



MINUTES
of the
JANUARY 2021
ROTARY FOUNDATION
BOARD OF TRUSTEES MEETING

ROTARY FOUNDATION TRUSTEES
2020–21

CHAIR

K.R. Ravindran
Colombo, Sri Lanka
(Rotary Club of Colombo)

VICE CHAIR

Michael F. Webb
Somerset, England
(Rotary Club of Mendip)

CHAIR-ELECT

John F. Germ
Chattanooga, TN, USA
(Rotary Club of Chattanooga)

GENERAL SECRETARY

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

OTHER TRUSTEES

Jorge Aufranc
Guatemala City, Guatemala
(Rotary Club of Guatemala Sur)

Brenda M. Cressey
Wells, ME, USA
(Rotary Club of Paso Robles)

Per Høyen
Gelsted, Denmark
(Rotary Club of Aarup)

Hsiu-Ming Lin
Taipei, Taiwan
(Rotary Club of Taipei Tungteh)

Geeta Manek
Nairobi, Kenya
(Rotary Club of Muthaiga)

Aziz Memon
Karachi, Pakistan
(Rotary Club of Karachi)

Barry Rassin
Nassau, Bahamas
(Rotary Club of Nassau)

Ian H. S. Riseley
Black Rock, Victoria, Australia
(Rotary Club of Sandringham)

Dean Rohrs
British Columbia, Canada
(Rotary Club of Langley Central)

Gulam A. Vahanvaty
Mumbai, Mah., India (Rotary Club of Bombay)

Sangkoo Yun
Jongro-Gu, Republic of Korea
(Rotary Club of Sae Hanyang)

SPECIAL ADVISER

Akira Miki
Himeji Hyogo, Japan (Rotary Club of Himeji)

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Appendices

- A.* Ratification of Decision Taken on Behalf of the Trustees (Decision 72)
- B.* Updates to The Rotary Foundation Code of Policies (Decision 73)
- C.* 2020–21 Rotary Alumni Global Service Award Recipients (Decision 77)

**Filed only with the official copy of these minutes.*

MINUTES
of the
January 2021
Rotary Foundation Board of Trustees Meeting

The Rotary Foundation Board of Trustees met virtually on 14 and 26 January 2021.

Present were: Chair K.R. Ravindran, Vice Chair Michael F. Webb, Chair-elect John F. Germ, other Trustees Jorge Aufranc, Brenda M. Cressey, Per Høyen, Hsiu Ming Lin, Geeta K. Manek, Aziz Memon, Barry Rassin, Ian H.S. Riseley, Gulam A. Vahanvaty, Sangkoo Yun, and General Secretary John Hewko. Akira Miki attended as Special Advisor from Japan. President Holger Knaack attended as observer and Director Floyd Lancia attended as Board liaison. At the invitation of Chair Ravindran, incoming Trustees Mark Daniel Maloney and Larry Lunsford also attended the meeting.

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, Julie Burke, Meredith Burlew, Faiz Hanif, Eric Jones, Abby McNear, Carol Pandak, Steven Routburg, Eric Schmelling, Tom Thorfinnson, Doris Xie, and Nora Zei. Nobuko Andrews and Eiko Terao served as staff interpreters.

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70. Approval of the October 2020 Meeting Minutes

Statement: The general secretary distributed the October 2020 Trustees meeting minutes to each trustee.

DECISION: The Trustees approve their October 2020 meeting minutes and request the chairman to sign the official copy of those minutes.

71. General Secretary's Report

Statement: The general secretary presented an update on the work at the Secretariat since the November 2020 Trustees meeting.

DECISION: The Trustees receive the general secretary's report on the activities at the Secretariat since the November 2020 Trustees meeting.

72. 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 taken on their behalf by those authorized to do so between 3 August and 14 December 2020, as shown in Appendix A, filed only with the official copy of these minutes.

73. Updates to The Rotary Foundation Code of Policies

Statement: Rotary Foundation Code of Policies section 22.010.7. requests the general secretary, at the conclusion of each Trustees meeting, to review the decisions taken by the Trustees at that meeting and to 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.

74. Communications from the Board

Statement: At its November 2020 meeting, the Board took several decisions of interest to the Trustees.

DECISION: The Trustees note the following decisions from the November 2020 Board meeting:

- 57. Communications from the Trustees
- 59. 2021–22 Annual Goals
- 61. Shaping Rotary's Future Committee Report
- 64. Pandemic Response Task Force Report
- 65. COVID-19 Travel

- 66. Amendment of Board Decisions 28 and 30, September 2020
- 73. Finance Committee Report

75. Grant Appeals

Statement: The Rotary Foundation Code of Policies 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 by the Trustees. The general secretary received an appeal to a global grant application that had been previously denied by the general secretary.

DECISION: The Trustees uphold the general secretary's decision to decline Global Grant 2014501 to fund in-country undergraduate health care education/training to young Liberians trying to pursue careers in the health field.

76. Biennial Review of Grant Terms and Conditions and District and Club Qualification MOU

Statement: The District and Club Qualification Memorandums of Understanding are the documents authorized by club and district officers to ensure implementation of the necessary financial and stewardship practices for properly managing grant funds. The Trustees noted some possible concerns and wished to review the matter more thoroughly before further consideration.

DECISION: The Trustees defer the consideration of the Biennial Review of Grant Terms and Conditions and District and Club Qualification MOU to their April 2021 meeting.

77. 2020–21 Alumni Awards Recipients

Statement: The Trustees annually recognize one outstanding Rotary Foundation alumnus with the Rotary Alumni Global Service Award and one exemplary alumni association with the Rotary Alumni Association of the Year Award. The Trustees reviewed the recommended recipients of these awards submitted by the Board's Service Awards Committee.

DECISION: The Trustees

- 1. select the individuals as shown in Appendix C (filed only with the official copy of these minutes) as the

primary recipient and alternate recipient of the 2020–21 Rotary Alumni Global Service Award;

- 2. request the general secretary to notify the award recipient and confirm the recipient's commitment to receive the award;
- 3. authorize the general secretary, on the Board's behalf, to designate the alternate as the award recipient if the primary award recipient cannot receive the award at the 2021 RI (Taipei) Convention;
- 4. select the alumni association as shown in Appendix D (filed only with the official copy of these minutes) as the 2020–21 recipient of Rotary Alumni Association of the Year Award;
- 5. request the general secretary to notify the association and confirm its commitment to receive the award at the 2021 RI (Taipei) Convention.

78. Stewardship Committee Report: Allegations

Statement: To facilitate the work of the Stewardship Committee, and in accordance with the Rotary Foundation Code of Policies, the Trustees receive semiannual updates on stewardship allegations, investigations, and litigation.

DECISION: The Trustees

- 1. express dissatisfaction at the grant management practices of District 7255 (NY, USA);
- 2. extend the suspension of District 7255 (NY, USA) until 30 April 2021 so that review of the final audit findings can be completed at its April 2021 meeting;
- 3. request a return of US\$37,580 by 1 April 2021, so that review of final audit findings can be completed at the April 2021 Trustees meeting;
- 4. thank Special Adviser Mary Beth Growney Selene for her report, endorse her recommendations for strengthening stewardship and grant management practices, extend her term as special adviser until 30 June 2022 and request the district to hold stand-alone grant management seminars for all clubs;
- 5. receive the report on the operational audit in District 9212 (Kenya, Ethiopia, South Sudan), and request an update at the March 2021 Trustees meeting.

79. Audit Committee Report

Statement: The Audit Committee met virtually on 13 January 2021 and discussed recently completed audits, a summary of management action plans, a report from the IT subgroup, and an annual evaluation of the external auditor, among other topics.

DECISION: The Trustees thank the Audit Committee for its report.

80. Investment Committee Report

Statement: The Investment Committee met virtually on 13 January 2021 and discussed investment return assumptions for the fiscal year 2022 budget, among other topics.

DECISION: The Trustees thank the Investment Committee for its report.

81. World Fund Workgroup Report

Statement: At a special 14 January meeting, the Trustees reviewed a report from the World Fund Work Group that recommended an amendment to the workgroup's recommendation regarding rollover DDF that the Trustees had agreed to at their October 2020 meeting.

DECISION: The Trustees

1. amends pt. 5-d shown below from the October 2020 decision of the World Fund Workgroup's recommendations:
 1. thanks the World Fund Workgroup for its interim report;
 2. establish a target reduction of expenses in the amount of five percent pro rata per annum based on the US\$58 million allocation from Rotary International in fiscal year 2021;
 3. agree to an initial cost reduction of \$1 million per annum, of which approximately 50 percent will be generated from structural costs;
 4. request an update on the remaining \$1.9 million in cost reduction at the January 2021 Trustee meeting;

5. agree to the following policy changes to address World Fund shortages:
 - a. reduce the World Fund match for DDF transfers for PolioPlus from 100 percent to 50 percent, effective 1 July 2021;
 - b. reduce the World Fund match for DDF when being used for global grants from 100 percent to 80 percent, effective 1 July 2021;
 - c. up to five percent of the current year Annual Fund SHARE contributions will be taken equally from the World Fund and DDF to fund operating expenses, effective 1 July 2021;
 - d. limit rollover DDF to five years. Funds in excess of five years on 30 June, at district's discretion, will be applied to PolioPlus, Area of Focus endowment funds, general endowment fund (including RPCs) or the World Fund, effective 1 July 2021. On 1 July 2026, districts will have the discretion to apply the rollover funds as outlined above. If a district does not advise which fund to direct rollover DDF to, the rollover DDF will automatically default to the World Fund.
6. request a contribution from RI of four percent of the RI annual per capita dues income per annum to reflect member engagement through grants involvement and the addition of the new environment area of focus;

Note: Trustee Cressey requested that her no vote be recorded

82. Funding for 2020–21 Global Grants

Statement: In continuing to address the financial pressures on the World Fund, the Trustees, in decision 67, December 2020, acknowledged numerous Foundation cost reductions and approved use of the operating reserves in addition to a budget variance of US\$4.4

million to alleviate this World Fund pressure. The general secretary reported that since this decision, an unprecedented number of global grant applications continued to be received at the Secretariat, which could result—depending on application approvals—in a significant World Fund deficit. The Trustees discussed how best to address this budget shortfall.

DECISION: The Trustees

1. approve the transfer of US\$7.5 million from TRF's operating reserve to the World Fund to fund global grants in 2020–21, of which \$3 million would be allocated for global grant scholarships;
2. further request the RI Board to match the transfer of \$7.5 million from RI funds;
3. agree to provide a 100 percent World Fund match on DDF for applications that are in "submitted status" by 31 May 2021, or on the date the World Fund runs out, whichever date is earlier;
4. agree to provide a 100 percent World Fund match on DDF for approved global grant scholarship applications that are in "submitted status" by 30 June 2021, even if the World Fund budget is exhausted prior to 30 June.

Adjournment

The foregoing is a true record of the proceedings at the 14 and 26 January 2021 Trustees meetings.

K. R. Ravindran, Chair
The Rotary Foundation

Andrew McDonald
Secretary of the Meeting

ATTEST:

John Hewko
General Secretary, RI

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