



**MINUTES**  
**of the**  
**OCTOBER 2018**  
**ROTARY FOUNDATION**  
**BOARD OF TRUSTEES MEETING**

**ROTARY FOUNDATION TRUSTEES**  
**2018–19**

**CHAIR**

**Ron D. Burton**

Norman, OK, USA (Rotary Club of Norman)

**CHAIR-ELECT**

**Gary C. K. Huang**

Taipei, Taiwan (Rotary Club of Taipei)

**Örsçelik Balkan**

Istanbul, Turkey

(Rotary Club of Istanbul-Karaköy)

**John F. Germ**

Chattanooga, TN, USA

(Rotary Club of Chattanooga)

**Per Høyen**

Gelsted, Denmark

(Rotary Club of Aarup)

**Julia D. Phelps**

Greenland, NH, USA (Rotary Club of Amesbury)

**Kenneth M. Schuppert Jr.**

Decatur, AL, USA (Rotary Club of Decatur)

**Michael F. Webb**

Somerset, England (Rotary Club of Mendip)

**VICE CHAIR**

**Brenda M. Cressey**

Templeton, CA, USA

(Rotary Club of Paso Robles)

**GENERAL SECRETARY**

**John Hewko**

Evanston, IL, USA (Rotary Club of Kyiv, Ukraine)

**Mário César de Camargo**

Santo André, Brazil (Rotary Club of Santo André)

**Mary Beth Growney Selene**

Madison, WI, USA

(Rotary Club of Madison West Town–Middleton)

**Seiji Kita**

Saitama, Japan (Rotary Club of Urawa East)

**K.R. Ravindran**

Colombo, Sri Lanka (Rotary Club of Colombo)

**Gulam A. Vahanvaty**

Mumbai, Mah., India (Rotary Club of Bombay)

**SangKoo Yun**

Jongro-Gu, Republic of Korea

(Rotary Club of Sae Hanyang)

## Contents

29.	Approval of the August 2018 Meeting Minutes .....	1
30.	Ratification of Decisions Taken on Behalf of the Trustees .....	1
31.	General Secretary’s Report.....	1
32.	Tentative Future Agenda .....	1
33.	Communications from the Board.....	1
34.	2019–20 Trustee Meeting Dates .....	2
35.	Updates to The Rotary Foundation Code of Policies .....	2
36.	Election of Council Members.....	2
37.	Election of Officers for 2019–20.....	3
38.	Proposed TRF Committee Structure for 2019–20 .....	3
39.	Joint Task Force to Consider RI Tax Status Report .....	3
40.	Strategic Planning Committee Report .....	3
41.	Fund Development Committee Report.....	3
42.	Estate Commitment Stewardship Concept .....	4
43.	Corporate Social Responsibility in India Pilot Update .....	4
44.	Level III Grant Requests.....	4
45.	Grant Appeals .....	5
46.	Grant Appeal Process .....	5
47.	Joint Committee on Partnerships .....	6
48.	Programs of Scale .....	6
49.	Rotary Peace Centers Committee Report .....	6
50.	Disaster Response Fund and Grant.....	7
51.	International PolioPlus Committee Report: Gates Foundation Partnership .....	7
52.	Report on Allegations .....	7
53.	Report on TRF Cadre of Technical Advisers .....	8
54.	Stewardship of PolioPlus Grants .....	8
55.	Stewardship Committee Report.....	8
<b>Finance Committee Report (56–57)</b>		
56.	Finance Committee Report .....	9
57.	Rotary Exchange Rates .....	9
58.	Philanthropic Support Model.....	10
59.	Investment Committee Report.....	10
60.	Audit Committee Report.....	10

## Appendices

A.	Decisions Taken on Behalf of the Trustees (Decision 30) (Summary) .....	12
A.*	Decisions Taken on Behalf of the Trustees (Decision 30) (Complete)	
B.*	Updates to The Rotary Foundation Code of Policies (Decision 35)	
C.	The Rotary Strategic Plan – First-Year Initiatives (Decision 40).....	13
D.*	2019–20 Worldwide Comprehensive Fundraising Goal (Decision 41)	
E.	Guidelines for The Rotary Foundation Legacy Society (Decision 42).....	14
F.	Updates to The Rotary Foundation Bequest Society Administration Guidelines (Decision 42).....	16
G.	Amendments to The Rotary Foundation Code of Policies Regarding Partnerships (Decision 47).....	17
H.	Programs of Scale Executive Summary of Model Characteristics (Decision 48) .....	18
I.*	2019–20 Rotary Peace Fellowship Finalists (Decision 49)	
J.	Stewardship Training Plan for South Asia (Decision 52).....	21
K.*	2019–20 Budget Assumption (Decision 56)	

\* Filed only with the official copy of these minutes

**MINUTES**  
**of the**  
**OCTOBER 2018 MEETING**

**Rotary Foundation Board of Trustees**

The 2018–19 Rotary Foundation Trustees held their second meeting of the year on  
29–31 October 2018 in Evanston, IL, USA

Present were Chair Ron D. Burton, Vice-Chair Brenda Cressey, Chair-elect Gary C.K. Huang, other Trustees Örsçelik Balkan, Mário C. de Camargo, John F. Germ, Mary Beth Growney Selene, Per Høyen, Seiji Kita, Julia D. Phelps, K.R. Ravindran, Kenneth M. Schuppert Jr., Gulam A. Vahanvaty, Michael F. Webb, Sangkoo Yun, and General Secretary John Hewko. Jeffry Cadorette attended as director liaison.

Andrew McDonald served as secretary of the meeting with assistance from Matt Hohmann. Other staff present were David Alexander, Jim Barnes, Victor Barnes, Michele Berg, Meredith Burlew, Lori Carlson, Richard Kick, Bernadette Knight, Abby McNear, Maureen Ninneman, Carol Pandak, Steven Routburg, Eric Schmelling, Thomas Thorfinnson, and Nora Zei. Misa Mais and Eiko Terao served as staff interpreters.

The general secretary prepared a memorandum of items for consideration at this meeting. Items from that memorandum, as well as other items considered during the meeting that were acted upon, constituted the meeting's agenda as follows:

\* \* \* \* \*

**29. Approval of the August 2018 Meeting Minutes**

*Statement:* The general secretary distributed the August 2018 Trustees meeting minutes to each trustee.

**DECISION:** The Trustees approve their August 2018 meeting minutes and request the chairman to sign the official copy of those minutes.

**30. Ratification of Decisions Taken on Behalf of the Trustees**

*Statement:* Rotary Foundation Bylaws section 5.10 states that any officer acting on behalf of the Trustees shall report such action to the Trustees at their next scheduled meeting.

**DECISION:** The Trustees ratify the decisions as shown in Appendix A—the complete copy of which is filed only with the official copy of these minutes—taken on their behalf between 17 July and 21 September 2018 by those authorized to do so.

**31. General Secretary's Report**

*Statement:* The general secretary presented an update on the work at the Secretariat since the August 2018 Trustees meeting.

**DECISION:** The Trustees receive the general secretary's report on the activities at the Secretariat since the August 2018 Trustees meeting.

**32. Tentative Future Agenda**

*Statement:* At each meeting, the Trustees review a tentative agenda for their next meeting.

**DECISION:** The Trustees receive the tentative agenda for their January 2019 meeting.

**33. Communications from the Board**

*Statement:* At its October 2018 meeting, the Board took several decisions of interest to the Trustees. The Board requested the Trustees to consider amending the Foundation Code of Policies to be in alignment with the Board's amendment to the Joint Committee on Partnerships' terms of reference, and to explore the possibility of Rotaract clubs applying for district and global grants.

**DECISION:** The Trustees

1. note the following decision from the October 2018 Board meeting:
  29. Communications from the Trustees
  30. Election of Foundation Trustees
  32. Joint Task Force to Consider RI Tax Status Report
  35. Reelection of the General Secretary

37. Rotary's Privacy Statement for Personal Data
38. Proposed RI Committee Structure for 2019–20
46. Strategic Planning Committee Report
47. Joint Committee on Partnership
52. Registering as an Overseas NGO in China
55. Rotaract and Interact Committee Report
59. Rotary Peace Symposium Capacity
62. Membership Committee Report
70. Finance Committee Report
73. Investment Committee Report

2. amend the Rotary Foundation Code of Policies regarding the terms of reference for the Joint Committee on Partnerships as follows:

**4.140. Joint Committee on Partnerships**

The Joint Committee on Partnerships shall comprise seven to nine members, including one trustee, one director, two past ~~or current~~ trustees or directors, and five individuals who have not served as either trustee or director. The current ~~and past~~ directors and trustees will be appointed for one-year terms; the past directors and trustees and the five other members will be appointed for three-year, staggered terms.

3. agree to explore the possibility of Rotaract clubs applying for global grants and district grants and
  - a. request the general secretary to investigate
    - i. allowing Rotaract clubs to participate in grants directly;
    - ii. options for incentivizing Rotary clubs to collaborate with Rotaract clubs;
    - iii. the operational and financial implications of implementation;for report to the Trustees at their April 2019 meeting;
  - b. request the general secretary to investigate new donor recognition categories to encourage Rotaract members to give to The Rotary Foundation as part of a new, long-term donor acquisition strategy for Rotaract, for report at the April 2019 Trustees meeting;
  - c. encourage regional Rotary Foundation coordinators to appoint current or former Rotaract members as assistant regional Rotary Foundation coordinators to encourage Rotaract clubs and members to support The Rotary Foundation.

**34. 2019–20 Trustee Meeting Dates**

*Statement:* Rotary Foundation Code of Policies section 2.010.1. provides that the annual Trustees meeting shall be held in October. The Rotary Foundation Bylaws section 4.2 provides that the Trustee chairman shall designate all other Trustee meetings.

**DECISION:** The Trustees

1. agree that they shall meet during 2019–20 as follows:
  - 6 June 2019, Hamburg, Germany (trustees and spouses)
  - 25 October 2019, Evanston, IL, USA – Joint meeting with RI Board
  - 28–30 October 2019, Evanston, IL, USA (trustees and spouses)
  - 18–19 January 2020, San Diego, CA, USA (trustees, incoming trustees, and spouses)
  - 27–29 April 2020, Evanston, IL, USA (trustees, incoming trustees, spouses)
  - 11 June 2020, Honolulu, HI, USA (trustees and spouses)
2. authorizes the 2019–20 chairman to adjust the above dates and sites if circumstances require.

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Note: Trustee Growney Selene requested her negative vote be recorded

**35. Updates to The Rotary Foundation Code of Policies**

*Statement:* Rotary Foundation Code of Policies section 2.010.6. requests the general secretary, at the conclusion of each Trustees meeting, to review the decisions taken by the Trustees at that meeting and prepare a report listing the decisions that might be added to The Rotary Foundation Code of Policies. The general secretary also recommends amendments to the Code to reflect current practices, language, or other factors.

**DECISION:** The Trustees amend the Rotary Foundation Code of Policies as shown in Appendix B, filed only with the official copy of these minutes.

**36. Election of Council Members**

*Statement:* RI Bylaws section 9.010.6. provides for the Trustees to elect trustee representatives to the Council on Legislation and Council on Resolutions as a non-voting members of the Councils.

**DECISION:** The Trustees, pursuant to RI Bylaws section 9.010.6., elect Trustee Mary Beth Growney Selene as a non-voting member of the 2019 Council on Legislation and Trustee Kenneth M. Schuppert Jr. as a non-voting member of the 2018 Council on Resolutions.

### 37. Election of Officers for 2019–20

*Statement:* Rotary Foundation Bylaws section 5.2 provides that the Trustee chairman-elect and vice chairman shall be annually elected by the Trustees for a one-year term.

**DECISION:** The Trustees

1. elect Trustee K. R. Ravindran as their chairman-elect to serve during 2019–20 as an officer of The Rotary Foundation of Rotary International, an Illinois not-for-profit corporation;
2. elect Trustee Kenneth M. Schuppert Jr. as their vice chairman to serve during 2019–20 as an officer of The Rotary Foundation of Rotary International, an Illinois not-for-profit corporation.

### 38. Proposed TRF Committee Structure for 2019–20

*Statement:* Rotary Foundation Code of Policies section 1.090.1. requests the chairman-elect to submit a proposed committee structure for the following year to the Trustees for review at their October meeting.

**DECISION:** The Trustees thank Chair-elect Huang for review of his 2019–20 Rotary Foundation and joint RI and Foundation committee recommendations.

### 39. Joint Task Force to Consider RI Tax Status Report

*Statement:* The Trustees received an update from the Joint Task Force to Consider RI Tax Status working group on their activities since the August 2018 Trustees meeting, and discussed the task force's draft operating agreement between Rotary International and The Rotary Foundation to reflect the proposed tax status change, and other possible effects this change in Rotary International's tax status could have on The Rotary Foundation. The Trustees also discussed obtaining outside legal counsel to support the Foundation in this matter.

**DECISION:** The Trustees

1. thank the Joint Task Force to Consider RI Tax Status for its report;
2. approve a 2018–19 budget variance of up to US\$200,000 for the purpose of obtaining any independent legal counsel to support the Foundation and the Joint 501(c)(3) Task Force in the evaluation and consideration of the issues relating to the possible change to RI's tax status;
3. authorize the Trustee members of the Joint Task Force to act on behalf of the Trustees to continue to negotiate any modifications to the draft operating agreement, for report to the Executive Committee and Trustees.

### 40. Strategic Planning Committee Report

*Statement:* The Strategic Planning Committee met on 18–19 September 2018 in Evanston, IL, USA and discussed strategic plan initiatives for the first year 2019–20 deployment, updates from strategic planning working groups, feedback from the Future of Rotary breakout session at the Toronto convention, a communications strategy for the new strategic plan, and the creation of a new Shaping Rotary Future Committee to review governance-related issues below the international level, among other topics. The Trustees discussed how the proposed global membership model would fit within the framework of Rotary.

**DECISION:** The Trustees

1. adopt the first-year initiatives for the Rotary Strategic Plan as shown in Appendix C;
2. note the challenges of developing a global membership model consistent with the provisions of the RI constitutional documents and look forward to reviewing a detailed global membership proposal at a future meeting.

### 41. Fund Development Committee Report

*Statement:* The Fund Development Committee met on 1–2 October 2018 in Evanston, IL, USA, and discussed corporate social responsibility in India, the philanthropy support model, a disaster relief update, a District Designated Fund status report, a report from the Foundation's endowment working group, an update on recognition topics, the 2019–20 comprehensive fund-

raising goal, the Endowment/Major Gifts Adviser Training Institute, annual fund communications, major gifts initiatives, the End Polio Now: Countdown to History campaign, the Paul Harris Society, and an update on a principal gift from India, among other topics.

**DECISION:** The Trustees

1. thank the Fund Development Committee for its report;
2. endorse the proposed 2019–20 worldwide comprehensive fundraising goal as summarized in Appendix D, filed only with the official copy of these minutes;
3. approve US\$86,000 for the purpose of the 2019 International Assembly Arch Klumph Society induction and the 2019 International Convention Rotary Foundation legacy forum and requests the general secretary to identify current savings that could be reallocated for this purpose;
4. thank the Endowment/Major Gifts Adviser Leadership Team for their service.

**42. Estate Commitment Stewardship Concept**

*Statement:* In decision 101, April 2018, the Trustees requested the general secretary to further develop the proposed estate commitment stewardship concept as part of the Building The Rotary Foundation Endowment: 2025 by 2025 goal. The Fund Development Committee recommended options for estate gifts, including establishing a new Legacy Society to steward those who have committed US\$1 million or more, and presented several options to encourage new bequest-type commitments.

**DECISION:** The Trustees

1. establish The Rotary Foundation's Legacy Society as shown in Appendix E, effective 1 July 2019;
2. define a Legacy Society member as an individual or couple who have made commitments to Rotary's Endowment in the cumulative amount of US\$1 million or more;
3. update the Bequest Society administration guidelines as shown in Appendix F;

4. approve a 2018–19 budget variance of \$3,300 for this purpose and request the general secretary to budget \$45,000 in 2019–20 and future years accordingly.

**43. Corporate Social Responsibility in India Pilot Update**

*Statement:* In decision 20, August 2018, the Trustees requested the general secretary to study additional opportunities and issues identified during the current CSR pilot for further review and possible action. The Fund Development Committee's CSR in India Working Group recommended several enhancements to the pilot that could increase donor contributions, including implementing a tiered structure for CSR overhead costs, and providing a World Fund match for CSR contributions for global grants.

**DECISION:** The Trustees request the general secretary to study the possibility of implementing a tiered structure for overhead costs assessed for CSR in India contributions and providing a World Fund match on CSR contributions for global grants, for report to the Finance Committee and Trustees at their April 2019 meetings.

**44. Level III Grant Requests**

*Statement:* Global Grants requesting over US\$100,000 from the World Fund must be reviewed by the Trustees. Four such Global Grant applications were reviewed and awarded by the Trustees at this meeting.

**DECISION:** The Trustees agree to award

1. Global Grant 1754867, a disease prevention and treatment grant sponsored by the Rotary Clubs of Swindon, Wilts., England (District 1100) and Monmouth, Wales (District 1100) to provide a radiotherapy machine to the new Radiotherapy Center at the Great Western Hospital in Swindon, England in the amount of US\$103,056 from the World Fund (total project cost of \$243,056);
2. Global Grant 1868450, basic education and literacy grant sponsored by the Rotary Clubs of St. Maarten, Sint Maarten (District 7020) and Huizen Gooimeer, Netherlands (District 1570) to provide equipment to enhance facilities and provide staff training at Sister Maria Laurence Primary School in St. Maarten in the amount of \$127,059 from the World Fund (total project cost of \$338,179), provided that the grant is not paid until the sponsors have considered whether the project should include training for the teachers at

the two schools that currently house the students, and payment for the humanitarian portion of the grant is withheld until the reconstruction of the school is complete;

3. Global Grant 1758087, a disease presentation and treatment grant sponsored by the Rotary Clubs of Vijapur, Gujarat, India (District 3054) and Emory-Druid Hills (DeKalb County), Georgia, USA (District 6900) to provide kidney and urinary equipment to Swaminarayan Mandir Vansa Sanstha, a non-governmental organization in Gandhinagar, Gujarat, India in the amount of \$165,447 from the World Fund (total project cost of \$409,697);
4. Global Grant 1759722, an economic and community development grant sponsored by the Rotary Clubs of Real de Minas-Tegucigalpa, D.C., Honduras (District 4250) and Calgary West, AB, Canada (District 5360) to help boost economic development by providing loans and training to 95 microfinance clients and 35 small and medium-sized enterprises in Puerto Cortez, Honduras, in the amount of \$110,836 from the World Fund (total project cost of \$300,508), provided that the sponsors implement the recommendations of the Cadre reviewer.

#### 45. Grant Appeals

*Statement:* Rotary Foundation Code of Policies section 2.020. authorizes the general secretary to approve all grant awards up to US\$100,000. Any appeals of the general secretary's action in this regard will be reviewed and acted upon by the Trustees' Executive Committee. The general secretary received an appeal to a global grant application that had been previously denied.

**DECISION:** The Trustees do not agree to waive the prohibition on spending grant funds before grant approval for Global Grant 1642199, sponsored by the Rotary Clubs of Machakos, Kenya (District 9212) and IJmond, Netherlands (District 1580).

Note: Trustee Høyen requested his negative vote be recorded.

#### 46. Grant Appeal Process

*Statement:* The Programs Committee recommended amending the Rotary Foundation Code of Policies regarding delegation of authority to the general secretary to reflect how the grant appeals process is handled.

**DECISION:** The Trustees amend the Rotary Foundation Code of Policies regarding delegation of authority and grant appeals as follows:

#### 2.020. Delegation of Authority

III. The general secretary is authorized to

#### L. Appeals

Any appeals of the general secretary's actions pursuant to this delegation of authority policy, including any exceptions to program and/or eligibility criteria, will be reviewed and acted upon by the ~~Executive Committee of the Trustees~~. The Executive Programs Committee is authorized to review and act upon appeals between Trustees' meetings when the Trustee chair determines that a decision must be reached before the next meeting of the Trustees. The Programs Committee shall report any actions taken with regard to such appeals to the first available Trustees meeting. With respect to the grant programs, should the ~~Executive Committee~~ Trustees believe a change in policy is needed as a result of an appeal, it shall refer the matter to the Programs Committee, which will work with the general secretary to include the issue in the regular evaluation of the grant programs. ~~Should the Programs Committee believe a policy change is needed as a result of this evaluation, it shall refer the matter to the full board of Trustees~~

#### 2.030. Committees of Trustees

2.030.1. Terms of Reference for Committees  
The terms of reference for the Trustee Executive, Programs, Finance, Fund Development, and Stewardship Committees are as follows:

The Executive Committee shall

~~11. Review and act upon any appeals of the general secretary's actions pursuant to the Trustee's delegation of authority policy, including any exceptions to program and/or eligibility criteria. The Executive Committee shall report any actions taken with regard to such appeals to the first available Trustees meeting~~

The Programs Committee shall

[text omitted]



4. At the Trustee Chair's request, review and act upon any appeals of the general secretary's actions pursuant to the Trustee's delegation of authority policy between meetings of the Trustees. The Programs Committee shall report any actions taken with regard to such appeals to the first available Trustees meeting.

#### 47. Joint Committee on Partnerships

*Statement:* The Joint Committee on Partnerships met on 10–11 September 2018 in Evanston, IL USA and reviewed updates on existing partnerships, collaborating organizations, and service and project partners. The committee discussed the process for determining designation criteria for collaborating organizations, and new policy for establishing guidelines for recognizing organizations, among other topics.

**DECISION:** The Trustees

1. authorize the general secretary to determine designation criteria for collaborating organizations and to oversee their selection and approval;
2. extends Rotary's service partnership agreement through the end of 2018–19 Rotary year with:
  - Ashoka
  - International Agency for the Prevention of Blindness (IAPB)
3. amends the Rotary Foundation Code of Policies regarding partnerships to incorporate guidelines for recognizing organizations, as shown in Appendix G.

#### 48. Programs of Scale

*Statement:* In decision 116, April 2017, the Trustees requested the general secretary to conduct a research evaluation for the possible development of a new grant type that would fund large-scale, high-impact projects in the areas of focus. The general secretary reported on potential model characteristics and a timeline for a new "Programs of Scale" grant model concept.

**DECISION:** The Trustees

1. approve the Programs of Scale grant model concept, as shown in Appendix H;
2. request the general secretary to develop a plan that includes the budget, timeline, and operational

requirements needed to implement this Programs of Scale grant model.

#### 49. Rotary Peace Centers Committee Report

*Statement:* The Rotary Peace Centers Committee met on 26–28 September 2018 in Evanston, IL, USA, and discussed a report from the Peace Major Gifts Initiative Committee, alumni relations, the 2019 Rotary Peace Symposiums, funding status for the next cohort of Rotary Peace Fellows, a new Peace Fellows selection process, updates on recent events at the Rotary Peace Centers, Rotary Peace Center future growth strategy, Rotary-branded workshops at the Master's degree centers, the selection of 2019 Rotary Peace Fellows, and a partnership with the Institute for Economics and Peace, among other topics.

**DECISION:** The Trustees

1. thank the Rotary Peace Centers Committee for its report;
2. receive the list of finalists awarded 2019–20 Rotary Peace Fellowships, as shown in Appendix I, filed only with the official copy of these minutes;
3. amend Rotary Foundation Code of Policies regarding the Rotary Peace Centers fellow eligibility and selection process, as follows:

##### 13.050.3. World-Competitive Selection Process Guidelines

[text omitted]

- d. In the case of the master's degree applications, the university readers will evaluate the 40 top scoring applicants first and second preference applications for each center, within the top 200 applications (as determined by the Rotary readers scores) using the university's own academic criteria, fit with center, and Rotary scores and comments. Each center will submit its scores and comments to the general secretary and conditionally select ~~compile a list of~~ its top eight candidates from the top 200 master's degree candidates. This list will be shared with the RPC Committee prior to the selection meeting. Members of the RPC

Committee will evaluate these candidates and may advocate the selection of ~~top 40 candidates~~ for the remaining two vacancies at each center from the remaining pool of candidates.

[text omitted]

~~g. Each center offering a master's degree may request an additional 20 applications for review (being the next 20 highest scoring applicants based upon the scoring of Rotary readers). Should a university select a candidate from the additional list of 20, it will be required to defend this choice at the RPC Committee meeting, explaining why the quota of 10 could not be filled from the initial list of 40.~~

4. agree to allocate up to US\$250,000 (based on current projections) from the World Fund for the 2019–20 Rotary Foundation programs budget to supplement district designated fund allocations, restricted gifts, and Rotary Peace Centers endowment earnings to fund up to 50 masters' degrees and up to 48 professional development certificate Rotary Peace Fellowships.

## 50. Disaster Response Fund and Grant

*Statement:* In decision 154, June 2018, the Trustees requested the general secretary to research allowing The Rotary Foundation to receive disaster-related donated funds and immediately distribute the funds to affected districts, and to further research providing for districts to contribute District Designated Funds to a disaster relief fund that will be passed to an established district disaster committee. The general secretary recommended the Trustees consider the creation of a new grant type supported by a Rotarian Response Disaster Fund that would directly address disaster relief and would create flexibility, combat inefficient use of the Donor Advised Fund, and reconcile problems encountered with past disaster response funds.

**DECISION:** The Trustees

1. noting that donor advised fund accounts are not an efficient vehicle for accepting disaster relief donations, agree, effective immediately, that
  - a. no new donor advised fund accounts will be established for disaster response;

- b. any existing disaster specific accounts shall not accept new contributions for disaster response;
  - c. the general secretary consult with existing donor advised fund accounts regarding options to either spend the funds within six months or transfer the balances to the proposed new disaster response fund;

2. request the general secretary to further study the possibility of establishing a disaster response fund, for report at the January 2019 Trustees meeting.

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Note: Trustees Balkan, de Camargo, and Huang requested their negative votes be recorded. Trustees Cressey and Schuppert requested their negative votes on point 1. be recorded.

## 51. International PolioPlus Committee Report: Gates Foundation Partnership

*Statement:* Noting the benefit of the partnership between the Bill & Melinda Gates Foundation and Rotary, and that challenges remain in the fight to eradicate polio, the International PolioPlus Committee recommended that the RI Board and Trustees agree to extend Rotary's agreement with the Bill & Melinda Gates Foundation through 2023.

**DECISION:** The Trustees

1. extend the agreement with the Bill & Melinda Gates Foundation with the current terms through calendar year 2023 and request the general secretary
  - a. to submit the appropriate documentation to the Bill & Melinda Gates Foundation reflecting the new dates of the agreement;
  - b. to sign a new agreement with the Bill & Melinda Gates Foundation, provided it meets the terms described in this item;
  - c. in consultation with the IPPC chair and chair of the End Polio Now: Countdown to History Campaign Committee, to develop a strategy and necessary material to support this initiative.

## 52. Report on Allegations

*Statement:* To facilitate the work of the Stewardship Committee, and in accordance with Rotary Foundation

Code of Policies section 14.030.4., the Trustees receive semiannual updates on stewardship allegations, investigations, and litigation at their October and April meetings.

**DECISION:** The Trustees

1. appoint two special advisers to District 3030 (India) and request the special advisers to provide a report at the January 2019 Trustees meeting;
2. note the Stewardship Committee's action on District 3054 (India) and requests a report at the January 2019 Trustees meeting;
3. thank the special advisers to District 3272 (Pakistan) for their efforts and request the advisers to provide a final report at the April 2019 Trustees meeting;
4. receive the general secretary's report on stewardship issues in District 9212 (Kenya, Ethiopia, and South Sudan), appoint a special adviser to District 9212, and freeze global grant payments until the Trustees review the adviser's report at their January 2019 meeting;
5. reaffirm the training plan for South Asia as shown in Appendix J and approve a 2018–19 budget variance of \$8,000 to conduct training in 2019;
6. request the Board to take action against the Rotary Club of Chalisgaon, Mah., India (District 3030) and the Rotary Club of Saltillo Cien, Coah., Mexico (District 4110) because their respective members, Sanjay Wani and Alfonso Vazquez Rodriguez, misused funds from The Rotary Foundation and breached the stewardship policies of The Rotary Foundation.

**53. Report on TRF Cadre of Technical Advisers**

*Statement:* Rotary Foundation Code of Policies section 14.020.1. requires the general secretary to provide an annual report on the activities of the Rotary Foundation Cadre of Technical Advisers. The general secretary reported on the Cadre's efforts to support Rotary Grants during 2017–18 and noted that the Cadre completed 323 assignments—including 199 site visits and 124 desk reviews—and evaluated Foundation grants valued at over US\$47.9 million in total project funding. The Cadre also reported on planned activity for the 2018–19 Rotary year, including developing a strategic plan for the Cadre

program and training in conjunction with the conventions in Hamburg, Germany and Honolulu, Hawaii, USA.

**DECISION:** The Trustees

1. receive the general secretary's report on the Rotary Foundation Cadre of Technical Advisers;
2. amend the Rotary Foundation Code of Policies regarding Technical Coordinators as follows:

14.020.6. Technical Coordinators

~~There shall be at least~~ Three technical coordinators will be appointed:

1. in each of the Trustee-approved areas of focus
2. and also in the area of financial auditing;
3. on the grant planning resource team.

Technical coordinators have ~~extensive~~ professional experience in the area to which they are appointed, as well as familiarity with the Cadre and the Foundation's programs. They serve as leaders and mentors to the ~~technical advisers~~ Cadre members within their areas.

**54. Stewardship of PolioPlus Grants**

*Statement:* In decision 131, April 2018, the Trustees requested the general secretary to arrange for a cadre member to conduct an in-country financial review of select PolioPlus grants made to partner agencies. The Stewardship Committee reported on the financial review of two PolioPlus grants to the World Health Organization in Pakistan.

**DECISION:** The Trustees

1. receive the Stewardship Committee's report on PolioPlus grants and request the general secretary to share the report with the International PolioPlus Committee for its review;
2. request the general secretary to arrange for a Cadre review of a PolioPlus Partners grant and a PolioPlus grant to UNICEF.

**55. Stewardship Committee Report**

*Statement:* In decision 119, April 2018, the Trustees requested the Stewardship Committee to evaluate the impact of changing the District Designated Fund policy to increase the percentage of DDF that can be spent on

district grants, and the impact that changed policy would have on audits. Noting concerns with districts consistently following stewardship requirements under existing policy, the Stewardship Committee reported that providing for increased DDF use for District Grants could lead to increased stewardship oversight needs.

**DECISION:** The Trustees thank the Stewardship Committee for its report.

#### DECISIONS 56–57

#### Finance Committee Report

Meeting 17–19 October 2018 in Evanston, IL, USA

#### 56. Finance Committee Report

*Statement:* The Finance Committee met on jointly with the RI Finance Committee and discussed 2019–20 budget assumptions and five-year forecast, options for reducing operational expenses and improving operational efficiencies, possible amendments to a Finance Committee-proposed item to the 2019 Council on Legislation, an update on the new Rotary Strategic Plan, expense allocations between Rotary International and The Rotary Foundation; the status of enterprise projects, the new financial management system to be implemented at the Secretariat, policy regarding convention financials, and policy regarding how exchange rates are set at Rotary, among other topics. The Trustees also discussed reviewing a cost/benefit analysis of recently approved Foundation activities and expenses, and possible changes to The Rotary Foundation funding model.

**DECISION:** The Trustees

1. thank the Finance Committee for its report;
2. agree to the 2019–20 budget assumption as shown in Appendix K, filed only with the official copy of these minutes;
3. request the general secretary to review The Rotary Foundation funding model, including the impact of increasing the use of Endowment Fund spendable earnings, for report to the TRF Finance Committee at its January 2019 meeting;
4. request the general secretary to undertake an evaluation, including a cost/benefit analysis, of selected Foundation activities/expenses that have been approved by the Trustees in the past five years, for report to the TRF Finance Committee at its January 2019 meeting;
5. request Chair Burton to appoint a group of three Trustees to review Foundation activities that could cease (sunset), for report back to the TRF Finance Committee at its January 2019 meeting;
6. request the general secretary to work with a Rotarian volunteer consultant to provide a report to the TRF Finance Committee on potential offshoring or outsourcing of Secretariat activities at its April 2019 meeting;
7. approve up to US\$5,000 to support the volunteer's travel, from the TRF Finance Committee's 2018–19 budget.

#### 57. Rotary Exchange Rates

*Statement:* The Finance Committee recommended amending the Rotary Foundation Code of Policies to allow for greater flexibility in establishing Rotary's official exchange rate to be in accordance with US generally accepted accounting principles.

**DECISION:** The Trustees amends Rotary Foundation Code of Policies section 20.030. regarding the Rotary Exchange Rates as follows:

#### 20.030. Rotary Exchange Rates

The audited financial statements of The Rotary Foundation of Rotary International present the consolidated financial impact of the activities undertaken by the organization on a global basis. Because Rotary operates in different economic and currency environments, some transactions must be converted from the currency in which they took place to Rotary's base currency for financial reporting, which is U.S. Dollars. Rotary adopts the following policy with regard to the translation of non-U.S. Dollar denominated transactions into U.S. Dollars:

1. The Rotary Foundation of Rotary International will establish ~~and post~~ the Rotary Exchange Rates for foreign currency translation ~~on a monthly basis with enough time to appropriately communicate to Rotarians and internal users of these exchange rates;~~

[text omitted]

## 58. Philanthropic Support Model

*Statement:* In decision 158, June 2018, the Trustees requested that the general secretary provide an update on the associate foundations and on those countries approved for further investigation under the philanthropic support model. The general secretary provided an update on Australia, Brazil, Germany, Philippines, and Taiwan.

**DECISION:** The Trustees receive the general secretary's update on philanthropic support models and request a further update at the April 2019 Trustee meeting.

## 59. Investment Committee Report

*Statement:* The Investment Committee met on 16 October 2018 in Evanston, IL, USA, and discussed the status of Rotary's investments, the asset allocation, the statements of investment policy and guidelines, and benchmarking and evaluating the Office of Investment, among other topics. The committee also recommended amendments to the asset allocation of the investment portfolio.

**DECISION:** The Trustees

1. thank the Investment Committee for its report;
2. approves the amended Statement of Investment Policy and Guidelines (Rotary Foundation Code of Policies section 23) as shown below:

### Annual Fund Asset Allocation

	Target	Range
US Equity	7.5%	5-10%
International Equity	12.5%	10-15%
Natural Resources	7%	4-10%
Real Estate	15%	10-20% <del>12.5-17.5%</del>
Fixed Income	85%	80-100%
Fixed Income (interest rates)	25%	20-30%
Fixed Income (credit)	33%	29-37%
Cash	0%	0-5%
TOTAL	100%	

### Annual Fund Market-Based Benchmark

The investment performance of the Annual Fund investment portfolio will be evaluated on a net-of-fee

basis compared to ~~an investable passive benchmark consisting of 25% stocks, measured by the MSCI World Index, and 75% bonds, measured by the Bloomberg Barclays 1-5 Year Government/Credit Index.~~

### Endowment Fund Asset Allocation Guideline

	Target	Range
US Equity	23%	20-26%
International Equity	30%	25-35%
Equity	53%	45-60%
Buyouts	9%	6-12%
Venture Capital	0%	0-2%
Real Estate	10%	5-12.5%
Natural Resources	3%	0-6%
Hedge Funds	10%	5-12.5%
Fixed Income	15%	10-20%
Fixed Income (interest rates)	35%	32-38%
Fixed Income (credit)	35%	31-39%
Cash	0%	0-5%
TOTAL	100%	

[A manager, company, fund and/or strategy must] have a valuation policy based ~~on GAAP fair value standards or other generally accepted valuation standard~~ on a fair value standard that is consistent with U.S. generally accepted accounting principles (GAAP), International Financial Reporting Standards (IFRS), or other generally accepted valuation standard;

## 60. Audit Committee Report

*Statement:* The Audit Committee met on 15-17 October 2018 in Evanston, IL, USA, and discussed recently completed audits, a review of RI and Foundation draft audited financial statements and external auditor's report for 2017-18, and a summary of management action plans, among other topics.

**DECISION:** The Trustees

1. accept the audited financial statements and report on The Rotary Foundation's financial results for 2017-18 as presented to the Audit Committee;
2. requests the general secretary to publish an annual report in accordance with the Bylaws;

3. reaffirms its decision 160, June 2017, to note the engagement of Deloitte to audit The Rotary Foundation's financial statements for fiscal year 2018–19.

\*\*\*\*\*

## 2018–19 Budget Review

- The Approved 2018–19 Rotary Foundation's budget.

### 2018–19 Budget

Revenues:	US\$359,385,000
Program Awards:	274,151,000
Program Operations	29,485,000
Operating Expenses	28,271,000
Total Expenses:	<u>331,907,000</u>

**Change in net assets before variances:** **24,478,000**

**Net total of revenue and reserve funding over expenses:** **\$27,206,700**

- 2018–19 budget variances:

#### Expenses:

August 2018 meeting:	\$80,000
October 2018 meeting:	\$211,300

**Total 2018–19 Trustee meeting expense:** **\$291,300**

**Total 2018–19 change in net assets**

**Including variances:** **\$27,206,000**

- Decisions taken at this meeting, impacting future years:

	<u>2018–19</u>	<u>2019–20</u>	<u>2020–21</u>
<b><u>Revenues</u></b>			
Dec. 51 IPPC:			
Gates Found.			
Part.	-	35,000,000	135,000,000
<b>Total Revenues:</b>	<b>\$0</b>	<b>\$35,000,000</b>	<b>\$135,000,000</b>

#### **Program**

##### **Awards**

Dec. 48 Prog. of Scale	-	-	2,000,000
Dec. 51 IPPC:			
Gates Found.			
Part.	-	-	150,000,000

**Total Program**

**Awards:** **-** **-** **\$152,000,000**

#### **Expenses**

Dec. 39 Joint Task Force RI			
Tax Status Rep.	200,000	-	-
Dec. 42 Estate Comm. Steward.			
Concept	3,300	45,000	(35,000)

Dec. 51 IPPC:			
Gates Found.			
Part.	-	-	266,000
Dec. 52 Report on Allegations	8,000	-	-

**Total Expenses:** **\$211,300** **\$45,000** **\$231,000**

**Net Surplus/ (Deficit):** **(211,300)** **34,955,000** **(17,231,000)**

## Adjournment

The foregoing is a true record of the proceedings at the first meeting of the 2018–19 Rotary Foundation Trustees held on 29–31 October 2018 in Evanston, IL, USA.

\_\_\_\_\_  
Ron D. Burton, Chairman  
The Rotary Foundation

\_\_\_\_\_  
Andrew McDonald  
Secretary of the Meeting

## ATTEST:

\_\_\_\_\_  
John Hewko  
General Secretary, RI

## APPENDIX A

### SUMMARY OF DECISIONS TAKEN ON BEHALF OF THE TRUSTEES (Decision 30)

#### TRF Cadre of Technical Advisers

- The cadre reviewed 82 grants, including two advance site visits, one grant model evaluation vocational training team evaluation, one grant model evaluation beneficiary interview, one grant model evaluation sustainability visit, 23 interim monitoring visits, one interim monitoring site visit, one operational audit, two Rotary Peace Center visits, five random audits, one routine audit, and 44 technical reviews.

#### PolioPlus Partner Grants

- US\$38,116 of PolioPlus Partners funds for the 2018–19 Nepal social mobilization and administrative activities;
- \$69,549 of PolioPlus Partners funds for the 2018–19 Ghana social mobilization activities;
- \$386,290 of PolioPlus Partners funds for the 2018–19 Democratic Republic of Congo social mobilization activities;
- \$47,882 of PolioPlus Partners funds for the 2018–19 Lebanon social mobilization activities;
- A World Health Organization request to reprogram \$4,316,667 for operational support for one National Immunization Day in Democratic Republic of Congo.

#### Foundation Programs

- 293 global grants awarded for a total of \$8,131,361 in World Fund;
- 138 district grants awarded for a total of \$9,674,700 in District Designated Fund.

#### Waivers

- **Districts/Clubs:** Rotary Club of Redbridge, England (District 1130) and District 2430, Turkey
- **Project Description:** To provide a student scholarship to study Human Rights at the London School of Economics in London, England.
- **Decision:** Foundation staff intended to inform the sponsors that they had to submit the application for this scholarship before 1 July to meet the Trustee-mandated 30 June deadline. Due to a typo, staff gave them a date of 9 July 2018 instead. Rather than punish the sponsors and scholar for our error, the general secretary granted a waiver to allow the application to proceed. The scholar is eligible in all other respects.
- **Districts/Clubs:** Rotary Club of Kololo-Kampala, Uganda (District 9211) and District 3080, India

- **Project description:** 1. To offer specialized treatment, particularly ophthalmology, ear nose and throat, dental, and orthopedics; 2. To transfer skills between the team members but most especially to the Ugandan team; 3. To donate an assortment of medical equipment that will be used to treat ophthalmology, ear nose and throat, dental, and orthopedics patients during the medical camp.
- **Decision:** District 3080 in India has a 20-year history in carrying out medical missions to countries throughout eastern Africa, many of which have been funded using global grants. August 2018 was the 20th anniversary of their first medical mission and the district was preparing a mission in Uganda to coincide with this anniversary. These projects have been successful and include both lifesaving surgeries by talented Indian surgeons and training for their counterparts in the host countries. A dispute arose in the district around authorizing the District Memorandum of Understanding for Qualification (this dispute has since been resolved). It was evident that a resolution was at hand. Rather than delay this “anniversary” vocational training team’s departure, the general secretary secured the Trustee chair’s waiver to allow the grant to proceed.
- **Districts/Clubs:** Rotary Club of Firenze-Sud, Italy (District 2071) and District 55, Albania
- **Project Description:** A graduate-level scholarship to study at Catholic University “Our Lady of Good Counsel” in Tirana, Albania, an Italian-language university.
- **Decision:** The student is an Albanian citizen who has lived in Italy for the past five years. Scholarship recipients typically are not nationals of the country where they will study. Given the student’s strong ties to the international sponsor and the fact that she will study at an Italian-language university, the general secretary granted a waiver to enable her studies to proceed.

## **APPENDIX C**

### **THE ROTARY STRATEGIC PLAN – FIRST-YEAR INITIATIVES (Decision 40)**

#### **Rotaract**

In the 2019–20 Rotary year, the first year under the new strategic plan, Rotary will have fully researched Rotaract as a more robust channel into the Rotary experience. Insights into who Rotaractors are and what products and services they're interested in will be gathered. Additionally, a list of potential offerings that Rotary can provide to Rotaractors will be identified and testing will begin.

#### **Area of Focus Modifications**

In the current Rotary year, the Trustees with assistance from the Area of Focus Evaluation Committee, will be considering any potential changes to the Areas of Focus. This is the first time the areas of focus have been evaluated since the rollout of Future Vision in 2010. The evaluation data will help determine whether changes to the Areas of Focus should be made. In the event that the Trustees take any action to create, subtract or significantly modify any of the Areas of Focus, an initiative will be undertaken to carry out such changes.

#### **Governance**

An analysis of opportunities for streamlining the governance structure of Rotary is underway during this Rotary year, which will carry forward into the next Rotary year. The Operations Review Committee has been tasked with reviewing and providing a report to the Board in April 2019 on the following issues: committee structure and processes, the power of the president, and the duties, term and selection process for directors. Similarly, a new committee, Shaping Rotary's Future, will provide a report to the Board by April 2020 addressing the following issues: regional leader structure, volunteer leadership layers between directors and the districts, and the number and size of districts and the duties of governors. Follow up action will be undertaken based on any actions decided by the Board of Directors in response to these reports.

#### **Business Process Review**

The secretariat will carry out a system wide review of all major business processes within the organization to assure efficient allocation of resources and alignment of those resources with the new strategic plan for the organization.

#### **Global Membership**

By 2019–20 Rotary will have developed a business case that will include the product vision, value proposition, customer segment and cost structure, including operations and revenue for a new global membership model. Additionally, Rotary will begin the development of an initial global membership product offering that will include the key activities, resources, and partners required to deliver the product to market.

#### **Programs of Scale**

In 2018, Rotary commissioned research to learn about larger scale Rotary projects in the field and determine what is working and how to replicate more of these high impact projects. Based on the initial findings, the general secretary has proposed to the Trustees a model to support this high-impact work. Assuming Trustees move forward on this new grant model, an initiative will be undertaken to launch this grant model and further develop the grant requirements and the monitoring and evaluation approaches that are most appropriate to adequately support and drive measurable impact.



## APPENDIX E

### GUIDELINES FOR THE ROTARY FOUNDATION LEGACY SOCIETY (Decision 42)

#### Administration and Guidelines

**Name:** The Rotary Foundation Legacy Society  
“Legacy Society”

**Membership:** The Legacy Society will include all individual donors and donor couples who have taken legally and culturally appropriate steps to ensure, to the best of their ability, that a gift of \$1 million or more will come to The Rotary Foundation in the future.

All individuals who are currently recognized Bequest Society level 7, 8, 9, or 10 will automatically be recognized as Legacy Society members. All others who qualify but have not accepted Bequest Society membership will be invited to join the Legacy Society.

#### Features:

- Legacy Society new member packet with Trustee Chairman letter
- New Legacy Society members are listed in Rotary’s Annual Report
- Unique wearable Legacy Society pin/pendant for each level
- Personalized, engraved Legacy Society crystal
- A badge suitable for electronic media
- Access to exclusive Legacy Society materials
- Bi-annual newsletter (shared with Arch Klumph Society members)
- Year-end holiday card
- Birthday card for individual and spouse/partner
- Surviving spouse/partner receives *The Rotarian* magazine
- Named endowed fund, which provides the designated district a report of the earnings provided by the fund so that future generations know of the donor’s Rotary legacy.
- Priority registration and reserved seating at the RI Convention
- Invitations to area of focus events and other cultivation events
- A Rotary’s Promise art piece, suitable for framing

#### Stewardship Activities:

- Annual call from RI president, TRF trustee, or designee based upon gift value
- Notification sent to district governor, district Rotary Foundation chair, and Endowment/Major Gift Subcommittee chair by endowment/major gifts adviser
- Personalized (\$1 million or more) or customized (\$2.5 million or more) stewardship plans
- Receive exclusive amenities at Rotary events, for example a donor recognition dinner in at International Convention
- Recognition at the zone or district level presented or directly managed by Endowment/Major Gifts Adviser
- Invitation to private dinner with RI president or Trustee chair, as geographically appropriate
- Annual call or visit from endowment/major gifts adviser or staff officer
- Posthumous induction into the Arch Klumph Society
- Posthumous profile in the interactive Arch Klumph Society digital display

#### Implementation timeline:

##### November 2018 - May 2019:

- Design and production of promotional materials and recognition items
- Data cleansing (joint spouse records as appropriate)
- Educational material preparation
- Recognition material final design and production
- Announcement to district leaders and influencers
- Systems test for proper response to new commitments
- Reporting test at district, club and donor levels

##### January 2019:

- Invitation to Legacy Society-qualified individuals and couples to donor recognition dinner at 2019 Convention in Hamburg

##### March 2019:

- Custom mailing to certain Level 5 and 6 Bequest Society members

May 2019:

- Soft launch within zone and district leadership
- Initial rollout of reports and communications including webpages
- Training for staff assigned to Rotary Resource Booth at 2019 Convention

June 2019:

- Comments featured at Convention donor recognition events and Endowment breakout sessions
- Preparation of website and printed materials for final stage of communications rollout in all Rotary languages

July 2019:

- Delivery of recognition materials to “charter” members/couples
- Arrange appropriate presentation of Legacy Society crystal locally

## **APPENDIX F**

### **UPDATES TO THE ROTARY FOUNDATION BEQUEST SOCIETY ADMINISTRATION GUIDELINES (Decision 42)**

#### **Rotary's Promise**

When an individual or couple makes plans for a future gift to The Rotary Foundation, they continue Rotary's promise to enrich the lives of people around the globe. Gifts to Rotary's Endowment perpetually support the valuable, sustainable, and much-needed Rotarian activities that are doing good in the world. Those who notify Rotary of their commitment to support Rotary's Promise receive the amenities below.

#### **Legacy Society**

Individuals and couples who have made commitments for a future gift of \$1 million or more to The Rotary Foundation Endowment are invited to join the Legacy Society. New Legacy Society members are listed in Rotary's Annual Report, receive personal updates from the Foundation annually, and receive invitations to exclusive Rotary International and Foundation events. Legacy Society members also receive all of the benefits and amenities provided to Bequest Society members.

#### **Bequest Society**

Individuals and couples who have made commitments for future gifts to The Rotary Foundation at the amounts indicated below are invited to join the Bequest Society. Each level of membership includes the amenities of the preceding levels.

- ♦ Members who plan gifts of \$500,000 or more receive special seating and registration benefits at International Convention.
- ♦ Members who plan gifts of \$250,000 or more are posthumously inducted into the Arch Klumph Society, which will include a profile of their Rotary story in the interactive Arch Klumph Society digital display.
- ♦ Members who plan gifts of \$100,000 or more receive an Rotary's Promise crystal with their names engraved.
- ♦ Members who plan gifts of \$50,000 or more can establish separate named funds in the Endowment to specify two areas of focus or districts to benefit from their legacy.

- ♦ Members who plan gifts of \$25,000 or more receive a Rotary's Promise crystal and a named endowed fund, which provides the designated district a report of the earnings provided by the fund so that future generations know of their Rotary legacy.
- ♦ Members who plan gifts of \$10,000 or more receive a Bequest Society pin, an exclusive art piece suitable for framing, and annual Foundation updates.

#### **Benefactor**

Individuals and couples who have made commitments for future gifts to The Rotary Foundation in an estate plan or who have made an outright gift of \$1,000 to the Endowment receive a special wearable insignia, a badge suitable for electronic media, benefactor certificate, and annual updates from the Foundation.

#### **"Rotary's Promise Club" designation**

Upon request, clubs that reach 100%-member support for the Endowment are eligible to receive an exclusive "Rotary's Promise Club" electronic certificate. Qualifying individual club member support may include a commitment for a future gift to The Rotary Foundation in an estate plan or an outright gift of \$1,000 or more to the Endowment.

## APPENDIX G

### AMENDMENTS TO THE ROTARY FOUNDATION CODE OF POLICIES REGARDING PARTNERSHIPS (Decision 47)

21.020.1. Guidelines for Major Donor and Arch Klumph Society recognition are as follows:

[text omitted]

3) Major Donor and Arch Klumph Society recognition is reserved for individuals. Non-Rotary affiliated foundations; and corporations may qualify on a case-by-case basis. A Rotary club or district is not eligible.

[text omitted]

4. Suggested benefits for each level are subject to negotiation with the organization.

\* \* \* \* \*

#### 21.050. Other Recognition

[text omitted]

21.050.9. Guidelines for Recognizing Organizations are as follows:

1. Because contributions accumulate, organizations may be recognized as they reach each successive level.
2. Contributions from organizations including corporations, corporate foundations, governments, nongovernmental organizations, universities, and research institutions totaling US\$100,000 or more that are not sponsorships, not a Rotary organization, and that are not being recognized in individual recognition are eligible for recognition under Rotary's Recognition of Organizations. Sponsors of World Polio Day and the Rotary International Convention receive rights and benefits according to their sponsorship package and are not included in Rotary's Recognition of Organizations.
3. The levels established for Rotary's Recognition for Organizations are as follows:
  - Level 1: US\$100,000 - \$249,999
  - Level 2: US\$250,000 - \$499,999
  - Level 3: US\$500,000 - \$999,999
  - Level 4: US\$1,000,000 - \$2,499,999
  - Level 5: US\$2,500,000 - \$4,999,999
  - Level 6: US\$5,000,000 and above

## APPENDIX H

### PROGRAMS OF SCALE EXECUTIVE SUMMARY OF MODEL CHARACTERISTICS (Decision 48)

A Program of Scale is defined as a comprehensive, evidence-based intervention (set of interventions) addressing a community-identified need, leveraging Rotarian and non-Rotarian resources for a measurable and sustained benefit to a region, and or a significant community population.

- Programs must align directly with one or more areas of focus.
- The grant type will be competitive, have defined selection criteria, and a two-step proposal-to-application process.
- Applicants for this grant type will put forward fully developed programs demonstrating evidence-based approaches with past success implemented by either Rotarians, an NGO, a government entity, and or the private sector. New, untested programs would not be eligible for consideration.
- Programs of Scale budgets must be at least \$2M, have a duration of 3-5 years, will *not* require an international Rotarian club or district sponsor or Rotarian funding in addition to the award request.
- Selection preference will be given to applications that include external matching or leveraged funding.
- Programs of Scale will require: a partner organization to implement the project/program, a defined management structure and a comprehensive monitoring and evaluation plan.
- The proposed Programs of Scale initiative will directly support the recently approved RI Strategic Plan objective to improve our ability to achieve and measure impact. Through the program's design and monitoring and evaluation requirements, Rotary will be able to show its impact in the project areas supported by Programs of Scale.

#### Program Design Requirements

Successful Programs of Scale will use evidence-based approaches that apply information gathered from community assessments and include other relevant data so the recipient community will develop its assets, empowering them to meet their own needs. The programs are expected to fill identified gaps in technical knowledge, financial ability or other expertise resulting in leveraged, sustainable outcomes for the recipient community.

Depending on the program's objectives, design may be simple or complex, but must ensure long-term viability. Successful programs would:

- Be conceived from within, or in collaboration with, the country or region where they will be implemented;
- Be designed by the Rotarians and their partner organization(s) based on an assessment that takes into account the benefitting community's needs and assets;
- Demonstrate a program structure that can be adapted by others with similar community needs;
- Include behavioral change and change management components to support physical infrastructure investments to ensure optimal utilization of newly developed infrastructure for years beyond funding;
- Include holistic training to build technical, financial, budget and management capacity;
- Clearly identify and mobilize various stakeholders to ensure all members of the community are aware of the program and will participate directly in the "solution;"
- Include a clear plan that documents each member's, or group of members' *required* roles and responsibilities through implementation and beyond;
- When appropriate and applicable, utilize Rotary's PolioPlus infrastructure to model and support project implementation and projected outcomes;
- Apply evidence-based approaches, using the community assessment information gathered and data from previous projects done using the same model, when applicable;
- Develop community assets to empower the community to identify and meet their own needs when possible;
- Fill in gaps where the community lacks technical knowledge, financial ability or other necessary expertise;
- Be of sufficient scale to impact a significant community or population.

#### Programmatic Criteria

Through research and experience, certain programmatic criteria are known factors in successful large-scale grant

projects and also distinguish those projects as Rotary's. These criteria will be required in Programs of Scale design and will be among the criteria used to assess successful applicants. Programs of Scale will:

- Align directly with one or more area of focus;
- Be defined by:
- community type (urban, peri-urban, or rural),
- cover a significant geographic area (multi-country, regional, district-wide, or national level) or
- a large number of people affected (direct and indirect beneficiaries);
- Present a completed community needs assessment and collected baseline data from key stakeholder groups to underpin project design and inform monitoring and evaluation criteria and outcome/impact measurement;
- Be adaptable in other communities wishing to meet similar community needs;
- Document methodologies, measurements and financial mechanisms which could be used in the same program/project model, and with appropriate project design;
- To sustain the project effect long-term, the program will be integrated into existing regional or national systems, (government, private, NGO) and provide training that is continued by the benefiting community or national system once project funding ends;
- Identify all partner organizations

### **Partnership Requirements**

Partner organizations implement and strengthen projects with outreach, communication, management, and technical skills. Partner organizations' contribution to the project may include but is not limited to: project implementation and execution, project management, community outreach, communication, technical skills, financial resources, other project and/or government support.

In collaboration with Rotarians, their inclusion increases program success by their proximity and opportunity to work directly with the program beneficiaries and participating organizations and member groups. Recognizing this advantage Programs of Scale requires a partner organization be included in the program design. The following guidelines apply:

- The program will include at least one partner organization that will assist with program implementation and/or bring monitoring and

evaluation expertise to substantiate and validate program impact and outcome assessments.

- An international Rotarian club or district sponsor is *not* required for Programs of Scale.
- Rotarian engagement is considered part of the community assessment and that engagement should be clearly enumerated in the project design and implementation plan.
- Rotarian participation includes but is not limited to one or more of the following activities:
  - grassroots advocacy and mobilization
  - policy level intervention/influence/engagement
  - fundraising
  - community mobilization
  - program implementation
- Rotarian participation should be expressly made known to the benefitting community for transparency and accountability.
- A Memorandum of Understanding (MOU) is required that outlines the roles and responsibilities of each organization, stakeholders and member groups.
- Member groups may include, but are not limited to, local community members (all demographics) governments, partner organizations, and other local leaders and or stakeholders.

### **Data Gathering, Measurement & Evaluation**

The proposed Programs of Scale initiative will directly support the recently approved RI Strategic Plan objective to improve our ability to achieve and measure impact. Through the program's design and monitoring and evaluation requirements, Rotary will be able to show its impact in the project areas supported by Programs of Scale. Essential to successful program measurement and evaluation is integration with existing public or private regional or national systems to ensure financial and technical support and, to confirm long-term sustainability. Advance, interim and post-project site visits conducted by the TRF cadre of technical advisors will be required.

Strong measurement and evaluation will be structured to:

- Collect baseline data from the initial community assessment to be used to drive monitoring and evaluation beyond the life of the grant. National and regional data from outside sources may be used as part of the community assessment but cannot be used solely as the community assessment data.
- Integrate the program into existing regional or national systems (government, private or NGOs), which would be determined and confirmed through a

thorough community assessment conducted before applying for a grant.

- Overall program evaluation framework will look at the following:
  - Relevance
  - Impact/Effectiveness
  - Efficiency
  - Sustainability
  - Scale
- A monitoring and evaluation plan must be included in both the proposal (general) and application (detailed) phases.
- A mid-term performance and summative performance evaluation will be required.
- 3-5% of total project budget should be allocated to measurement and evaluation.

### **Budget and Funding**

- Budgets for Programs of Scale should be *at least* USD \$2M.
- Rotarian contributions to funding are not required but are encouraged.
- Selection preference will be given to applications with leveraged or matched external funding.
- Programs of Scale will be funded by the World Fund (Rotarian contributions).

### **Implementation Timeline**

- Successful Programs of Scale are expected to be implemented in no less than 3 years and should not exceed 5 years with Rotary funding.
- Rotarians requesting more than 5 years, would have to demonstrate the need for an extension.

### **Competitive Application Process**

- The application process will be in two phases:
  - 1. Proposal
  - 2. Application
- Proposals will necessarily:
  - Include a brief narrative describing the project, its management structure and proposed implementation plan
  - Present the community assessment data and results in support of the program design and proposed outcomes
  - Identify the partner organization(s)
  - Include an estimated implementation timeline
  - Propose an initial budget estimate
  - Identify additional funding sources
  - Include a general description of a monitoring and evaluation plan

- Applicants with the strongest proposals will be selected to move onto the application phase and invited to submit an application.
- Applications will include more comprehensive documents, offering the opportunity to elaborate on proposal content.
- Applications will include:
  - A detailed community needs assessment
  - A detailed project management and implementation plan
  - A detailed annual budget
  - Funding structure and identified resources
  - Monitoring and evaluation plan inclusive of data collection and dissemination
  - Supporting documentation indicating Rotarian participation, community engagement and roles and responsibilities of partner organizations
  - Post-project sustainability plan
- Advance, interim and post-project site visits conducted by the TRF cadre of technical advisors will be required.

### **Application Process Assumptions**

- Rotary will provide clear proposal and application guidelines.
- Community needs assessments must be completed for the proposal phase, but complete project details are not required until the time of the application.
- The proposal will include a general implementation plan and the application will include a detailed implementation plan.
- Staff will have clear and objective criteria to identify the most qualified proposals to advance to the application stage.
- Non-Rotarians may write the proposal and application.
- Projects must have a financial management and project management system.
- It is permissible for the partner organization to manage the funds.
- Staff will not coach applicants; they will only clarify information already in the proposal and application.

Projects may be carried out by partner organizations and/or non-Rotarians, however Rotarians must have a defined and substantive role in the project.

## APPENDIX J

### STEWARDSHIP TRAINING PLAN FOR SOUTH ASIA (Decision 52)

#### **South Asia Stewardship Training**

Following Trustee approval in April 2018, the general secretary implemented a communication and training plan to address the results of the 2017-18 Stewardship Assessment. At the time of writing, the following has been accomplished:

#### *Direct Mailing*

A direct mailing reminding all governors and governors-elect that grant contributions cannot be collected from beneficiary was sent in January 2018, and has also been included as a topic in the Rotary Foundation (India) (RFI) newsletter. This specific topic was also included in EMGA training and during district leader training webinars.

District-governors, governors-elect, governors-nominee and district Foundation Committee chairs received a complete summary of the assessment results, which included trends and suggestions for strengthening local grant planning, grant management and stewardship. Also, individual findings letters have been copied to the respective district leadership of each grant sponsor.

#### *Training webinars*

The general secretary is conducting a webinar series designed to enhance the knowledge and capacity of Rotarians based on their specific role. To date, webinars have been completed for Cadre and district officers. A final webinar is planned for all interested club level Rotarians in October 2018.

- Cadre – A webinar focused on the programmatic components of an audit was held for the cadre auditors on 30 August 2018. Dr. Indumati Gopinathan, a cadre member, served as a panelist for this webinar, and stressed the importance of ensuring all elements of a grant had been implemented at the time of audit, including training and supply chain management. Topics including community needs assessment and sustainability were discussed in detail.
- District Officer - A webinar was conducted on 13 September 2018. Trustee Gulam Vahanvaty, Past Governor Sanjay Khanna and District Governor

Suresh Hari served as panelists, and focused on topics including community assessments, conflict of interest, sustainability and importance of having a strong financial management plan and document retention system. This webinar allowed us to highlight the important roles district officers have in the District Qualification process, as well as ensuring appropriate club-level training.

- Rotarians - A club level webinar is planned for October 2018, which will focus on the roles and responsibilities of grant committees, the importance of community assessment, adequate planning and financial management, and grant reporting.

#### *In-person training*

A full day stewardship training is planned for district leaders in Pune, India on 30 November 2018. The agenda will focus on areas of grant management and stewardship that were found to be insufficient. It will also give districts a chance to share ideas and learn from one another. Attendees will include the district governor, governor-elect, district Rotary foundation chair, district grants subcommittee chair, and district stewardship subcommittee chair from all districts in India. This training is the finale to the post-assessment training series, and should lay sufficient groundwork for district officers to train all clubs on strong project management by discussing topics of grant planning, financial management and roles and responsibilities.



## INDEX

All references are to decision numbers unless otherwise noted

### -A-

Agenda, tentative future, 32  
Allegations, report on, 52 (App. J)  
Appeals  
    grant, 45  
    process, 46  
Audit committee report, 60

### -B-

Board, communications from the RI,  
    33

### -C-

Code of policies, updates to the  
    Rotary Foundation, 35 (App. B\*)  
Committee report  
    audit, 60  
    finance, 56 (App. K\*)  
    fund development, 41 (App. D\*)  
    international polio-plus, 51  
    investment, 59  
    partnerships, 47 (App. G)  
    rotary peace centers, 49 (App. I\*)  
    stewardship, 55  
    strategic planning, 40 (App. C)  
Committee structure, proposed TRF,  
    38  
Communications from the RI Board,  
    33  
Corporate social responsibility, India  
    pilot update, 43  
Council members, election of, 36

### -D-

Decision taken on behalf of the  
    Trustees, 30 (App. A\*)  
Disaster response fund and grant, 50

### -E-

Election of  
    council members, 36  
    officers for 2019–20, 37  
Estate commitment stewardship  
    concept, 42 (Apps. E, F)

### -F-

Finance committee report, 56–57  
    (App. K\*)  
Fund development committee report,  
    41 (App. D\*)

### -G-

Gates foundation partnership,  
    international polio-plus committee  
    report, 51  
General secretary, report of the, 31  
Grant appeals, 45  
Grant appeal process, 46  
Grant requests, level III, 44

### -I-

India pilot update, corporate social  
    responsibility, 43  
International polio-plus committee  
    report, gates foundation  
    partnership, 51  
Investment committee report, 59

### -J-

Joint committee on partnerships, 47  
    (App. G)

### -L-

Level III grant requests, 44

### -M-

Meeting dates, 2018–19 Trustee, 34  
Minutes of the August 2018 meeting,  
    29

### -O-

Officers, election of, 37

### -P-

Peace centers committee report, 49  
    (App. I\*)  
Philanthropic support model, 58  
Polio-plus grants, stewardship of, 54  
Programs of scale, 48 (App. H)

### -R-

Report on allegations, 52 (App. J)  
Report on TRF cadre of technical  
    advisers, 53  
RI tax status report, joint task force  
    to consider, 39  
Rotary exchange rates, 57  
Rotary foundation code of policies,  
    updates to the, 35 (App. B\*)

### -S-

Stewardship committee report, 55

Stewardship concept, estate  
    commitment, 42 (Apps. E, F)  
Stewardship of polio-plus grants, 54  
Strategic planning committee report,  
    40 (App. C)

### -T-

Tax status report, joint task force to  
    consider RI, 39  
TRF  
    cadre of technical advisers,  
        report on, 53  
    committee structure, proposed, 38  
Trustee meeting dates, 2018–19, 34  
Trustees, decisions taken on behalf  
    of, 30 (App. A\*)

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