (MOU) signed by both primary sponsors and the cooperating organization. The MOU should include the following:

1. Verification from both primary sponsors that the grant is initiated, controlled, and managed by Rotary

clubs or districts

2. Endorsement from the primary sponsors affirming that the cooperating organization is reputable, responsible, and acting within all governing laws
3. Grant implementation plan clearly delineating the activities of each party
4. Agreement from the cooperating organization to participate in any financial review by the Foundation of activities connected with the grant

VIII. PAYMENTS

District Grants

Grant funds will be paid only to the district or district foundation bank account identified by the district at the time of application. District grant funds will not be released until the previous Rotary year's district grant is closed. District grants are paid out at the current RI exchange rate at the time of payment. Funds are not available after the close of the implementation year; if sponsors do not meet all payment requirements by 15 May of the implementation year, the grant will be canceled.

Global Grants

Grant funds will not be released until sponsor contributions have been submitted to The Rotary Foundation, any payment contingencies have been met and the legal agreement has been authorized. Grant funds will be paid to the account provided in the application. Account signatories must be members of the sponsoring club or district. Grants will be paid out at the current RI exchange rate at the time of payment. If a grant project is canceled after the project sponsors receive payment, all remaining grant funds must be returned to the Foundation, where they will be credited to the World Fund.

The following points apply to global grants funded with cash contributions:

1. All grant-related transactions will be recorded using the current published monthly RI exchange rate, and all grant-related transactions will be officially communicated in US dollars.
2. For the portion of the grant funded by cash contributions, sponsors will be shielded from currency exchange fluctuations in excess of 10 percent of the rate at time of approval. Conversely, TRF will not distribute currency gains to project sponsors in excess of 10 percent of the rate at time of approval.
3. Project sponsors must contribute an additional 5 percent for cash contributions made to The Rotary Foundation for global grant applications submitted on or after 1 July 2015, to offset processing and administrative costs. Paul Harris Fellow recognition points will be awarded on the full cash contribution, and charitable tax receipts also will reflect that amount. The additional 5 percent is not matched by the Foundation. It also isn't required for contributions sent directly to a project's bank account; however, such contributions don't generate Paul Harris Fellow recognition points, nor will the Foundation issue tax receipts for them.
4. All cash contributions submitted to TRF in excess of the amount pledged to the grant will be transferred to World Fund.

5. Contributions received for any grants that are canceled will be moved to the World Fund. Donors will have 90 days to notify TRF to transfer the contributions to an approved global grant or any TRF fund.

IX. Reporting Requirements and Documentation

Grant recipients are responsible for reporting on the use of grant funds to The Rotary Foundation. Progress and final reports must be submitted online and all forms must be completed in their entirety for the report to be accepted. New grant applications will not be accepted by the Foundation if a grant sponsor has an overdue report for any Foundation grant. The Foundation reserves the right to review grants at any time, conduct an audit, send a monitor, require additional documentation, and suspend any or all payments.

The following reporting criteria also apply to grant recipients:

1. Unused grant funds must be returned promptly to The Rotary Foundation.
2. Districts must report the use of grant funds to their member clubs in accordance with the terms of qualification.
3. Grant sponsors must maintain copies of all receipts and bank statements related to grant-funded expenditures in accordance with the terms of qualification and any applicable local and international laws.
4. Grant sponsors who fail to adhere to Foundation policies and guidelines in implementing and financing grant projects must return grant funds in their entirety and may be barred from receiving future grants for a period of up to five years.

District Grants

These additional criteria apply to district grants:

1. Final reports documenting the disbursement of funds must be submitted to the Foundation within 12 months of receiving the payment, or within two months of the grant's total disbursement.
2. All grant projects and activities funded by district grants must be completed within 24 months of disbursement by the Foundation or the local district to the club or project site.
3. Unused grant funds in excess of US$500 must be returned promptly to The Rotary Foundation and will be credited to the district's DDF. Unused grant funds US$500 and below must be used for activities that meet the district grant eligibility requirements.

Global Grants

These additional criteria apply to global grants:

1. Progress reports must be submitted within 12 months of receiving the first grant payment and every 12 months thereafter.
2. Final reports must be submitted within two months of completing the project.

3. Unused grant funds in excess of US$500 must be returned to The Rotary Foundation and will be credited to the World Fund. If grant funds remain after a project's completion, the Foundation may approve their use for project-related expenses, such as additional project supplies.

Acceptable reports contain detailed accounts of the project's implementation, including:

1. A description of how the project has advanced the goals of the selected area(s) of focus
2. An account of how the project achieved the specific objectives outlined in the application, including the relevant measures and data collected
3. An explanation of how the project's outcomes will be sustained over time
4. A description of the participation of both host and international partners, as well as any cooperating organizations associated with the grant
5. The report should also include a detailed account of spending for the project and project account bank statements. Additionally, the Foundation may request that sponsors submit receipts in support of the report. Scholars and vocational training teams must provide receipts to their sponsors for expenses of US$75 and up.

The Foundation will close the grant once the project implementation is complete and sponsors have demonstrated that sustainability measures are in place to ensure that the local community will continue the project.

X. MICROCREDIT

The Rotary Foundation is committed to using microcredit programs to facilitate small, self-help enterprises. Clubs and districts applying for global grants are encouraged to partner with reputable and established cooperating organizations/microfinance institutions to administer loan programs as a way of undertaking sustainable development projects. However, microcredit programs funded by the Foundation must incorporate a component, such as training, that extends beyond the management of loan capital. In addition:

1. Clubs and districts that wish to use global grant funds to support a microcredit project must submit the microcredit supplement form with the grant application.
2. Microcredit activities must be supervised and controlled by the sponsoring club or district.
3. Interest and fees generated by microcredit fund capital from The Rotary Foundation may be used for administrative expenses that directly support the project.
4. Grant sponsors must submit a microcredit supplement form with the final grant report.
5. If a microcredit project is terminated before the Foundation's reporting requirements are met, grant funds must be returned to The Rotary Foundation.
6. The Rotary Foundation will not fund loan guaranty systems.

XI. Special Considerations for Rotary Foundation (India)

For general information about the Foreign Contribution Regulation Act (FCRA), go to http://mha.nic.in/fcra.htm; for registration forms, go to http://mha.nic.in/fcra/intro/forms.html.

In addition to all other terms and conditions, grants with full or partial payment to a Rotary club or district in India should follow these payment and reporting procedures to comply with GOI laws and the FCRA:

1. Grant funds will not be released to a bank account in India unless all general payment conditions listed below have been met. Either the sponsors provide documentation showing that the bank account is registered under the FCRA or staff must determine that sufficient funds are available from contributions made within India. Otherwise, the payment will be placed in a queue and paid on a first-come, first-served basis only when additional contributions are made and sufficient funds are available. The sponsors of grants must ensure funds are not co-mingled.
    a. District Grants - Payment is contingent upon the approval of a detailed spending plan that includes an itemized budget for each listed project or activity. Grant funds will be paid only to the district bank account. The name of the district bank account must be easily identifiable with both the district and the project. (A proper naming example is Rotary District 0000 District Grant 12345). District grant funds will not be released until the previous Rotary year's district grant is closed. Funds are not available after the close of the implementation year; if sponsors do not meet all payment requirements by 15 May of the implementation year, the grant will be canceled.
    b. Global Grants - Grant funds will not be released until all sponsor contributions have been submitted to The Rotary Foundation and any payment contingencies have been met. Grant funds will be paid to the account provided by the grant sponsors.
2. Progress reports on grant funds released to India through 31 March are due by 31 May of that same year. Final reports are due two months after the grant's completion. Grant sponsors must ensure that funds received in a FCRA-registered bank account are not co-mingled with local funds.
3. All progress reports must:
    a. Meet all general reporting requirements as listed in section IX.
    b. Show that a copy of the progress report filed electronically at www.rotary.org/grants has been submitted to the South Asia Office.
    c. Include a utilization certificate if a portion of the grant amount has been used, along with statement of receipt and payment for the grant amount, certified by an independent chartered accountant (indicating membership number of the CA)
    d. If the grant funds were not used for any reason, include an original bank statement or bank passbook (or a photocopy certified by the bank manager or a chartered accountant) indicating the date on which the grant amount was credited and a statement explaining why the grant amount has not yet been used, even if the grant amount was received before March
4. All final reports must:
    a. Meet all general reporting requirements as listed in section IX.
    b. Show that a hard copy of the final report filed electronically at www.rotary.org/grants has been

submitted to the South Asia Office.

c. Include the following:

   i. A utilization certificate along with statement of receipt and payment for grant amount, certified by an independent chartered accountant (indicating membership number of the CA)

   ii. An original bank statement or bank passbook (or a photocopy certified as true copy by the bank manager or a chartered accountant)

   iii. A bank reconciliation statement, if multiple grants were paid to a single FCRA account

   iv. Originals or photocopies of bills of payment/expenses vouchers and, if only photocopies are provided, a written undertaking that "all originals will be kept for a period of eight years and will be produced as and when required by Rotary Foundation (India)"

   v. Beneficiary information (for example, photographs, newspaper clippings, appreciation letter from beneficiary)

d. Return of any remaining funds of any amount to the Rotary Foundation (India)

5. A FCRA-registered club or district is responsible for furnishing FC-6 return along with the financial statements to the Ministry of Home Affairs, New Delhi, in a timely manner.