



## RECEIPTS FOR GRANT REPORTS

Receipts in grant reports are critical in showing that the purpose of the grant was fulfilled and that the Rotary club receiving the grant has used the grant funds properly.

### **Key Point**

The requirement is for receipts which indicate that the project costs were paid by your Rotary Club.

### **What does not constitute a receipt?**

Unless marked as paid by the vendor, the following are not receipts: estimates, invoices, bills, or pledges. Even then, marking something as paid does not indicate who paid it unless the document has the Rotary club as the entity billed for the item or service.

### **What if another organization pays the bill?**

Often, items are purchased by the beneficiary or an organization related to the benefitting organization. For example, where books or equipment are purchased for a library, the bill will often be sent to the library or the Friends of the Library. This is very common as may be done to avoid sales taxes or to get special non-profit pricing. The key in such as situation is to show that the Rotary club paid the bill.

1. This can be done by having the beneficiary or the related organization pay the bill, and then the Rotary club can reimburse whoever paid the bill. In such a case, the Rotary club should get a letter or receipt which indicates how much was paid, for what payment was made, and a general reference to the grant project. In such a case, a copy of the invoice or bill paid by the beneficiary or related organization should be attached.
2. This can be done by direct payment to the vendor with a receipt coming to the Rotary club showing that the club paid the bill (not just that the bill was paid).  
Example: "Paid in full by the Rotary Club of \_\_\_\_\_ on, by check # \_\_\_\_\_."

3. In some cases, a copy of a check that has been cashed (often referred to as a “cancelled check”) can be used to show that the Rotary club paid the beneficiary for the bill that the beneficiary already paid. However, it is preferable to have a receipt as indicated in #1 or #2 above because even with a cancelled check the direct linkage to the bill that has been paid must be shown.

What if a Rotarian pays the bill?

In some cases, supplies, equipment, or services will be paid for by a Rotarian who is then reimbursed by the Rotary club. A receipt, such as a credit card receipt, showing that the Rotarian paid the bill is not sufficient. It must be documented that the Rotary club reimbursed the Rotarian and that whatever was purchased was used to fulfill the purpose of the grant.