



MINUTES

of the

JUNE 2019

ROTARY FOUNDATION

BOARD OF TRUSTEES MEETING

(Final meeting of 2018–19 Trustees)

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2018–19**

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

MINUTES

of the

JUNE 2019 MEETING

Rotary Foundation Board of Trustees

The 2018–19 Rotary Foundation Trustees held their final meeting of the year on
6 June 2019 in Hamburg, Germany

Present were Chair Brenda M. Cressey, Vice-Chair Michael F. Webb, Chair-elect Gary C.K. Huang, other Trustees Mário C. de Camargo, John F. Germ, Mary Beth Growney Selene, Per Høyen, Seiji Kita, Julia D. Phelps, K.R. Ravindran, Gulam A. Vahanvaty, Sangkoo Yun, and General Secretary John Hewko. Jeffry Cadorette attended as director liaison. Trustee Ron D. Burton did not attend this meeting. While not present in Hamburg, Trustee Kenneth M. Schuppert participated via video conference call.

At the invitation of the chairman, incoming Trustees Jorge Aufranc, Hipolito S. Ferreira, Jennifer Jones, and Ian H.S. Riseley also attended.

Andrew McDonald served as secretary of the meeting with assistance from Matt Hohmann. Other staff present were David Alexander, Jim Barnes, Lori Carlson, Faiz Hanif, Abby McNear, Carol Pandak, Steven Routburg, Eric Schmelling, and Thomas Thorfinnson. 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:

* * * * *

132. New Rotary Peace Center in Sub-Saharan Africa

Statement: In decision 120, April 2019, the Trustees requested the Peace Programs Oversight Committee to continue reviewing official proposals to establish a Rotary Peace Certificate program either at Makerere University, Uganda, or the Kofi Annan International Peacekeeping Training Centre, Ghana. In evaluating the proposals, the Peace Programs Oversight Committee considered the center's fit with the program's new certificate model, the center's capacity to administer a Rotary Peace Center, the long-term partnership potential,

the ability to promote the program locally, and budgeting implications.

DECISION: The Trustees

1. approve Makerere University, Kampala, Uganda, as host site for the next Rotary Peace Center and request the general secretary to proceed with partnership negotiations for a certificate program with a tentative launch date in 2020–21;
2. agree to review the performance of this new peace center during the 2023–24 Rotary year.

133. Level III Grant Requests

Statement: In accordance with Trustee policy, Global Grants requesting over US\$100,000 from the World Fund must obtain Trustee approval. The Trustees reviewed four such Global Grant applications at this meeting. The Trustees also discussed that the Foundation has in recent years made a significant investment in grants with Cooperative for Education.

DECISION: The Trustees award

1. Global Grant 1872362 a basic education and literacy grant sponsored by the Rotary Clubs of North Bay, Canada, (District 7010) and Nueva Guatemala, Guatemala, (District 4250) to be carried out with Cooperative for Education to provide teachers with training in reading instruction, new textbooks, computer training, and a youth development program in schools located in Chimaltenango, Sacatepéquez, and Quetzaltenango, Guatemala, in the amount of \$200,000 from the World Fund (total project cost of \$628,518) and given the significant investment by TRF in grants with the Cooperative for Education, ask the general secretary to further evaluate these global grants;

2. Global Grant 1863836, a disease prevention and treatment grant sponsored by the Rotary Clubs of Gulu, Uganda, (District 9211), and San Diego, CA, USA, (District 5340) to provide medical and dental equipment for a new hospital in Atiak, Uganda, in the amount of \$114,450 from the World Fund (total project cost of \$302,350) with payment contingent upon confirmation that the hospital has been constructed and a better balance of responsibilities be established between the host and international sponsors;
3. Global Grant 1875249, a water and sanitation grant sponsored by the Rotary Clubs of Moose Jaw Wakamow, Canada, (District 5550) and Nueva Guatemala, Guatemala, (District 4250) to be carried out with Fundación Castillo Córdova, Asociación Pro Agua del Pueblo, Municipalidad de Zacalpa, and Ecofiltro S.A., to provide a WASH in schools program to 23 primary schools in nine communities of the Chiquimula (1), Huehuetenango (11), Quiché (4), Sololá, Escuintla (1) and Zacapa (6) departments in Guatemala in the amount of \$135,750 from the World Fund and \$20,000 from a directed gift (total project cost of \$317,750) with payment contingent upon the sponsors securing a risk assessment from a water engineer as to the likelihood of any ground-water contamination and the sponsors following through on any of the engineer's recommendations on this issue;
4. Global Grant 1877129, an economic and community development grant sponsored by the Rotary Clubs of St. Simons Island, GA, USA, (District 6920) and San Juan, PR, Puerto Rico, (District 7000) to be carried out with Para La Naturaleza to benefit a minimum of 40 ecological farmers in 10 communities in Puerto Rico in the amount of \$71,700 from the World Fund and \$100,000 from a directed gift (total project cost of \$289,100).

DECISIONS 134–138

International PolioPlus Committee Report Meeting 30 May 2019 in Hamburg, Germany

134. PolioPlus Grants: Combined World Health Organization African Region (WHO/AFRO) and UNICEF Grant Request

Statement: The World Health Organization African regional office and UNICEF requested grants for oral polio vaccine in Democratic Republic of Congo and

Kenya; social mobilization support in Democratic Republic of Congo, Kenya, and Nigeria; operational support for Democratic Republic of Congo, Kenya, Ethiopia, and Mali; and surveillance support in the African region.

DECISION: The Trustees

1. thank the International Polio Plus Committee for its report;
2. approve a PolioPlus grant in the amount of US\$2,193,500 to UNICEF for oral polio vaccine for the following countries:

- DR Congo: \$1,284,000
- Kenya: \$909,500

this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant in the amount of \$5,473,573 to UNICEF for social mobilization support for the following countries:

- DR Congo: \$642,000
- Kenya: \$372,484
- Nigeria: \$4,459,089

this grant to be released in accordance with Trustee policies;

4. approve a PolioPlus grant in the amount of \$9,678,150 to WHO for operational support for the following countries:

- DR Congo: \$3,264,570
- Ethiopia: \$2,593,680
- Kenya: \$2,591,540
- Mali: \$1,228,360

this grant to be released in accordance with Trustee policies;

5. approve a PolioPlus grant in the amount of \$117,037 to UNICEF for operational support in DR Congo, this grant to be released in accordance with Trustee policies;
6. approve a PolioPlus grant in the amount of \$5,803,434 to WHO for surveillance support in the

African region, this grant to be released in accordance with Trustee policies;

7. authorize the general secretary to execute agreement letters with WHO and UNICEF to convey the funds on a scheduled basis. WHO and UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
8. note that these are one-year grants that must be fully expended by 31 August 2020, or one year after the transfer of funds to the grantee, whichever comes later;
9. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
 - African Region from: \$204,902,909 to \$210,706,343;
 - DR Congo from: \$74,537,199 to \$79,844,806;
 - Ethiopia from: \$21,690,289 to \$24,283,969;
 - Kenya from: \$8,136,522 to \$12,010,046;
 - Mali from: \$6,305,804 to \$7,534,164;
 - Nigeria from: \$263,616,008 to \$268,075,097.

135. PolioPlus Grants: Combined World Health Organization Eastern Mediterranean Region (WHO/EMRO) and UNICEF Grant Request

Statement: The World Health Organization Eastern Mediterranean regional office and UNICEF requested grants for operational support in Afghanistan, Pakistan, Iraq, Somalia, and Syria; oral polio vaccine in Afghanistan; social mobilization support in Afghanistan; and surveillance support in the Eastern Mediterranean region.

DECISION: The Trustees

1. approve a PolioPlus grant in the amount of US\$9,577,935 to UNICEF for operational support in the following countries:
 - Afghanistan: \$88,348
 - Pakistan: \$9,489,587

this grant to be released in accordance with Trustee policies;

2. approve a PolioPlus grant in the amount of \$6,775,240 to WHO for operational support in the following countries:
 - Iraq: \$1,999,830
 - Pakistan: \$3,122,260
 - Somalia: \$775,750
 - Syria: \$877,400

this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant in the amount of \$3,984,263 to UNICEF for oral polio vaccine in Afghanistan, this grant to be released in accordance with Trustee policies;
4. approve a PolioPlus grant in the amount of \$2,945,362 to UNICEF for social mobilization support in Afghanistan, this grant to be released in accordance with Trustee policies;
5. approve a PolioPlus grant in the amount of \$4,031,051 to WHO for surveillance support in the Eastern Mediterranean region, this grant to be released in accordance with Trustee policies;
6. authorize the general secretary to execute agreement letters with WHO and UNICEF to convey the funds on a scheduled basis. WHO and UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
7. note that these are one-year grants that must be fully expended by 31 August 2020, or one year after the transfer of funds to the grantee, whichever comes later;
8. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
 - Eastern Mediterranean Region from: \$59,935,474 to \$63,966,525;
 - Afghanistan from: \$169,258,931 to \$176,276,904;
 - Iraq from: \$12,475,202 to \$14,475,032;
 - Pakistan from: \$218,217,268 to \$230,829,115;

- Somalia from:
\$47,403,568 to \$48,179,318;
- Syria from:
\$1,563,736 to \$2,441,136.

136. PolioPlus Grants: World Health Organization Polio Research Committee Grant Request

Statement: The World Health Organization Polio Research Committee requested a grant for polio eradication research activities in Cameroon, China, Papua New Guinea, and Vietnam.

DECISION: The Trustees

1. approve a PolioPlus grant of up to US\$338,725 and agree to reallocate \$509,957 from unspent funds from previous research grants to WHO for the implementation of polio eradication research activities in Cameroon, China, Papua New Guinea, and Vietnam as proposed by the Polio Research Committee;
2. authorize the general secretary to execute an agreement letter with WHO to convey the funds on a scheduled basis. WHO will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
3. note that this is a two-year grant that must be fully expended by 31 July 2021;
4. note that this grant, if fully expended, will bring the total PolioPlus grants to WHO/Research to \$33,780,951.

137. PolioPlus Grants: World Health Organization mOPV2 Stockpile Grant Request

Statement: The World Health Organization Polio Research Committee requested a grant for the replenishment of the mOPV2 polio vaccine stockpile.

DECISION: The Trustees

1. agree to reallocate US\$2,093,323 from the grant made to WHO for operational support in Yemen at the January 2019 Trustees (decision 75) meeting to replenish the mOPV2 stockpile;
2. authorize the general secretary to execute an agreement letter with WHO. WHO will apply the funds to the appropriate project under such controls and conditions as the agreement specifies;

3. note that this is a one-year grant that must be fully expended by 30 August 2020;
4. note that this grant, if fully expended, will bring the total PolioPlus grants to WHO/Vaccine to \$2,093,323.

138. PolioPlus Partners Report

Statement: PolioPlus Partners provides grants for direct Rotarian engagement in the polio-endemic and high-risk countries. These grants are primarily used for social mobilization, surveillance, and to encourage Rotarian volunteer efforts on the ground. The International PolioPlus Committee requested Trustee approval for the budgets of the three remaining endemic countries – Afghanistan, Nigeria, and Pakistan – to ensure the continuation of administrative and social mobilization activities in these areas.

DECISION: The Trustees approve PolioPlus Partners funding in 2019–20 in the amount of US\$1,377,190 to National PolioPlus Committees for administrative and social mobilization activities in the following countries:

| | |
|---------------|-----------|
| • Afghanistan | \$287,080 |
| • Nigeria | \$504,245 |
| • Pakistan | \$585,865 |

139. District 7300 Endowment Modifications

Statement: On 1 July 2019, Districts 7300 and 7330 will merge to form District 7305. Nine SHARE endowments currently provide District Designated Funds to District 7300, and four named funds provide earnings for District 7300 to sponsor global grant scholarships. The general secretary requested the Trustees confirm that District 7305, as the successor district, will receive the benefits of these endowments previously held in the former District 7300.

DECISION: The Trustees

1. acknowledge that effective 1 July 2019 District 7305 will be the successor of District 7300 (and District 7330);
2. agree that the SHARE endowments listed on Appendix A benefitting District 7300 will benefit District 7305, effective 1 July 2019;
3. agree that the global grant scholarship endowments tied to District 7300 will also be transitioned to

benefit District 7305, effective 1 July 2019, as shown in Appendix A.

140. Contributions in Egypt

Statement: In February 2019, Rotary received information through its local bank in Egypt that a new financial law affecting non-governmental organizations had been implemented, impacting local contributions by Egyptian Rotarians. The Trustees considered several options for Egyptian Rotarians to continue contributing locally to the Foundation while adhering to the new law.

DECISION: The Trustees suspend acceptance of contributions in Egyptian pounds and request the general secretary to determine when conditions are appropriate to resume accepting contributions in Egypt, and further request the general secretary to inform the Rotary clubs and district in Egypt of this decision.

DECISIONS 141–142 TRF Finance Committee Report Meeting 8–10 May 2019 Evanston, IL, USA

141. 2019–20 Operating Expenses Budget

Statement: The Foundation Bylaws state that the Trustees shall annually adopt a budget for the succeeding year.

DECISION: The Trustees

1. thank the RI and TRF Finance Committees for their report;
2. approve the 2019–20 Rotary Foundation operating budget of \$58,003,000 and reaffirm the 2019–20 budget for contribution, net investment return, other income and program awards as approved in their decision 128, April 2019, as follows:

| | |
|--|--------------------|
| Contributions: | \$339,685,000 |
| Net Investment | |
| Return: | 43,549,000 |
| Other Income: | 2,268,000 |
| Total Revenues: | 385,502,000 |
| Program awards: | 304,310,000 |
| Program Services and Supporting Activities: | 58,003,000 |
| Total Expenses: | 362,312,000 |
| Increase in net assets: | \$23,189,000 |

3. authorize the general secretary for good cause, to exceed the operating budget in any category by up to five percent. The operating budget in total can be exceeded by up to five percent with approval of the Executive Committee and provided that an explanation of such expenditure is presented to the Trustees at their next scheduled meeting.

142. Rotary Foundation Allocation

Statement: The Finance Committee annually reviews the allocation methodology for services paid by The Rotary Foundation to Rotary International and recommends any necessary changes in this methodology to the Trustees.

DECISION: The Trustees

1. receive the Finance Committee's update on the allocation of expenses between Rotary International and The Rotary Foundation;
2. approve the Administrative Services Agreement dated 17 May 2017 as shown in Appendix B, filed only with the official copy of these minutes.

Adjournment

The foregoing is a true record of the proceedings at the final meeting of the 2018–19 Rotary Foundation Trustees held on 6 June 2019 in Hamburg, Germany.

Brenda M. Cressey, Chair
The Rotary Foundation

Andrew McDonald
Secretary of the Meeting

ATTEST:

John Hewko
General Secretary, RI

APPENDIX A

District 7300 SHARE Endowments (Decision 139)

| SHARE Endowments | Gift Value | Market Value (31 March 2019) |
|--|----------------|------------------------------|
| Laura and Richard Gumphre Endowed Fund | \$762,414.61 | \$849,773.34 |
| Louis and Barbara J. Piconi Endowed Fund | \$126,471.29 | \$148,013.70 |
| Louis Blum Endowed Fund | \$25,000.00 | \$30,327.48 |
| Norman F. Stein and Evelyn L. Stein Endowed Fund | \$90,769.90 | \$100,916.57 |
| F. Paul and Rebecca A. Sankey Endowment Fund | \$85,834.07 | \$93,637.84 |
| Ed X. Hallenberg Memorial Endowed Fund | \$46,125.00 | \$55,422.00 |
| Christopher Beck Endowed Fund | \$50,000.00 | \$64,527.97 |
| Paul and Jean Elder Endowed Humanitarian Programs Fund | \$2,055,820.00 | \$2,564,883.85 |

| Endowed Global Grant Scholarships | | | | |
|---|--|--|----------------|------------------------------|
| Fund Name | Pre-modification | Post-Modification | Gift Value | Market Value (31 March 2019) |
| Don and Polly Del Vitto Endowed Global Grant Scholarship | District 7300 receives earnings to sponsor outbound/inbound scholars from/to District 7300 | District 7305 receives earnings to sponsor outbound/inbound scholars from/to District 7305 | \$202,910.00 | \$266,542.11 |
| Paul and Jean Elder Endowed Global Grant Scholarship | District 7300 receives earnings to sponsor outbound scholars from District 7300 | District 7305 receives earnings to sponsor outbound scholars from District 7305 | \$1,000,000.00 | \$1,241,942.72 |
| Art and Mary Alice Tripp Endowed Global Grant Scholarship | District 7300 receives earnings to sponsor outbound/inbound scholars from/to District 7300 | District 7305 receives earnings to sponsor outbound/inbound scholars from/to District 7305 | \$133,448.12 | \$390,624.54 |
| Martha Brigham Endowed Global Grant Scholarship | District 7300 receives earnings to sponsor scholarships | District 7305 receives earnings to sponsor scholarships | \$150,000.00 | \$217,189.64 |

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