



Terms and Conditions of 3-H Grant Award

YOU MUST AGREE TO THE FOLLOWING TRUSTEE REQUIREMENTS PRIOR TO THE IMPLEMENTATION OF YOUR 3-H GRANT PROJECT

I. 3-H Grant Criteria

3-H Grants support the international service projects of Rotarians. 3-H Grant projects are based on international partnership: Rotary clubs or districts in at least two different countries (a sponsor country and a project country) must work together to plan, implement, and complete the project. Each grant must:

- A. Be designed to improve health, alleviate hunger, or enhance human and social development as a means of advancing international understanding, goodwill, and peace
- B. 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
- C. Be submitted by host and international Rotary clubs or districts that are in good-standing with Rotary International and The Rotary Foundation
- D. Be submitted by host and international Rotary clubs or districts that have demonstrated an existing working relationship by having previously cosponsored a TRF Matching Grant within five years of applying for the 3-H Grant
- E. Use an integrative approach to resolving a humanitarian problem that includes some combination of the following components: training, community participation, Rotary Community Corps, capital assets, technical expertise from Rotarian and/or non-Rotarian sources, and capacity building
- F. Provide benefits of a long-term, self-help nature
- G. Be sensitive to local culture, and customs and compliant with the laws of the host country
- H. Have the support of local Rotarians, Rotary clubs and/or districts
- I. Involve active participation by a reasonable number of Rotarians from both sponsors
- J. Be submitted according to the 3-H Grants Business Cycle
- K. Be implemented only after the grant application is approved by The Rotary Foundation
- L. Be implemented over a two- to four-year period and reasonably ensure continued support after funding by The Rotary Foundation is discontinued

II. Rotarian Involvement

Rotarians from both partner clubs/districts must be actively involved in each 3-H 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.

- A. The required Rotarian activities are as follows:
 - 1. Jointly assess community needs and plan the project
 - 2. Design or assist in design of project
 - 3. Manage and oversee the implementation and administration of the project
 - 4. Maintain communication and dialogue with each other and with TRF for the life of the project
 - 5. Submit regular reports and financial accounting to The Rotary Foundation
 - 6. Submit evidence of community involvement and ownership
 - 7. Manage the project on-site
 - 8. Manage grant funds
 - 9. Promote the project to local media and at Rotary district and zone meetings

- B. The following are suggested additional activities for both partner Rotary clubs/districts:
 - 1. Form a Rotary Community Corps which supports aspects of the project
 - 2. Donate or seek out donations of money, goods, and services to continue or expand project
 - 3. Act as liaison with government agencies and customs officials
 - 4. Provide technical expertise in implementation of project
 - 5. Travel to work with project community or share technology and expertise at project site
 - 6. Attend major project events and ceremonies, where feasible
 - 7. Arrange shipping supplies, equipment, or materials to project country

III. Project Committees

- A. Each project sponsoring club or district (both host and international) must establish a committee of at least five Rotarians to oversee the project. It is expected that the members will serve for the duration of the project. Any change in the project committee must be formally communicated to TRF, and documents in relation to the project must be handed over to the new committee to ensure successful transfer of responsibility and execution of the project.
- B. The primary project contacts must be members of the primary sponsoring clubs or a district officer if district-sponsored and will be responsible for communicating with TRF about the project.
- C. Club presidents shall be ex-officio members of project committees for club-sponsored 3-H Grant projects, and district Rotary Foundation chairs shall be ex-officio members of project committees for all 3-H Grant projects.

It is recommended that:

- 1. The Project Management Committees meet regularly to discuss progress, obligations, and status of project and keep meeting minutes to properly document the communication between the partners
- 2. The Project Management Committees report regularly to their club board or district about the progress and status of the project so that the responsible club or district is fully informed of the projects progress and sponsors' obligations

IV. Sponsor Contributions

3-H Grant awards range from US\$100,000 to \$300,000. A minimum of 10 percent of the total 3-H Grant award is required as a sponsor contribution from the cosponsoring Rotary clubs or districts.

The following information applies to all sponsor contributions:

- A. 3-H Grant sponsor contributions are considered restricted giving to TRF and are not included in district contribution totals.
- B. Paul Harris Fellow (PHF) Recognition Credit will only be granted for sponsor contributions sent to TRF, RI's international office(s), or its fiscal agent(s); and PHF Recognition Credit will not be granted for sponsor contributions sent directly to the project.
- C. Sponsor contributions above and beyond the amount specified in the 3-H 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).

- D. Contributions sent to TRF prior to Trustee approval of the 3-H Grant will be credited as Annual Giving to TRF and will not be forwarded to the project (such contributions will be included in district contribution totals).
- E. Project budgets can be supplemented by funds from non-Rotary sources; however, TRF cannot match such funds. In addition, TRF will not match the value of any goods or services donated to the project.
- F. Should a grant project be cancelled all contributions must be returned to TRF (with the exception of any funds that were sent to the project directly). These contributions will be directed back to the club's or district's Annual Programs Fund account as a part of general giving to the Foundation. The funds will not be returned to the sponsors.
- G. Grant funds cannot be used as a contribution to The Rotary Foundation or as a contribution for any Humanitarian Grant.

V. **3-H Grant Payment**

- A. 3-H Grant payments will be made in installments. The first payment will be made when all of the following conditions are met:
 - 1. TRF has received signed 3-H Grant Agreement forms from the primary sponsor Rotary clubs/districts
 - 2. All sponsor contributions have been received either by TRF, RI's international office(s), or its fiscal agent(s), or deposited into the Rotary club- or district-controlled account (documentation verifying direct-to-project contributions must be provided).
 - 3. TRF has received a spending plan showing a schedule of expenditures for the next 12 months.
 - 4. TRF has received a publicity plan showing how the project will be publicized to the general public.
 - 5. TRF has received all necessary payee banking information. Please note that:
 - a. 3-H Grants must be paid to a Rotary club- or district-controlled account.
 - b. If local laws permit, a separate project account should be opened up for each grant project so that no grant funds are commingled.
 - c. All accounts must have at least two signatories required for each transaction.
 - d. 3-H Grants will not be paid to an individual, cooperating organization, or beneficiary.
- B. Subsequent payments will be released based upon an acceptable report and a new spending plan for the next reporting period.
- C. 3-H Grant budgets and payments are calculated in U.S. dollars and are paid out in U.S. dollars or their equivalent, using the current Rotary International Exchange Rate, where established. The exchange rate of payments may fluctuate over the course of the grant.

VI. **Stewardship of TRF Funds**

3-H 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, proper fiscal management, and full transparency regarding project activities and financial transactions.

- C. Use grant funds only for eligible purposes as outlined in 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 Businesses 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 purchased, produced, and/or distributed through the project
- 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. Disclosure of any possible conflicts of interest. All individuals involved in a program grant and/or award shall conduct their activities in a way that avoids any actual or perceived conflict of interest. A conflict of interest is 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 TRF.
 - 2. If a Rotarian serves on the board or has professional responsibilities in relation to a cooperating organization, vendor or beneficiary involved with a 3-H Grant, they may NOT serve on the project committee.
- G. Report immediately any irregularity in grant-related activity, including deviation from approved budget or project plan as well as misuse, abuse, or loss of funds to TRF.
- H. Return any unused funds and/or interest earned to TRF at the completion of the project.

VII. Reporting and Auditing Requirements

Both international and host sponsors must work together to prepare and submit annual and final reports, spending plans, and independent financial reviews.

- A. The first progress report is due 12 months after the first payment is received and every 12 months thereafter until the project is officially completed. Complete reports should be submitted on the current 3-H Report Form and must include the following:
1. A narrative statement with project objectives and outcomes for the reporting period
 2. A full description of Rotarian oversight, management, and involvement with the project
 3. Information regarding the impact of the project to the beneficiaries
 4. A statement of income and expenses, including earned interest and recoveries
 5. A bank statement that supports the statement of income and expenses
 6. Copies of receipts, when expressly requested, appropriately cross-referenced with the statement of income and expenses to verify substantial expenses
 7. The role of the cooperating organization, if applicable
 8. An independent financial review
 9. Revolving Loan Funds supplement, if applicable
- B. The final report and financial accounting are required within two months of the project's completion. The final report must include the items noted in 1-9 in paragraph A above, as well as:
1. A description of how the project will be sustained and what are the anticipated annual costs to maintain the project
 2. A description of the lessons learned
- C. New 3-H applications will be returned without processing if project partners have not provided timely progress reports for current grants or have overdue final reports (this includes overdue reports for all grant types). This will affect both the international partner and the host partner.
- D. Provide an annual independent financial review
1. Annual independent reviews must be carried out by an appropriately licensed, chartered, or certified accountant or accounting firm which has no direct link 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.
 2. The procedures for the annual independent review must include the following:
 - a. A determination of whether the funds received for the project were expended in a manner consistent with the approved project budget and, if not, why not
 - b. A determination of whether a standard set of accounts was maintained to include a complete record of all receipts and disbursements and receipts maintained for all expenditures in excess of US\$25
 - c. An examination of expenditures to ensure funds were used for intended purpose, proper records were maintained, and a system of controls over expenditure is in place. This examination should include the following:
 - Selection of a sample of disbursements and reconciliation to supporting documentation
 - A review of the full listing of expenditure to ensure funds were expended in a manner consistent with the Terms and Conditions of the grant award
 - Identification of the purchasing procedure used
 - d. A determination of whether funds were held in an interest-bearing bank account and documentation of how interest earned was used

- e. A review of bank reconciliations to ensure they were prepared correctly and in a timely manner and that opening and closing balances agreed to the financial records of the project and bank statements
 - f. A determination of whether Rotarians control bank accounts and two signatures are required for all disbursements
 - g. A determination of whether all project activities including the conversion of funds are in accordance with local laws and regulations
3. The annual independent review must be submitted to The Rotary Foundation 12 months after the first payment is received and every 12 months thereafter until the project partners are notified by TRF that the grant period of the project is officially completed.
 4. The responsibility for annual independent reviews for all grants rests with the primary partners, 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, they may apply for up to US\$500 per year for the life of the project on the original grant application for this purpose.

E. Cooperate with TRF Audits

1. TRF will conduct at least one external audit, one interim site visit, and one post-project site visit by independent reviewers designated by the Humanitarian Grants Cadre chair.
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 five years, or more if required by local law, after the grant closure date. These financial records will include original receipts, canceled checks, invoices, etc. Further, when the grant is selected to receive an audit, the sponsoring club or district must maintain all documentation until such time as TRF advises the documents may be discarded

VIII. Appropriate Grant Implementation

A. The use of grant funds from TRF must:

1. Promote active and personal participation of all Rotarians involved in the implementation of the project
2. Exclude any liability to The Rotary Foundation or to Rotary International except for the amount of the grant
3. Be properly submitted, thorough, and fully completed. If these conditions are not met, the application will be returned with explanation.
4. Be consistent with the criteria, procedures, and policies of the PolioPlus 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 not 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. 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. 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
5. For salaries, stipends, or honorariums for an individual or individuals working for a cooperating organization or beneficiary
6. To support the operating or administrative expenses of any organization
7. For postsecondary education activities, research, or personal or professional development
8. For excessive support of any one beneficiary, cooperating organization, or project
9. 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
10. To establish 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 may involve the establishment of a revolving loan fund, with the approval of TRF, but must include training and detailed information regarding recipient payback schedules.
11. To duplicate any existing Foundation or other Rotary-sponsored program
12. To sponsor projects 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/professional needs only.
13. For community beautification or general service projects that are not humanitarian in nature
14. For any purposes other than those approved by TRF

IX. Time Limits

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

- A. Sponsors must meet all preconditions for payment six months from the date of the grant announcement letter or the grant will be cancelled.
- B. Sponsors must demonstrate significant progress within 12 months of the release of the first payment installment or the grant will be cancelled and sponsors will be required to return the funds.

X. Cooperating Organizations

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

- A. The Rotary sponsor(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. The local Rotary clubs or district (where appropriate) must have knowledge of the cooperating organization and provide a letter of endorsement for the organization that 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 and explain how it will be participating in the project.
- D. An annual limit of eight grants can be made in cooperation with another organization.
- E. A spending plan system should be adopted, such that there is mutual agreement between the Rotary partner(s) and the cooperating organization regarding items/services and respective costs before purchases are made, to maintain Rotarian control over expenditure of grant funds and help avoid possible disputes.

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

The Rotary Foundation (TRF) supports the programs of Rotary International, including its aims and objectives with respect to RI's statement on Population Growth and Development. 3-H 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

XII. 3-H 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 *2007 Manual of Procedure* chapter 17. Camera-ready art can be obtained through your Club and District Support representative.) 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 18.020.*)

XIII. Use of 3-H Grant Funds for Vehicles Purchased for Project Activities

- A. All vehicles purchased with money awarded by The Rotary Foundation are to be used solely for the purposes intended in the grant as approved by the Trustees.
- B. Personal use of the vehicle for purposes unrelated to the project is prohibited.
- C. Use of the vehicle is restricted to persons directly involved in the Rotary project.
- D. Valid auto insurance is mandatory for any driver of the vehicle.
- E. Vehicles may not be the property of a Rotary club, Rotary district, or a Rotarian.
- F. All usage of the vehicle must be in accordance with the laws of the country where the vehicle is being driven.
- G. Misuse of the vehicle may result in repossession of the vehicle by Rotary International. Rotary also reserves the right to instruct the Rotarians to donate the vehicle to a worthy other party.
- H. The committee overseeing the project (3-H Grant Project Management Committee, Volunteer Committee, or the Matching Grants Projects Committee) shall make additional decisions on the usage of the vehicle. If a cooperating organization or Rotary Volunteer is involved in the project, they must also consult and comply with the Rotary grant committee's determination of its usage.
- I. Any damage sustained to the vehicle during non approved usage shall be the responsibility of the driver.

- J. Any questions or concerns about the use or misuse of a vehicle purchased through a Rotary Foundation grant should be directed to the Rotary grant committee that supervises the project.

If you have questions, please contact TRF at:

3-H Grants
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Evanston, IL 60201-3698 USA
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