

THE ROTARY FOUNDATION

29 January 2013

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Dear Rotarians Sankaran and Sundram:

Thank you very much for your participation in the audit of Global Grant 25006, approved to help provide clean water through the provision of borewells to the area, as well as to construct washrooms, provide furniture & computers for schools, and establish a vocational training center for women in Tamil Nadu, India. This letter is to share with you the results of audit.

After reviewing the audit report, The Rotary Foundation (TRF) noted that the project beneficiaries are using the toilet blocks, computers and sewing machines and that the intended community comprising of children and women from lower income families are benefitting from this project. It appears to be a very worthy project that has benefitted many in need.

Unfortunately, the audit also identified instances where the grant funds were managed in a manner inconsistent with the grant terms and conditions and TRF Code of Policies. The concerns identified included inadequate project planning, slow and disorganized project implementation and limited Rotarian involvement.

Rotarian Involvement

Insufficient Rotarian participation appears to stem from the inherent set up of this project. It is noted that this grant was planned in haste by several past district governors and then turned over to local clubs in order to complete project implementation. As such, we were disappointed to note that the project committee, while constituted on paper, is not functioning appropriately.

Although Rotarians regularly visit the MB centers, there is limited awareness and ownership of the other aspects of this grant including the water purification and borewells. We would like to remind you that the three person committee, acting with the support of the club/district should be actively managing all aspects of the grant so that the project can be completed successfully.

Project Planning and Management

It was observed that project planning was not sufficiently completed by the sponsors, leading to issues with the grant implementation. It was also noted that the project sites

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were scattered over 150 kms. The breadth of this project made it difficult for the district to properly monitor the project. While the desire to benefit a great number of beneficiaries is commended, for future grant projects, we recommend, more geographically feasible projects. A proper needs assessment may have identified more appropriate locations based on the needs of the community and the ability of host Rotarians to visit the project sites.

Additionally, it was noted that this grant comprised of two separate grant projects combined in order to meet the minimum funding requirements for global grants. At the time of application, TRF understood that this project was intended to have an “adopt-a-school” nature that would address disparate needs of the school children, all the while meeting the area of focus requirements. In light of the confirmation from the grant sponsors that this was not the case and that they lumped projects together simply to meet Foundation funding requirements, TRF would like to remind the sponsors that this does not meet grant requirements. Further, any future grant applications should be designed around a cohesive project addressing a common community need. Additionally, a thorough needs assessment should be completed prior to submitting a grant application to ensure that the real needs of the community are being met and ensuring that there is a clear implementation plan. Although Rotarians at Rotary Club of Trichy were extensively involved with the vocational training centre, the auditor did not find anyone to be centrally in command of all aspects of the project.

Please remember that Rotarian sponsors are expected to be actively involved in grant implementation. This may include, but is not limited to, frequent site visits to the project in order to ensure that the project is moving towards completion. Active involvement should also ensure all beneficiaries are receiving the appropriate grant-related equipment and training in a timely manner and that a complete report is provided to TRF every 12 months.

Project scope change

The auditor noted that the project budget for benches has exceeded the approved budget by 28%. Also, the audit report indicates that the host sponsors no longer wish to purchase an arecanut paper plate making machine, and have yet to complete a project plan for the tank de-silting, water purification and bore well portion of the grant application. We wish to remind District 3000 that any deviations from the approved budget or changes in the implementation of the project should be discussed with the international sponsors and, thereafter, such requests must be submitted for TRF approval. Consistent communication with TRF staff will ensure that the project is in compliance with Global Grant requirements.

Rotary Name and Emblem Use Guidelines

While the Rotary identification mark was visible on the equipments provided under the Global Grant, there were no Rotary marks visible at the vocational training centers managed by Montfort Bros, the cooperating organization. TRF encourages display of the Rotary International Emblem on all equipments or signage associated with the project to help create awareness of Rotary's involvement in the community.

The above mentioned issues were communicated to the district leaders and the project committee members during the exit interview. Please understand that the Trustees, acting in

their capacity as stewards of grant funds, stress the importance of proper fiscal management in any activities associated with the programs of TRF. The recipients of the grants and all others associated with the project are expected to ensure that the grant funds are used effectively for the purpose for which they were approved by the Trustees. Any violation of the Future Vision Global Grant terms and conditions may result in suspension of the district from participation in TRF programs and may also require the full return of grant funds. Therefore, the Foundation asks the District 3000 to take immediate action to address the above concerns.

In order to close this audit, please comply with the following requirements:

- 1) We ask that both sponsors review Section 1 of the Grant Management Manual, Planning A Global Grant Project and the Future Vision Global Grant Terms and Conditions (both attached.) Grant sponsors must then confirm that they are willing and able to meet the requirements for carrying Global Grant 25006 to completion.
- 2) The sponsors are requested to submit fresh needs assessment, detailed plans and competitive bids for the unutilized funds related to the Global Grant 25006. The plan should include who will be responsible for managing the project implementation process, as well as who will be managing the funds during this period. Please also indicate how the district leaders will be kept aware of the progress.
- 3) While not included in the original project plan, it was noted that there are further opportunities to create greater awareness of the vocational training centre facility within the surrounding areas. We encourage the district to publicize this facility so that the community can fully benefit from the services provided at the vocational training centre.
- 4) Given the difficulties associated with implementation of this project, detailed reporting on all grant activities will be required in order for this grant to be closed. Please record all activities associated with grant implementation in detail.

The requested documentation must be received by TRF no later than 31 March 2013. Until the above requests are fulfilled, this grant will be considered overdue on the reporting requirement and will count against the district's reporting percentage. In addition, we request the District 3000 not to make any further payments from the project bank account until the audit is closed.

Your cooperation in these matters is appreciated and we are confident that these matters can be successfully resolved. Please feel free to contact my colleague Meredith Burlew, Stewardship Department Manager (meredith.burlew@rotary.org) or me (rajesh.anand@rotary.org) if you have any questions.

Sincerely,



Rajesh Anand
Senior Stewardship Coordinator

cc: Yash Pal Das, Director, Rotary International
Ashok Mahajan, Trustee, The Rotary Foundation
P.T. Prabhakar, Director-elect, Rotary International
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