Rotary Australia Overseas Aid Fund (RAOAF)

What is the Rotary Australia Overseas Aid Fund?

RAWCS has established the **Rotary Australia Overseas Aid Fund (ABN: 21 388 376 554)** to assist Rotary Clubs and Rotary Districts in Australia to respond to needs of their projects in overseas countries. Tax deductibility is allowable for gifts to aid activities in those countries declared as 'developing' by the Minister for Foreign Affairs. The list of approved developing countries is available from: http://dfat.gov.au/aid/where-we-give-aid/Pages/where-we-give-aid.aspx

Overseas Aid Funds must be registered with the Australian Charities and Not-for-profits Commission (ACNC) before submitting an application to Australian Aid who recommend successful applicants to the Minister for Foreign Affairs for approval. Once approved the Deputy Treasurer is notified by DFAT and the applicant (RAOAF) is published in the Commonwealth Government Gazette. Overseas Aid Funds are bound by the regulation of all these departments and organisations.

Projects can be registered with the RAOAF by Australian Rotary Clubs and Rotary Districts who are of good standing with Rotary International.

Rotary Clubs and Districts operating RAOAF projects are acting as agents for RAWCS Ltd.

What are the project criteria?

It is required that all RAOAF Projects must:

- have the approval and support of their Australian Rotary Club. Known as the sponsoring Club.
- appoint a Project Manager who a must have a committee of at least three nominated to manage the project. (i.e. Project Manager and two others all of whom must be members of the sponsoring Club).
- conduct activities that are focused on sustainable development and/or relief covering at least one and preferably two years. (See definitions below)
- carry out overseas activities on a partnership basis with indigenous organisations (in-country partners). You must work with an in country Rotary Club and/or other in country indigenous organisations.
- demonstrate that their partnerships reflect equality, mutual respect, mutual learning, honesty, transparency, and encourage self-reliance.
- have a Project committee and its overseas partners that are both effective in conducting their activities.
- ensure that their project identifies their work by erecting signage that identifies the project as a project of "Australian Aid" and "the sponsoring Rotary Club". This also applies to publicity on or about the project. The RAWCS logo should be used where possible.
- maintain complete financial and documentary records of the project audited by their Rotary Club.
- be more than just a fundraising arm of its overseas partners.
- submit an online report completed by the Project Manager every six months. (This includes both financial and operational records as explained below).
- actively plan with the local community how their project and its partners approach each stage of the project cycle of 'Identification', 'Design', 'Appraisal', 'Monitoring' and 'Evaluation'.
- evaluate regularly the outcomes and impact of the project activities it supports.
- be aware of terrorism and sex tourism/child protection issues and ensure they do not inadvertently support these activities in any way.

RAOAF PROJECT CRITERIA

How does the Rotary Australia Overseas Aid Fund work?

It is desirable that all projects have a definite start date and completion date.

Projects can be registered on the project registration form found our website – http://rawcs.org.au/?page_id=250

All applications must have the signature of the Project Manager, the current Rotary Club President, District Governor, District RAWCS Chair and Regional RAWCS Coordinator. In addition, they need signatures from the endorsing overseas Rotary Club, District Governor and/or in country indigenous organisations.

All donations requiring a tax deduction must be deposited into the RAOAF account by the online donation facility that we establish for each project. Deposits can be made by credit card, cheque, or direct deposit. Payments to the project will then be made by the National Secretariat at the request of the Project Manager in writing (email will be accepted).

A service fee of 3% will be deducted from all donations to the RAOAF. Exemptions to the service fee are explained in the "Service Fees Policy" available on our website.

The RAWCS National Secretariat will provide the Project Manager a project financial statement every month in which transactions have been made and at the completion of each project. These statements list all transactions and must be checked by the Project Manager to verify they are a correct record of the project's activities.

These reports and all records are to be kept for a minimum of seven years by the Project Manager.

Record keeping

Financial records must be maintained by the Project Manager. Financial records are documents that:

- allow you to explain the project's financial transactions, position and performance
- allow financial reports to be prepared and audited

These include receipts, invoices, banking records, details of any contracts, details of any grant payments, salary records (if employees), and other similar documents.

If a Rotary Club or project receives funds into their own accounts for the project, they should establish an entirely separate bank account. It may be interest bearing but not a term deposit account. This account should be subject to audit by the sponsoring Rotary Club's auditors. The purpose of this separate account is so that every transaction is transparent and obvious for audit purposes.

If there are any surplus funds in the Project account at the completion of the project, it must be deposited to a currently registered RAOAF project of the Project committee's choice. This is a stated requirement of an overseas aid fund.

Project Managers will be responsible to complete and **submit online project reports every six months**. An email will be sent to them with a link to the actual report. It needs to be filled in online and then submitted. A copy will be sent to their own Rotary Club, District Governor, District RAWCS Chair, Regional RAWCS Chair and the National Projects Manager as well as being placed on the project file.

Operational records must be kept by the Project Manager. Operational records are any other documents about your projects operations. These may include meeting minutes, reports, and written details of your charities activities, programs or services. You need to keep records that allow RAWCS and the ACNC to assess whether:

- your project continues to be an eligible project. For example, the documents should show what activities you are doing to further your project's charitable purpose.
- your project is complying with its responsibilities under the ACNC Act

All projects can be subject to audit at any time by RAWCS National and Regional officers of RAWCS or officers of the ACNC.

More information on Overseas Aid Funds and record keeping is available from Australia Aid and the ACNC at the following links: http://dfat.gov.au/aid/Pages/australias-aid-program.aspx

http://www.acnc.gov.au/ACNC/FTS/Overseas_charities.aspx

Volunteers cannot make a donation and claim tax deductibility if they receive a benefit from that donation (e.g. – accommodation, airfare and food are benefits). Volunteers are covered for insurance if they submit their applications and register with their RAWCS Regional Coordinators two weeks prior to departure.

DEFINITIONS of DEVELOPMENT, SUSTAINABILITY & RELIEF

WHAT IS MEANT BY DEVELOPMENT? Development seeks to improve the conditions of communities in a sustainable way. It is based on working with communities, rather than for or on behalf of communities.

For example, if a community needs a well dug, they might ask an organisation to dig them a well.

The development approach would say 'No. Instead, we'll help you dig your well, first by looking at all the things that you as a community can do to dig the well. Someone outside of the community will only do those things on the list that can't be done by the community.' The result would be that the community will have its well, more skilled members, and a sense of its own ability, not disability.

Development is a process where a community of people work together to break the cycle of poverty and dependence so that their fundamental needs are met and the quality of their lives is enhanced.

Development activities seek to address the root causes of the need identified and in doing so, make a contribution to reducing that need in the long term. Another example of development would be teaching a community how to fish, so that they can feed themselves, rather than feeding the community for a day.

The following principles are key to development activities: PARTICIPATION The local community should decide what to do, and how to do it, and do as much of the work as possible, rather than the assisting organisation. All these actions help a community to believe in itself and its abilities. As it tackles and solves one issue, it becomes more skilled and confident in tackling the next one.

The involvement of local people helps organisations to better understand the needs and aims of the people who will come into contact with the project. It also increases the sense of ownership of the project by local stakeholders, which increases the likelihood of project objectives being achieved and local people being committed to carrying on the activity after outside support has stopped.

FAIR DISTRIBUTION Development activities seek to improve the well-being of those in need without favouritism or discrimination by race, religion, culture or political persuasion. This means that although a project may target a particular location or community, it seeks to bring about positive changes for the benefit of all members of the community. Development activities do not seek to promote the well-being of a particular group or community because of their racial, religious, cultural or political persuasions nor do they seek to change the religious or political persuasions of project participants. The acceptance of specific religious beliefs or membership in a particular religious group must not be a condition for communities or individuals participating in relief and development programs. It is essential that development project benefits flow fairly, without discrimination.

SUSTAINABILITY Development projects or activities aim to produce benefits that are sustainable – that is, benefits that will continue after development assistance has ceased. Activities which build on local demand and initiatives have much better prospects for sustainability as they are more likely to have local support both during implementation and beyond. Activities which provide scope for local stakeholders to participate meaningfully throughout the project are also more likely to produce benefits that are sustainable, as this leads to local stakeholder ownership and commitment. The concept of sustainability does not necessarily mean the continuation of development activities, but rather that the benefits are appropriate, owned by the stakeholders and supported on an ongoing basis with locally available resources.

WHAT IS MEANT BY RELIEF? Relief means the provision of basic support to people in emergency situations – for example, natural phenomena such as earthquakes, or chronic disasters such as famine or conflict. In these emergency situations, direct assistance (such as distribution of clothing, food, seeds and tools, temporary housing) may be provided as part of a short term relief response.

Relief measures are usually temporary and are directed at providing life-sustaining assistance or short-term recovery assistance aimed at putting people 'back on their feet'. Relief is provided to groups of people, such as communities, directly affected by a disaster.

ARE ANY ACTIVITIES INELIGIBLE? Activities which are not focused on development or relief are ineligible. This means that welfare, evangelical or partisan political activities cannot be considered under the RAOAF. Where an organisation does engage in the support of welfare, evangelical or partisan political activities, the organisation must be able to demonstrate an understanding of the difference between development, welfare, evangelism and partisan politics and how it manages these components separately. This can be demonstrated by written policies, brochures, budgets, expenditure reports and partner agreements.

WHAT ABOUT SCHOOLS AND ORPHANGES? In the case of schools and orphanages, activities such as the provision of textbooks, uniforms, food, school fees and construction activities are generally considered to be welfare activities. Some organisations claim that the benefits of these activities lead to educated students, which in turn assists those students and their communities break their cycle of poverty. While this is a strong argument, it is critical that these activities are: provided in partnership with local community involvement; seek to build local capacity to meet local needs and have an exit-strategy.

A good example of an activity which would be eligible under RAOAF is the establishment of a local vegetable garden to produce food for an orphanage, rather than providing funds for the food on an ongoing basis. This ensures that food is available over a period of time and is not dependent on ongoing welfare from external sources.

Similarly, the construction of classrooms in a school would be eligible under RAOAF if the activity trained local people in construction techniques, was supported by a local community maintenance plan and was linked to the training of teachers to staff the classrooms. The activity is therefore part of a larger development project/program.