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**MINUTES**  
**of the**  
**June 2015 MEETING**  
**of**  
**THE ROTARY FOUNDATION**  
**TRUSTEES**

\* \* \* \* \*

**DATE AND PLACE**

The Rotary Foundation Trustees met on 10 June 2015 in São Paulo, Brazil

**ATTENDANCE**

Present were Chairman John Kenny, Vice-Chairman Michael K. McGovern, other Trustees Kalyan Banerjee, Noel A. Bajat, Sushil Gupta, Antonio Hallage, Jackson San-Lien Hsieh, Paul A. Netzel, Samuel F. Owori, Ian H.S. Riseley, Julio Sorjús, Young Suk Yoon, and General Secretary John Hewko. Guiller E. Tumangan attended as director liaison. Also present were incoming Trustees Örsçelik Balkan, Ron D. Burton, Mário C. de Camargo, and Thomas M. Thorfinnson. Chairman-elect Ray Klingensmith and Trustee Sakuji Tanaka were unable to attend this meeting.

Andrew McDonald served as secretary of the meeting with assistance from Jennifer Faron and Matt Hohmann. Other staff present were Michele Berg, Joseph Brownlee, Lori Carlson, Bernadette Knight, Abby McNear, Michele Moiron, John Osterlund, Carol Pandak, and Eric Schmelling. Hyung Jung Lee, Eiko Terao and Taka Hoshino served as staff interpreters.

**AGENDA**

The general secretary had 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:

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## Contents

135. Minutes of the April 2015 Meeting.....	1
136. Decisions Taken on Behalf of the Trustees .....	1
137. Report of the General Secretary.....	1
138. Report of the Foundation General Manager and Chief Programs and Member Services Officer.....	1
139. Communications from the Board.....	1
140. Tentative Future Agenda* .....	1
141. Review of Conflicts of Interest Policy* .....	1
142. Compensation Paid to “Disqualified Persons”* .....	1
143. 2016–17 Trustee Goals (as part of 2015–18 Foundation Priorities)* .....	2
144. January 2016 Meeting Options* .....	2
145. Joint Moderator for Future Regional Leaders Training Institutes* .....	2
<b>International PolioPlus Committee Report (146–152)</b>	
146. Updates to the Rotary Foundation Code of Policies .....	3
147. Review of Policy for PolioPlus Grants to UNICEF.....	3
148. Inactivated Polio Vaccine for India .....	3
149. Combined World Health Organization African Region (WHO/AFRO) and UNICEF Grant Request .....	3
150. Combined World Health Organization Eastern Mediterranean Region (WHO/EMRO) and UNICEF Grant Request.....	4
151. Support of the Global Polio Eradication Initiative Independent Monitoring Board Grant Request .....	5
152. World Health Organization Polio Research Committee Grant Request.....	5
153. 2015–16 Annual Fund Goal* .....	5
154. Banner Recognition Program Definition.....	6
155. Level III Grant Review.....	6
156. Review of Level III Global Grants* .....	6
157. Additional World Fund for Global Grants.....	7
158. Appointment of WASH in Schools Target Challenge Committee* .....	7
159. TRF Centennial Committee.....	7
160. TRF Centennial Budget.....	7
161. The Rotary Foundation Canada Update .....	7
162. Update on Structure of The Australian Rotary Foundation Trust* .....	8
163. Associação Brasileira da The Rotary Foundation Budget Approval.....	8
164. Audit Committee Report .....	8
165. Joint Finance Committee Meeting Report.....	8
166. Budget for 2015–16 Operating Expenses .....	8

## Appendices

A. Decisions Taken on Behalf of the Trustees (Decision 136) (Summary) .....	10
A. <sup>+</sup> Decisions Taken on Behalf of the Trustees (Decision 136) (Complete)	
B. <sup>+</sup> Updates to the Rotary Foundation Code of Policies (Decision 146)	
C. <sup>+</sup> The Rotary Foundation Canada Update (Decision 161)	

\* Decisions taken by 2015-16 Trustees, Vice-Chairman Paul A. Netzel presiding

<sup>+</sup> Filed only with the official copy of these minutes

### 135. Minutes of the April 2015 Meeting

*Statement:* The general secretary distributed the April 2015 Trustee meeting minutes to each trustee.

**DECISION:** The Trustees approve the minutes of the April 2015 meeting and request the chairman to sign the official copy of those minutes.

### 136. 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 summarized in Appendix A, the complete copy of which is filed only with the official copy of these minutes, taken on their behalf between 1 March and 8 May 2015 by those authorized to do so.

### 137. Report of the General Secretary

*Statement:* The general secretary presented an update on the work at the Secretariat since the April 2015 Trustees meeting.

**DECISION:** The Trustees receive the general secretary's report on the activities at the Secretariat since the April 2015 Trustees meeting.

### 138. Report of The Rotary Foundation General Manager and Chief Programs and Member Services Officer

*Statement:* The Foundation general manager and the chief programs and member services officer presented a report to the Trustees on Rotary Foundation activities since the April 2015 Trustees meeting. They reported on the status of PolioPlus, Fund Development matters, and Partnerships, among other Foundation-related topics.

**DECISION:** The Trustees receive the report of the Rotary Foundation general manager and the chief programs and member services officer on the activities of The Rotary Foundation.

### 139. Communications from the Board

*Statement:* At its May 2015 meeting, the Board took several decisions of interest to the Trustees.

### DECISIONS: The Trustees

1. note the following decisions from the RI Board meeting held on 29 May–2 June 2015:
  164. Communications from the Trustees
  171. Operations Review Committee Report
  176. Criteria and Evaluation for RI Committees Selection Task Force
  179. Disaster 2392 Disaster Relief
  181. Membership Committee Report
  184. Expanded Membership Eligibility in Rotary Fellowships
  185. 2019, 2021, 2022 RI Convention Site Selection
  196. PolioPlus Communications
2. note the Board's proposed Council enactment 16-013E "To Amend the Terms of Reference for the Strategic Planning Committee" and look forward to discussing this proposal with the Board at a future meeting.

### \*140. Tentative Future Agenda

*Statement:* Trustee procedures require at each meeting the submission of a tentative agenda for the next Trustees meeting.

**DECISION:** The Trustees receive the tentative agenda for their October 2015 meeting.

### \*141. Review of Conflicts of Interest Policy

*Statement:* Rotary Foundation Code of Policies section 2.040. calls for the Trustees to review their conflict of interest policy annually at their first meeting. The Code also requires the Trustees to submit an annual report disclosing all potential conflicts of interest.

**DECISION:** The Trustees have reviewed their current conflicts of interest policy and signed the "Potential Conflicts of Interest Statement" in accordance with the Rotary Foundation Code of Policies section 2.040.

### \*142. Compensation Paid to "Disqualified Persons"

*Statement:* In accordance with Rotary Foundation Code of Policies section 2.030.1., the Executive Committee annually reviews the amounts to be paid to Rotary International for the services of the general secretary and senior staff of The Rotary Foundation so as to assure that such payments are "reasonable" as the term

is defined under U.S. tax law. U.S. tax law provides that sanctions may be imposed on tax-exempt companies that pay unreasonable high levels of compensation to certain senior officers and executives. These persons are referred to as “disqualified persons.”

**DECISION:** The Trustees note that its Executive Committee has determined that the amounts to be paid in 2015–16 to Rotary International for the services for the general secretary, Rotary Foundation general manager, and Chief Programs and Member Services Officer are reasonable under US tax law.

**\*143. 2016–17 Trustee Goals (as part of 2015–18 Foundation Priorities)**

*Statement:* In decision 9, October 2014, the Trustees adopted four priorities to be addressed over a three year period starting 1 July 2015 until 30 June 2018. Noting the opportunities for greater efficiencies in operations and resource allocation, President-elect Germ and Trustee Chair-elect Banerjee collaborated to create a combined set of goals for Rotary and its Foundation that incorporated the Trustees’ previously approved priorities. The president-elect and chairman-elect also agreed to encourage use of the Presidential Citation (which among its criteria promotes Foundation-specific activities) as a tool to help achieve these goals.

**DECISION:** The Trustees

1. note the proposed annual goals for Rotary International in 2016–17;
2. request a final report on the 2016–17 annual goals for The Rotary Foundation at their October 2015 meeting;
3. acknowledge that these goals reflect and include the three year priorities approved by the Trustees in decision 9, October 2014;
4. request the Board to request the Strategic Planning Committee to review RI and TRF’s collaborative goal setting process to determine if it is a viable approach for identifying multi-year and annual goals for the organization in the future;
5. agree that the Presidential Citation is a valuable vehicle to promote club and district engagement and

align their efforts with organizational goals and strategy.

**\*144. January 2016 Meeting Options**

*Statement:* Chairman Klingensmith suggested the Trustees consider changes to their January meeting schedule to allow more time for strategic discussion and to provide for the Trustees to attend a presidential conference.

**DECISION:** The Trustees

1. agree to the following schedule of meetings for the January 2016 Trustees meeting:
  - 10-11 Jan. (Sunday-Monday) International PolioPlus Committee (Evanston, IL, USA)
  - 12-14 Jan. (Tuesday-Thursday) Trustees Meeting (Evanston, IL, USA)
  - 15-16 Jan. (Friday-Saturday) Presidential Conference - Peace (Ontario, CA, USA)
  - 17-23 Jan. (Sunday-Saturday) International Assembly (San Diego, CA, USA)
2. approve the Trustees attendance at the Presidential Conference in Ontario, California, USA;
3. acknowledge a net budget savings of US\$43,000 to accommodate the change in schedule and attendance at the Presidential Conference.

**\*145. Joint Moderator for Future Regional Leaders Training Institutes**

*Statement:* Rotary Foundation Code of Policies provides that the Trustees approve at their annual April meeting the moderator for the regional Rotary Foundation coordinator (RRFC) institute. Noting that the RRFCs participate in the Regional Leaders Training Institute with endowment/major gift advisers, Rotary coordinators, and Rotary public image coordinators, the Trustees agreed that appointing a single joint moderator for the event (in discussion with the RI president-nominee) could better promote collaboration and teamwork among the four regional leader groups and result in a cost savings.

**DECISION:** The Trustees agree to defer consideration of a Joint Moderator for future Regional Leaders Training Institutes to their October 2015 meeting.

DECISIONS 146–152

**International PolioPlus Committee Report**

The International PolioPlus Committee met on 2–3 June 2015 in São Paulo, Brazil and made several recommendations to the Trustees.

**146. Updates to the Rotary Foundation Code of Policies**

*Statement:* Noting that many older sections in the Rotary Foundation Code of Policies regarding PolioPlus no longer reflect current terminology, practice, or procedures, and that PolioPlus sections are not well organized, the Trustees, in decision 85, January 2015, approved a working group to review and simplify all PolioPlus provisions in the Rotary Foundation Code of Policies. The International PolioPlus Committee reviewed these suggested amendments proposed by the working group.

**DECISION:** The Trustees amend the Rotary Foundation Code of Policies as shown in Appendix B (filed only with the official copy of these minutes) to reflect current International PolioPlus Committee policies and procedures.

**147. Review of Policy for PolioPlus Grants to UNICEF**

*Statement:* In decision 104, February 2006, The Trustees agreed to pay 50 percent of approved grants to UNICEF when both parties have signed the pledge letter. To streamline the grants administration process, the Trustees discussed a measure that would allow Rotary to pay 100 percent of approved grant funds to UNICEF upon receipt of grant letters.

**DECISION:** The Trustees authorize the general secretary to release 100 percent of grant funds to UNICEF, through the US Fund for UNICEF, upon receipt of grant agreement letters, commencing with those grants approved at the October 2015 Trustees meeting.

**148. Inactivated Polio Vaccine for India**

*Statement:* To ensure that India introduces one dose of inactivated polio vaccine (IPV) to its immunization system as laid out in the Polio Eradication and Endgame Strategic Plan, the International PolioPlus Committee recommended providing some funds to India (through UNICEF) for the purchase of this vaccine type.

**DECISION:** The Trustees

1. agree in principle to provide up to US\$5,000,000 from the 2015–16 PolioPlus program awards budget, for the purchase of Inactivated Polio Vaccine (IPV) for India to introduce one dose into their routine immunization system by the end of 2015, pending a written proposal from UNICEF;
2. request the general secretary to provide written confirmation of the above commitment to the appropriate party when known.

**149. Combined World Health Organization African Region (WHO/AFRO) and UNICEF Grant Request**

*Statement:* The World Health Organization’s Africa regional office and UNICEF requested grants for surveillance, technical assistance, and social mobilization.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$8,479,071 to WHO for surveillance support in the following countries:

- African Region \$4,912,726
- Nigeria \$3,566,345

this grant to be released in accordance with Trustee policies;

2. approve a PolioPlus grant of up to \$2,686,372 to UNICEF for technical assistance in the following countries:

- Cameroon \$387,630
- Chad \$240,076
- DR Congo \$382,616
- Ethiopia \$148,472
- Nigeria \$856,939
- South Sudan \$670,639

this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant of up to \$9,147,366 to UNICEF for social mobilization support in the following countries:

- Cameroon \$612,370
- Chad \$659,924
- DR Congo \$1,616,642
- Ethiopia \$938,176
- Niger \$1,000,001
- Nigeria \$3,488,970
- South Sudan \$831,283

this grant to be released in accordance with Trustee policies;

4. approve a PolioPlus grant of up to \$1,974,951 to WHO for operational support in Nigeria, this grant to be released in accordance with Trustee policies;
5. 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;
6. note that these are one-year grants that must be fully expended by 31 July 2016, or one year after the transfer of funds to the grantee, whichever comes later;
7. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
  - African Region from: \$172,977,173 to \$177,889,899
  - Cameroon from: \$9,595,474 to \$10,595,474
  - Chad from: \$27,456,724 to \$28,356,724
  - DR Congo from: \$39,756,948 to \$41,756,206
  - Ethiopia from: \$14,599,641 to \$15,686,289
  - Niger from: \$21,297,282 to \$22,297,283
  - Nigeria from: \$197,499,395 to 207,386,600
  - South Sudan from: \$31,289,886 to \$32,791,808

**150. Combined World Health Organization Eastern Mediterranean Region (WHO/EMRO) and UNICEF Grant Request**

*Statement:* The World Health Organization’s Eastern Mediterranean Region and UNICEF requested grants

for operation support, surveillance, and social mobilization support.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$6,510,000 to WHO for operational support in the following countries:

- Afghanistan \$1,510,000
- Pakistan \$5,000,000

this grant to be released in accordance with Trustee policies;

2. approve a PolioPlus grant of up to \$2,592,000 to WHO for surveillance support in the following countries:

- Eastern Mediterranean Region \$900,000
- Afghanistan \$792,000
- Pakistan \$900,000

this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant of up to \$7,311,154 to UNICEF for social mobilization in the following countries:

- Pakistan \$6,300,004
- Somalia \$1,011,150

this grant to be released in accordance with Trustee policies;

4. approve a PolioPlus grant of up to \$440,669 to UNICEF for operational support in Somalia, this grant to be released in accordance with Trustee policies;

5. 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;

6. note that these are one-year grants that must be fully expended by 31 July 2016, or one year after the transfer of funds to the grantee, whichever comes later;

7. note that these grants, if fully expended, will increase total PolioPlus grants as follows:

- Eastern Mediterranean Region from:  
\$51,030,844 to \$51,930,844
- Afghanistan from:  
\$77,759,167 to \$80,061,167
- Pakistan from:  
\$95,374,706 to \$107,574,710
- Somalia from:  
\$23,838,404 to \$25,290,222

**151. Support of the Global Polio Eradication Initiative Independent Monitoring Board Grant Request**

*Statement:* The International PolioPlus Committee reviewed a proposal for funding the Global Polio Eradication Initiative (GPEI) Independent Monitoring Board in 2015.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$73,869 to UNICEF to support the administrative activities of the GPEI Independent Monitoring Board in 2015, this grant to be released in accordance with Trustee policies;
2. approve a PolioPlus grant of up to \$25,260 to the World Health Organization to support the administrative activities of the GPEI Independent Monitoring Board in 2015, this grant to be released in accordance with Trustee policies;
3. 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 under such controls and conditions as the agreement specifies;
4. note that these are one-year grants that must be fully expended by 30 June 2016, or one year after the transfer of funds to the grantee, whichever comes later;
5. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
  - UNICEF/IMB from \$120,907 to \$194,776
  - WHO/IMB from \$370,907 to \$396,167

**152. World Health Organization Polio Research Committee Grant Request**

*Statement:* The World Health Organization requested support for the implementation of polio eradication

research activities proposed by the Polio Research Committee.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$1,059,723 for the implementation of polio eradication research activities in Maryland, USA, Pakistan, Nigeria, and India, 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 2017;
4. note that this grant, if fully expended, will bring the total PolioPlus grant to WHO/Research from \$27,687,990 to \$28,747,713.

\* \* \* \* \*

**\*153. 2015-16 Annual Fund Goal**

*Statement:* Rotary Foundation Code of Policies section 20.080.2. provides the process for establishing an Annual Fund goal. Based upon club goal submissions and in consultation with the RI president and president-elect, Chairman-elect Klinginsmith's worldwide Annual Fund goal was announced at the São Paulo convention and sought the formal endorsement of this goal from the Trustees. To allow more time for implementing goal attainment strategies, Trustee Netzel suggested that the Trustees, with input from the Fund Development Committee, establish the Annual Fund goal at their April meeting each year.

**DECISION:** The Trustees

1. endorse the 2015–16 worldwide Annual Fund goal of US\$130 million;
2. agree to formally endorse an Annual Fund goal at their April meeting each year and request the general secretary to amend Rotary Foundation Code of Policies section 20.080.2. accordingly;
3. request the general secretary to seek the advice and counsel of the Fund Development Committee at its October (Fall) meeting each year as part of

developing the Annual Fund goal, and to have the Fund Development Committee, at its April meeting each year review and recommend for adoption by the Trustees at their April meeting an Annual Fund goal for the upcoming year.

#### 154. Banner Recognition Program Definition

*Statement:* In decision 119, April 2015, the Trustees expanded the club banner recognition program for 100% participation clubs. Following the meeting, it was noted that the approved language for the 100% Paul Harris Society club banner needed clarification.

**DECISION:** The Trustees amend their decision 119, April 2015 as follows:

##### 119. Banner Recognition for 100 Percent Participation Clubs

2. [The Trustees] beginning in 2015–16, agree to:

[text omitted]

- c. establish a new 100% Paul Harris Society Club recognition banner, to be awarded to clubs where every active (dues-paying) member has contributed at the Paul Harris Society level every year a minimum of US\$1,000 to the Annual Fund, PolioPlus, or Global Grants during a given year.

#### 155. Level III Grant Review

*Statement:* Global Grants requesting over US\$100,000 from the World Fund must be reviewed and approved by the Trustees. The Trustees reviewed four Global Grants, sponsored by several Rotary clubs, at this meeting.

**DECISION:** The Trustees agree to award:

1. Global Grant 1526053, a disease prevention and treatment project sponsored by the Rotary Clubs of Colombo (District 3220, Sri Lanka) and Birmingham (District 6860, United States of America) to be carried out with the Sri Lankan Ministry of Health to benefit The Cancer Prevention & Early Detection Center in Colombo and Kurunegala, Sri Lanka in the amount of \$111,626 from the World Fund (total project cost of \$248,857);

2. Global Grant 1527246, a disease prevention and treatment project sponsored by the Rotary Clubs of Boroko (District 9600, Papua New Guinea) and Bribie Island (District 9600, Australia) to be carried out with the Papua New Guinea Department of Health in the amount of \$139,500 from the World Fund (total project cost of \$329,500);
3. Global Grant 1525605, a basic education and literacy and economic and community development project sponsored by the Rotary Clubs of Cebu (District 3860, the Philippines) and Evesham (District 1100, United Kingdom) to be carried out with the Technical Education and Skills Development Authority, Department of Education and Municipality of Daanbantayan in the amount of \$105,000 from the World Fund (total project cost of \$245,000);
4. Global Grant 1525222, a water and sanitation project sponsored by the Rotary Clubs of Kalisizo (District 9211, Uganda) and Calgary (District 5360, Canada) to be carried out with the Rakai AIDS Information Network and Makerere College of Health Sciences to provide clean water, rain harvesting and sanitation to 10 schools and communities in Rakai and Kalungu Districts, Uganda in the amount of \$126,085 from the World Fund (total project cost of \$301,378).

#### \*156. Review of Level III Global Grants

*Statement:* The Trustees are required to approve all global grant requests between US\$100,001 and \$200,000 in World Fund. Currently, the Programs Committee chair appoints a primary reviewer for each of these applications. That trustee offers a report and recommendation to the Programs Committee, which then makes a recommendation to the full board of Trustees. The general secretary suggested streamlining the process by having the primary reviewer make a recommendation directly to the trustee chair, who could then approve or deny the grant on behalf of the Trustees.

**DECISION:** The Trustees do not agree to amend their policy to authorize the trustee chairman to approve on their behalf global grants requesting between \$100,001–\$200,000 in World Fund.

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*Note:* Trustee McGovern requested that his negative vote be recorded.



### 157. Additional World Fund for Global Grants

*Statement:* Noting the possibility that the Foundation may approve more global grants than budgeted for in 2014–15 the Trustees discussed providing an additional US\$3 million in World Fund, should it be needed.

**DECISION:** The Trustees agree that should there be a need, the general secretary may access up to an additional \$3 million in World Fund to cover approved 2014-15 grants.

### \*158. Appointment of WASH in Schools Target Challenge Committee

*Statement:* In decision 124, April 2015, the Trustees established the WASH in Schools Challenge Target Committee to monitor and guide the implementation of the pilot project.

Rotary Foundation Code of Policies section 1.090. provides that all Foundation committee appointments must be approved by the Trustees. Chairman Klingensmith presented his recommendations for membership on this committee.

**DECISION:** The Trustees thank Chairman Klingensmith for providing his recommended appointments to the WASH in Schools Target Challenge Committee and approve the appointments as shown below:

#### Committee Members

Trustee Sushil Gupta, chairman  
Governor Bimil Kantaria (District 9212)  
Past Governor Carolyn Johnson (District 7780)

#### Advisers

Nicholas Mancus (District 9220)  
Lizette Burgers, UNICEF

*Note:* Trustee Gupta abstained from voting on this item.

### 159. TRF Centennial Committee

*Statement:* The Rotary Foundation will be celebrating its centennial in 2016–17. The TRF Centennial committee suggested that there be a point of contact in each district for TRF Centennial information. Rather than create a new position for the year, the committee suggested that DRFC chairs be appointed as this point of contact in 2016–17.

**DECISION:** The Trustees receive the report as to who shall serve as primary district contact for TRF Centennial information in 2016–17.

### 160. TRF Centennial Budget

*Statement:* The TRF Centennial committee was established to develop a plan to celebrate the Rotary Foundation's centennial in 2016–17. The primary centennial goals are to recognize the Foundation for this achievement, encourage contributions, and promote Rotary. Plans include the production of a book, highlighting the Foundation's history and successes, promotional items and events, and an emphasis on fundraising. The committee suggested that it would require additional funding to successfully achieve its goals.

**DECISION:** The Trustees

1. recognize the significance of The Rotary Foundation's centennial occurring in 2016–17;
2. acknowledge that the centennial is an opportunity to celebrate The Rotary Foundation, encourage increased contributions to The Rotary Foundation, and promote Rotary in honor of the milestone;
3. approve a 2015–16 budget of US\$125,000 to support The Rotary Foundation's Centennial celebration activities in 2015–16;
4. request the Centennial Committee to provide the Trustees with a comprehensive and detailed project plan, including fundraising goals, strategies, and a budget, at the October 2015 Trustees meeting.

### 161. The Rotary Foundation Canada Update

*Statement:* The Trustees discussed a possible partnership between The Rotary Foundation Canada and the Canadian Department of Foreign Affairs Trade and Development that would allow the two organizations to collaborate on mutual international development and humanitarian goals.

**DECISION:** The Trustees

1. accept and look favorably upon the partnership between The Rotary Foundation Canada and Department of Foreign Affairs Trade and Development in Canada as shown in Appendix C, filed only with the official copy of these minutes;

2. thank The Rotary Foundation Canada Board of Directors for their tremendous efforts and achievements.

**\*162. Update on Structure of The Australian Rotary Foundation Trust**

*Statement:* The Australian Rotary Foundation Trust (TARFT) was established in December 1994 as a “charitable trust” and an Overseas Aid Fund (OAF) under the Australian Federal law. Past Trustee Riseley reported on TARFT’s proposal to form a new Company Limited by Guarantee that would act as a corporate trustee.

*DECISION:* The Trustees thank Past Trustee Riseley for his update on the potential structure change at The Australian Rotary Foundation Trust and the possible formation of a new entity.

**163. Associação Brasileira da The Rotary Foundation Budget Approval**

*Statement:* The Rotary Code of Policies section 3.010.2. provides that the general secretary submit a budget for each associate foundation's administrative expenses for the next fiscal year that is calculated to be not more than five percent of annual giving contributions received by that associate foundation in the most recently completed fiscal year. Associação Brasileira requested the Trustees to approve an exception to this policy to allow for a 2015–16 budget that is slightly more than this five percent limitation.

*DECISION:* The Trustees make an exception to Rotary Foundation Code of Policies section 3.010.2. (Guidelines for Recognized Associate Foundations) to allow Associação Brasileira da The Rotary Foundation, for its 2015–16 budget, to exceed the five percent of annual giving contributions received by that associate foundation in the most recently completed fiscal year.

**164. Audit Committee Report**

*Statement:* The Audit Committee met on 20-22 May 2015, in Evanston, Illinois, USA, and discussed a summary of management action plans, the 2015 internal audit plan, recently completed audits, a review and approval of the Auditing Services charter, the Audit Committee’s terms of reference, and convention-related communications to the Board, among other topics.

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

**165. Joint Finance Committee Meeting Report**

*Statement:* The Rotary International Finance Committee and the Rotary Foundation Finance Committee held a joint meeting on 20–22 April 2015 in Evanston, Illinois, USA and discussed the organization’s operating budget, year-to-date financial results, 2015 financial projections, how membership trends affect financial sustainability, the five-year financial forecast, the Investment Committee’s report, and the proposed 2015–16 budget, among other topics.

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

**166. Budget for 2015–16 Operating Expenses**

*Statement:* The Rotary Foundation Bylaws state that the Trustees shall annually adopt a budget for the succeeding year, which they may revise in the succeeding fiscal year if necessary.

*DECISION:* The Trustees

1. approve the net investment return and operating budget for The Rotary Foundation in 2015–16, along with the 2015–16 contributions and program awards budget approved in decision 130, April 2015:

Contributions	\$270,400,000
Net Investment Return/Other Income	<u>45,878,000</u>
Total Revenues	316,278,000
 Program awards	 228,211,000
 Operating Budget:	
Program Operations	26,019,000
Fund Development	19,040,000
General & Administration	<u>5,787,000</u>
Total Operating Budget	50,846,000
 Total Expenses	 \$279,057,000
 Increase in net assets	 <u><u>\$37,221,000</u></u>

2. 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 also be exceeded by up to five percent with the approval of the Executive Committee, and an explanation of such expenditures shall be presented to the Trustees at their next scheduled meeting;

3. requests the RI Board to consider an exception to the Administrative Services Agreement whereby RI would not allocate to The Rotary Foundation the pension expenses associated with the final payout and termination of the RI Retirement Plan.

### **Adjournment**

The foregoing is a true record of the proceedings at the Rotary Foundation Trustees meeting held on 10 June 2015 in São Paulo, Brazil.

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John Kenny, Chairman  
The Rotary Foundation

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Andrew McDonald  
Secretary of the Meeting

### **ATTEST:**

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John Hewko  
General Secretary

## APPENDIX A

### SUMMARY OF DECISIONS TAKEN ON BEHALF OF THE TRUSTEES (Decision 136)

#### **Exhibit A: Citation for Meritorious Service Awards**

There were 57 Citation for Meritorious Service awards given.

#### **Exhibit B: TRF Cadre of Technical Advisers**

The cadre reviewed 38 grants, including nine technical reviews, four random audit, two routine audits, two operational audits, four targeted audits, four advance site visits, twelve interim monitoring visits, and one post project site visit.

#### **Exhibit C: PolioPlus Grants**

The general secretary approved one PolioPlus grant: A PolioPlus Partners Grant to the Cote d'Ivoire National PolioPlus Committee for US\$271,750 to fund social mobilization items in support of National Immunization Days in this Priority C country.

#### **Exhibit-D: Legacy Programs**

**Districts/Clubs:** Rotary Club of Durham (District 1030) and the Rotary Club of Calcutta Victoria (District 3291)

**Nature of Request:** Recommendation to waive the Rotary Club of Durham of any additional reporting responsibility for the final report for Matching Grant #76811 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Calcutta Victoria will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.

**Districts/Clubs:** Rotary Club of Ankeny (District 6000) and the Rotary Club of Bompai (District 9125)

**Nature of Request:** Recommendation to waive Rotary Club of Ankeny of any additional reporting responsibility for the final report for Matching Grant #78811 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. Rotary Club of Bompai will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.

**Districts/Clubs:** Rotary Club of Metropolitan Lubbock (District 5730) and the Rotary Club of Bwaila-Lilongwe (District 9210)

**Nature of Request:** Recommendation to waive the Rotary Club of Metropolitan Lubbock of any additional reporting responsibility for the final report for Matching Grant #79215 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Bwaila-Lilongwe will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.

#### **Exhibit E: Global Grant**

**Global Grant 1524737**, \$129,000 in total funding

**Clubs:** Rotary Club of Pune Central (District 3131) and the E-Club of Taiwan (District 3500)

**Nature of Request:** This application received a term gift from an AKS member. The AKS member wanted the money used to fund both graduate and undergraduate studies for women in India in the sciences. He was told by his district governor that this activity would be eligible for funding and made his gift accordingly. It is in fact ineligible. Global grants fund foreign study at the graduate level within a specific area of focus for students. They are not used to fund undergraduate studies in-country in subjects that fall outside of the areas of focus. The general secretary first learned of the donors intentions on the day of his induction into the Arch Klumph Society. Numerous discussions ensued to redesign the project so it would accomplish the donor's goals (increased employment for women in the sciences) while adhering to global grant standards. In the end, the donor did not wish to compromise. Rather than inflame the situation further, the general secretary waived the following requirements: 1) graduate level studies; 2) foreign study and 3) a plan to connect the studies with actual jobs. The donor and sponsors were informed that this was a one-time waiver.

**Global Grant 1526280**, \$50,984 in total funding

**Clubs:** Rotary Club of Unley (District 9520) and the Rotary Club of Dili, Timor Lorosa'e (District 9550)

**Nature of Request:** This application is for a basic education & literacy VTT project. The grant includes three VTT's to provide a teacher training program in both Adelaide and Timor Leste to teach English as an additional language. The program can be adapted to the culture and limited resources of Timor Leste secondary

schools and other centers. While the first two VTT's had three members each as required by the Code, the third has only two team members. In light of the good work already accomplished by this project, the general secretary waived the minimum requirement and allowed the team to proceed with just two members.

**Global Grant 1410616**, \$248,758 in total funding

**Clubs:** Rotary Club of Reno (District 5190) and Rotary Club of Kihikihi (District 9211)

**Nature of Request:** This is an extremely comprehensive project and VTT to establish a credentialed nursing school in a remote part of Uganda. The project provided equipment necessary to secure certification from the Ugandan government, the introduction of a curriculum to provide training and a VTT to train the faculty at the school. Most of the project is complete and there were funds leftover. The sponsors sought permission to use the leftover funding to send two faculty to Uganda Christian University to receive a master's in Nursing Science. Given that this training ultimately benefits the school they are establishing, the general secretary granted a waiver that allows local graduate level study, as opposed to traveling abroad.

## INDEX

All references are to decision numbers unless otherwise noted

### -A-

Agenda, tentative future, 140  
Annual fund goal, 2015–16, 153  
Associação brasileira, foundation,  
budget approval, 163  
Audit committee report, 164  
Australian rotary foundation trust,  
update, 162

### -B-

Banner recognition program  
definition, 154  
Board, communications from the,  
134  
Budget, for 2015–16, operating  
expenses, 166

### -C-

Canada rotary foundation, update,  
161 (App. C)  
Centennial  
budget, TRF, 160  
committee, TRF, 159  
Chief programs and members  
services officer, report of the, 138  
Code of policies, updates to the  
Rotary Foundation, 146 (App. B)  
Committee report  
audit, 164  
international polioplus, 146–152  
joint finance, 165  
Communications from the Board,  
139  
Conflicts of interest policy, review  
of, 141

### -D-

Decision taken on behalf of the  
Trustees, 136 (App. A\*)  
“Disqualified persons,”  
compensation paid to, 142

### -F-

Foundation  
associação brasileira, budget  
approval, 163  
Australian trust, update on  
structure of the, 162  
Canada update, the Rotary  
Foundation, 161 (App. C)

### -G-

General secretary, report of the, 137

Global grants,  
additional world fund for, 157  
review of level III, 156  
Goals, trustee, 2016–17, 143  
Grant review, level III, 155

### -I-

Independent monitoring board grant,  
support of, 151  
India, inactivated polio vaccine, 148

### -J-

Joint finance committee, report, 165  
Joint moderator, future regional  
leaders, 145

### -L-

Level III global grant, review of,  
156  
Level III grant review, 155

### -M-

Meeting options, January 2016, 144  
Minutes of the April 2015 meeting,  
135

### -P-

PolioPlus grants to UNICEF, review  
of policy, 147

### -R-

Regional leaders training institute,  
joint moderator for future, 145  
Rotary foundation code of policies,  
updates to the, 146 (App. B)

### -T-

Trustees,  
decisions taken on behalf of, 136  
(App. A\*)  
goals, 2016–17, 143

### -W-

WASH in schools target challenge  
committee, appointment of, 158  
WHO African region UNICEF grant  
request, 149  
WHO Eastern Mediterranean region  
and UNICEF grant request, 150  
WHO polio research grant request,  
152

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