



## Frequently Asked Questions about Grant Payments January 2007

### **Q. Why does it take 4-6 weeks to process my grant payment?**

**A.** The grant payment process begins once all payment requirements have been fulfilled based on the grant type. For example:

- **Payment Requirements** - A Matching Grant can only be paid once signed agreement forms, completed payee forms and contributions from clubs are received by TRF. It is important that clubs maintain regular communication with one another and their grant coordinator to ensure that all these items are submitted. The 4-6 week time frame begins once these requirements are fulfilled.
- **Payment Variables** - There are many variables involved in processing a grant payment which include: the method of payment (check, wire, etc.); the currencies involved and location of the project account; banking restrictions; accuracy and completeness of information provided by sponsors; the volume of grant payments being processed throughout the year.
- **Turn-around time** - The 4-6 week timeframe is an approximation of the time it takes for an average grant payment not only to be processed by TRF, but also by any international offices, fiscal agents, or associate foundations, and banking partners involved in the payment process. Often payments are processed in less time, but because there are so many variables involved with each payment, grant coordinators cannot be more precise when estimating the timeframe so 4-6 weeks is quoted to create reasonable expectations.

### **Q. How can I ensure that my grant payment will be processed quickly?**

**A.**

- Grants that only utilize District Designated Funds (DDF) as part of their financing are processed for payment in almost half the time of grants that involve submission of cash contributions to TRF. One way to speed up a Matching Grant payment is to only use DDF as part of the financing.
- If cash contributions are involved in the grant financing, it is often faster to send the contribution to the project account directly and send TRF a bank statement confirming the funds are in the account. (Please note that contributions sent directly to the project account do not qualify for PHF recognition.)
- Should you send cash contributions to TRF, an international office or fiscal agent for a grant, be sure they are clearly marked with the grant number and that it is included on the contribution form. You may also wish to notify the grant coordinator and the international office to which you submitted the contribution. Read all of the information in the announcement letter and fill out all sections of the payee and contribution forms.
- Grant payment volume is the highest each Rotary year in the months of July to October. This is due to the fact that most grants are received and approved near the end of the Rotary year and the payment requirements are fulfilled for payment processing to begin during this period. In addition, District Simplified Grants are being processed for payment in July. By submitting Matching Grant applications for approval earlier in the Rotary year, you can avoid having your payment processed during the high volume months from July to October. Please anticipate that grant payments made during these months will take closer to 6 weeks to be deposited into club/district project accounts.

**Q. Where can I find the banking information requested on the payee form?**

A. The payee form provides TRF with all of the information necessary to ensure the payment is deposited into the project account.

- With Matching and 3-H Grants - the payee form is included in the announcement letter you receive when the grant is approved.
- With District Simplified Grants and Volunteer Service Grants the payee form is included with the application. Often there are banking codes and correspondent bank information that is required in order for the payment to be received into your account.
- If this information is not correct or incomplete, the grant coordinator will need to contact you for more information and this will delay your payment. It is often helpful to visit your bank and ask them to provide you with the appropriate information listed on the payee form as they will be familiar with the required items. Please refer to the attached reference that explains various banking codes required on the payee form.

**Q. What are the basic requirements for opening an account for a grant project?**

A. To ensure proper transparency, TRF requires clubs/districts to open a separate bank account to receive grant payments.

- In some countries it is difficult to open a second account, so clubs are permitted to open a sub-account within their club account so long as they have a system for tracking and recording income and expenses for the project.
- All accounts must be **Rotary controlled**, meaning that a club or district officer is a signatory on the account.
- Every account must have **two Rotarian signatories** to ensure that there is proper oversight of expenditures.
- **Project accounts** should be in the name of the Rotary club or district and meet the guidelines for use of the Rotary name. In some countries clubs cannot legally open accounts in their club name, and in only those cases, TRF will accept the names of two Rotary club or district officers on the account name.

**Q. What are some common delays to grant payments?**

A. Grant payments are most frequently delayed as a result of:

- The payee forms are incomplete and missing account details or request payment in a currency or method that does not follow Rotary's guidelines.
- Changes to international banking regulations that require TRF to obtain additional account information from the sponsoring Rotary clubs/districts.
- Contributions for grant projects are not correctly restricted to a grant, because the clubs submitted contributions prior to approval of the grant or did not properly identify them as grant contributions.
- Submitting applications late in the Rotary year (31 March) delays approval and often further delays payment during the peak payment processing months of July to October.
- Grants are often approved with payment contingent upon receiving some additional information from the sponsors that was not provided in their application. The sponsors often do not read the entire announcement letter when the grant is approved and forget to submit this information.

## Q. Why can't The Rotary Foundation send me US Dollars for my grant payment?

A. Rotary International collects contributions and club dues in over 30 currencies from nearly 200 countries and geographical regions in which it operates. Rotary International also maintains banking relationships in many areas of the world to provide its membership with the most reliable, efficient, and cost effective ways to make and receive payments. To make the best use of foreign currency holdings and adhere to prudent cash management practices, Rotary International's first use of funding considerations is to utilize local funds to the extent possible.

<b>BANK CODES &amp; DEFINITIONS</b>	
The following are the types of bank codes used in transferring money between financial institutions electronically. The type of code that is required on a payment will depend on the country where the receiving institution is located.	
<b>SWIFT Code</b>	<p>Society for Worldwide Interbank Financial Telecommunication</p> <ul style="list-style-type: none"> <li>-8 digit code that is used to identify the primary office of a financial institution</li> <li>-The code is made up of: <ul style="list-style-type: none"> <li>4 characters - bank code</li> <li>2 characters - ISO country code</li> <li>2 characters - location code</li> </ul> </li> <li>-Widely used in international EFT (electronic funds transfers)</li> </ul>
<b>BIC Code</b>	<p>Bank Identifier Code that is analogous to a SWIFT code</p> <ul style="list-style-type: none"> <li>-Main difference is that it allows the payment to be directed to a <u>specific branch office</u> of a financial institution</li> <li>-This code is made up of 11 digits: <ul style="list-style-type: none"> <li>4 characters - bank code</li> <li>2 characters - ISO country code</li> <li>2 characters - location code</li> <li><b>3 characters - branch code</b></li> </ul> </li> </ul>
<b>IBAN</b>	<p>International Bank Account Number</p> <ul style="list-style-type: none"> <li>-Bank account number assigned to uniquely identify a bank account in EFT transactions <u>within European countries</u></li> <li>-May contain up to 34 alphanumeric characters, depending on the country where the funds will be sent: <ul style="list-style-type: none"> <li>-First - 2 characters identify the country where the account is maintained</li> <li>-Second - 2 numeric check digit that serve to validate the correctness of the IBAN</li> <li>-Last - Local bank's clearing identification number and account number</li> </ul> </li> </ul>
<b>Sort Codes:</b>	<p>Sort codes are a unique identifier to the particular branch of a banking institution.</p> <ul style="list-style-type: none"> <li>-Primarily used in the United Kingdom</li> <li>-Contains six digits, usually formatted into pairs separated by hyphens: XX-XX-XX</li> <li>-6 digits consisting of a 2 digit bank code, a 1 digit state code and a 3 digit branch code</li> </ul>
<b>BSB Code:</b>	<ul style="list-style-type: none"> <li>-A BSB (Bank State Branch) code is a unique identifier similar to a sort code.</li> <li>-Used primarily in Australia</li> </ul>

<b>ABA Routing Number</b>	<p>-The America Banking Association routing number is a 9-digit-code that uniquely identifies a U.S. banking institution and is required for all US fund transfers.</p> <p>-The first two digits of this nine digit number must be in the ranges 00 through 12, 21 through 32, 61 through 72.</p>
<b>US Correspondent Bank</b>	<p>A correspondent bank is a bank that accepts deposits of and performs banking services for other depository institutions. These banks are essential in moving funds cross-borders (outside the U.S.) via correspondent balances. Information required for payment related to US Correspondent Banks includes the following:</p> <ul style="list-style-type: none"> <li>-US correspondent Bank name and address</li> <li>-US correspondent Bank's ABA routing number</li> </ul>

Please be sure when completing payee forms with account information to clearly identify numeric characters such as “Ø” from alphabetic characters such as “O”.