



# ENDOWED AND DIRECTED GIFTS FOR GLOBAL GRANTS

## Frequently asked questions

Directed gifts and global grant endowments are two ways in which a donor can make a major gift that will be used exclusively for global grants. The directed gift will be spent in its entirety, usually within a year after it is made. An endowment provides a stream of earnings for global grants in perpetuity.

Learn more about global grants with these resources:

- [A Guide to Global Grants](#)
- [Terms and Conditions for Rotary Foundation District Grants and Global Grants](#)
- [Areas of Focus Policy Statements](#)

In addition to these resources, [grants staff members](#) are available to answer questions. You can find more [information about grants](#) on My Rotary.

Use the links below to jump to the section on the type of gift you want to learn more about:

- [Named endowed fund for global grants](#)
- [Directed gifts \(formerly “term gifts”\) – district specified](#)
- [Directed gifts \(formerly “term gifts”\) – no district specified](#)

## **NAMED ENDOWED FUND FOR GLOBAL GRANTS**

With a gift of \$150,000 or more, a donor can establish a fund that will provide support for global grants in any area of focus. Depending on the amount of the gift, the donor may also specify which district will use the earnings, the activity type, the area of focus, and the geographic location. The spendable earnings from global grant endowments that do not specify a district will be applied to eligible grants by The Rotary Foundation to replace the World Fund match.

Q: What is an endowed fund for a global grant, and how is it used?

A: An endowed fund is a giving and naming opportunity to support global grants. When a donor specifies the district that will sponsor the grant, the earnings from the endowed fund will be available to that district to use toward a global grant that meets the restrictions and preferences specified by the donor (e.g., areas of focus).

Q: Where can a district find the spendable earnings balance for a global grant endowed fund?

A: The Tracked Gift Report available to district leaders on My Rotary shows the spendable earnings balance as well as any restrictions and preferences on the use of those earnings. For further assistance, contact [giftadministration@rotary.org](mailto:giftadministration@rotary.org).

Q: When are spendable earnings from global grant endowed funds available to districts?

A: Spendable earnings will be available by the end of August each year. For further assistance, contact [giftadministration@rotary.org](mailto:giftadministration@rotary.org).

Q: How can districts apply for global grants?

A: Applications must be submitted online in the [Grant Center](#). Contact your [regional grants officer](#) if you need assistance with the application.

Q: Who can sponsor a global grant funded with an endowed fund?

A: The sponsor needs to be the district specified by the donor in the gift agreement.

Q: Is an international sponsor required for a global grant with an endowed fund?

A: Yes. All global grants require a host sponsor and an international sponsor.

Q: Do global grants funded with endowed funds need to adhere to all global grant requirements?

A: Yes. All global grants must meet the requirements listed in the [Terms and Conditions for Rotary Foundation District Grants and Global Grants](#) and the [Areas of Focus Policy Statements](#). However, the 15% minimum contribution from the international partner or partners is not required. Contact your [regional grants officer](#) if you have questions about global grant requirements.

Q: Can a district fund a global grant entirely with an endowed fund?

A: Yes. However, districts have the option to add cash and District Designated Funds to the funding of the grant. Only DDF will be matched by the World Fund (80 percent match). See the [Endowed Global Grant Funding Scenarios](#) below for more information.

Q: Do endowed fund spendable earnings receive a World Fund match?

A: No, endowed fund spendable earnings aren't matched by the World Fund. See the [Endowed Global Grant Funding Scenarios](#) below for more information.

Q: How does a district indicate that funding from an endowed fund is to be used for a global grant?

A: In the "Funding" section of the grant application, the endowed funds available will appear as funding options that the district can use. When you complete this portion of the grant application, select the district and then the endowed fund number (e.g., E12345) as the source.

Q: Can a global grant funded with an endowed fund support a beneficiary or cooperating organization affiliated with the donor?

A: No. There cannot be even a perceived conflict of interest between the donor of the gift and the beneficiary or cooperating organization that would be involved in the global grant. To learn more, refer to the conflict of interest policy for program participants in the [Terms and Conditions for Rotary Foundation District Grants and Global Grants](#).

Q: Can a district use more than one endowed fund to fund a global grant?

A: No. A district can use funding from only one named endowed fund or directed gift per global grant.

Q: Can a district use an endowed fund to fund more than one global grant?

A: Yes, as long as the endowed fund contribution to each global grant is at least \$30,000. However, all global grants will carry the name of the donor and must comply with any restrictions and preferences they placed on the endowed fund. Contact [giftadministration@rotary.org](mailto:giftadministration@rotary.org) with any questions.

Q: Is there a minimum amount of spendable earnings that are required to be used toward funding a global grant?

A: No. Any amount of spendable earnings may be included in the funding of a global grant.

Q: What happens if a district doesn't use all of the spendable earnings available for a given Rotary year from an endowed fund?

A: If the spendable earnings aren't used within the Rotary year in which they became available, they'll carry over

to the following year. Any new spendable earnings will be added to that fund’s spendable earnings balance annually.

Q: Do global grants that use endowed funds require an additional review if the grant funding exceeds a certain amount?

A: Yes. If a global grant with total funding of more than \$100,000 includes spendable earnings from an endowed fund, an area of focus review and interim site visit are required. If a global grant with total funding of more than \$400,000 includes spendable earnings from an endowed fund, an area of focus review, an advance site visit, an audit or interim site visit, and a review by the full Board of Trustees will be required. Global grant applications at this level need to meet these deadlines for review by the Trustees:

- Those submitted by 1 June will be reviewed in October.
- Those submitted by 1 October will be reviewed in January.
- Those submitted by 1 December will be reviewed in April.
- Those submitted by 1 March will be reviewed in June.

**Endowed Global Grant Funding Scenarios**

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Total grant amount	\$30,000	\$30,000	\$50,000	\$30,000
Spendable earnings amount	\$30,000	\$21,000	\$30,000	\$21,000
District Designated Funds	\$0	\$5,000	\$10,000	\$0
World Fund match (80% on DDF)	N/A	\$4,000	\$8,000	N/A
Cash (not matched)	\$0	\$0	\$2,000	\$9,000

## **DIRECTED GIFTS (FORMERLY “TERM GIFTS”) — DISTRICT SPECIFIED**

A directed gift of \$30,000 or more can support one or more global grants sponsored by a district that’s chosen by the donor. The donor can also specify the area of focus and type of activity: a humanitarian project, a scholarship, or a vocational training team.

Q: What is a directed gift for a global grant, and how is it used?

A: A directed gift is a giving and naming opportunity to support global grants. A donor can specify the district that will sponsor the grant, and the directed gift will be available to that district as a funding source for a global grant that meets the restrictions and preferences that the donor placed on the gift (e.g., areas of focus).

Q: What restrictions or preferences can a donor specify?

A: The donor can restrict the use of the gift to one or more areas of focus and can state a general geographic preference for the global grant project site.

Q: Does the global grant carry the name of the donor?

A: Yes, the global grant will carry the donor’s name, even if the entire grant is not funded by the directed gift.

Q: Will a portion of directed gifts be used to support administrative expenses?

A: Yes, 5% of the gift will be used to offset the costs of administration. Like cash contributions to global grants, directed gifts do not go through the three-year investment cycle.

Q: What type of recognition is given to donors who fund a directed gift?

A: Donors receive Major Donor recognition, but do not receive Foundation recognition points.

Q: Can more than one donor, donor couple, or entity give to a directed gift?

A: No. Directed gifts are reserved for individuals, couples, non-Rotary affiliated foundations, and corporations.

Q: Can a district use DDF to fund a directed gift?

A: No. However, DDF may be used in addition to the directed gift as part of the global grant funding. See the [Global Grant Directed Gift Funding Scenarios](#) below.

Q: Do directed gifts receive investment income?

A: No. Directed gifts are meant to be used in their entirety in the short term, so they are not subject to by investment gains or losses.

Q: Can clubs and districts establish a directed gift?

A: No. However, a donor may name a directed gift in honor of a club or district.

Q: Where can districts find the directed gifts available to them?

A: The Tracked Gift Report available to district leaders on My Rotary shows the directed gift amount available as well as any restrictions and preferences on the use of the funds. For further assistance, contact [giftadministration@rotary.org](mailto:giftadministration@rotary.org).

Q: When is the directed gift available for use by the district?

A: The gift is intended to be used within the Rotary year immediately following the year in which it was received. However, the gift will be available once it is received and processed by the Foundation, which is typically within 10 business days.

Q: How can districts apply for global grants?

A: Applications must be submitted online in the [Grant Center](#). Contact your [regional grants officer](#) if you need assistance with the application.

Q: Who can sponsor a global grant funded with a directed gift?

A: The sponsor needs to be the district specified by the donor in the gift agreement. The donor can also express a preference that a club within the district sponsor the grant.

Q: Is an international sponsor required for a global grant funded by a directed gift?

A: Yes. All global grants require a host sponsor and an international sponsor.

Q: Do global grants funded with directed gifts need to adhere to all global grant requirements?

A: Yes. All global grants must meet the requirements listed in the [Terms and Conditions for Rotary Foundation District Grants and Global Grants](#) and the [Areas of Focus Policy Statements](#). However, the 15% minimum contribution from the international partner or partners is not required. Contact your [regional grants officer](#) if you have questions about global grant requirements.

Q: Can a district fund a global grant entirely with a directed gift?

A: Yes. However, districts have the option to add cash and DDF to the funding of the grant. Only DDF will be matched by the World Fund (80 percent match). See the [Global Grant Directed Gift Funding Scenarios](#) below for more information.

Q: Does a directed gift receive a World Fund match?

A: No, directed gifts aren't matched by the World Fund. See the [Global Grant Directed Gift Funding Scenarios](#) below for more information.

Q: How does a district indicate that funding from a directed gift is to be used for a global grant?

A: In the "Funding" section of the grant application, the directed gifts available will appear as funding options that the district can use. When you complete this portion of the grant application, select the district and then the directed gift number (e.g., T12345) as the source.

Q: Can a global grant funded with a directed gift support a beneficiary or cooperating organization affiliated with the donor?

A: No. There cannot be even a perceived conflict of interest between the donor of the gift and the beneficiary or cooperating organization that would be involved in the global grant. To learn more, refer to the conflict of interest policy for program participants in the [Terms and Conditions for Rotary Foundation District Grants and Global Grants](#).

Q: Can a district use more than one directed gift to fund a global grant?

A: No. A district can use funding from only one directed gift or named endowed fund per global grant.

Q: Can a district use a directed gift to fund more than one global grant?

A: Yes, as long as the directed gift contribution to each global grant is at least \$15,000. However, all global grants will carry the name of the donor and must comply with any restrictions and preferences they placed on the directed gift. Contact [giftadministration@rotary.org](mailto:giftadministration@rotary.org) with any questions.

Q: Do global grants that use directed gifts require an additional review if the grant funding exceeds a certain amount?

A: Yes. If a global grant with total funding of more than \$100,000 includes a directed gift, an area of focus review and interim site visit are required. If a global grant with total funding of more than \$400,000 includes a directed gift, an area of focus review, an advance site visit, an audit or interim site visit, and a review by the full Board of Trustees will be required. Global grant applications at this level need to meet these deadlines for review by the Trustees:

- Those submitted by 1 June will be reviewed in October.
- Those submitted by 1 October will be reviewed in January.
- Those submitted by 1 December will be reviewed in April.
- Those submitted by 1 March will be reviewed in June.

Q: What happens if a district doesn't use the directed gift?

A: If the directed gift isn't used, it will carry over to the following year. If it remains unused, the Foundation may determine how best to use the remaining funds.

**Global Grant Directed Gift Funding Scenarios**

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Total grant amount	\$30,030	\$30,000	\$30,001	\$80,000
Directed gift amount	\$30,000	\$30,000	\$31,580	\$50,000
Directed gift amount available (after 5% is deducted)	\$28,500	\$28,500	\$30,001	\$47,500
District Designated Funds	\$850	\$0	\$0	\$10,000
World Fund match (80% on DDF)	\$680	N/A	N/A	\$8,000
Cash (not matched)	\$0	\$1,500	\$0	\$14,500



## **DIRECTED GIFTS (FORMERLY “TERM GIFTS”) — NO DISTRICT SPECIFIED**

A directed gift of \$15,000 or more can support global grants in a particular area of focus without naming a district. In that case, the Foundation will apply the gift to a global grant that meets the donor’s preferences as replacement of all or part of the World Fund match.

Q: What is a directed gift without a district specified?

A: A directed gift without a district specified is a one-time gift of \$15,000 or more that is meant to be fully expended, usually in the following Rotary year, on one or more approved global grants.

Q: How is this type of directed gift used?

A: The gift will be used for a global grant that meets the restrictions and preferences placed on the gift by the donor (e.g., a specific area of focus). The directed gift is used in lieu of the first portion of any World Fund match.

Q: What restrictions and preferences can a donor specify?

A: The donor can restrict the use of the gift to one or more areas of focus and can state a general geographic preference for the global grant project site.

Q: How is the specific global grant selected?

A: Based on the terms of the gift agreement, the specific global grant will be selected by the Foundation.

Q: Does the global grant carry the name of the donor?

A: Yes, the global grant will carry the donor’s name, even if the entire grant is not funded by the directed gift.

Q: Will a portion of directed gifts be used to support administrative expenses?

A: Yes, 5% of the gift will be used to offset the costs of administration. Like cash contributions to global grants, directed gifts do not go through the three-year investment cycle.

Q: What type of recognition is given to donors who fund a directed gift?

A: Donors receive Major Donor recognition, but do not receive Foundation recognition points.

Q: Can more than one donor, donor couple, or entity give to a directed gift?

A: No. Directed gifts are reserved for individuals, couples, non-Rotary affiliated foundations, and corporations.

Q: Does a directed gift receive a World Fund match?

A: No. Directed gifts aren't matched by the World Fund, however, the gift may be leveraged by other funds, including District Designated Funds (DDF), and cash contributions. Only DDF will be matched by the Foundation. See the [Global Grant Directed Gift Funding Scenarios](#) above for more information.