

---

---

# MINUTES

of the

April 2016 MEETING

of

THE ROTARY FOUNDATION

TRUSTEES

\* \* \* \* \*

## DATE AND PLACE

The Rotary Foundation Trustees met on 4–6 April 2016 in Evanston, IL, USA

## ATTENDANCE

Present were Chairman Ray Klinginsmith, Vice-Chairman Paul A. Netzel, other Trustees, Noel A. Bajat, Örsçelik Balkan, Ron D. Burton, Mário C. de Camargo, Sushil Gupta, Michael K. McGovern, Samuel F. Owor, Julio Sorjús, Bryn Styles, Sakuji Tanaka, Thomas M. Thorfinnson, Young Suk Yoon, and General Secretary John Hewko. Guiller E. Tumangan attended as director liaison. Trustee Kalyan Banerjee was unable to attend this meeting.

At the invitation of the chairman, incoming Trustees William B. Boyd, Gary C.K. Huang, Seiji Kita, Barry Rassin and Kenneth M. Schuppert, Jr. also attended.

Andrew McDonald served as secretary of the meeting with assistance from Jennifer Faron and Matt Hohmann. Other staff present were David Alexander, Victor Barnes, Michele Berg, Joseph Brownlee, Lori Carlson, Bernadette Knight, Peter Markos, Abby McNear, John Osterlund, Carol Pandak, James Robinson, Steven Routburg, and Eric Schmelling. Hyung Jung Lee, Misa Mais, and Eiko Terao 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:

---

---



## Contents

95.	Approval of the January 2016 Meeting Minutes.....	1
96.	Ratification of Decisions Taken on Behalf of the Trustees .....	1
97.	Report of the General Secretary.....	1
98.	Communications from the RI Board .....	1
99.	Appreciation for Rotary Foundation General Manager.....	1
100.	Tentative Future Agenda .....	1
101.	Report on Rotary Foundation Goals and Objectives.....	1
102.	Review of Delegation of Authority .....	2
103.	Trustee Selection of Lead Facilitator for 2017 Regional Leaders Training Institute.....	2
104.	Trustee Promotional Travel Funds .....	2
105.	Annual Update on Associate Foundations.....	2
106.	Appointments to Associate Foundations .....	3
107.	TRF Policies Simplification Committee Report .....	3
108.	Fund Development Committee Report .....	4
109.	Building The Rotary Foundation Endowment: 2025 by 2025 .....	4
110.	Areas of Focus Major Gifts Initiative Report .....	4
111.	Corporate Social Responsibility in India.....	5
<b>Programs Committee Report (112–120)</b>		
112.	Grant Model.....	5
113.	Training .....	6
114.	Projects of Scale .....	6
115.	District Designated Fund Usage .....	6
116.	Sustainability .....	7
117.	Areas of Focus .....	7
118.	Critical Success Factors .....	7
119.	Programmatic Issues .....	8
120.	Technology.....	8
121.	Level III Grant Requests.....	8
122.	Global Grant Appeal .....	9
123.	Joint Committee on Partnerships Report .....	9
124.	World Vision Strategic Partner Update .....	9
125.	Term Gifts for Global Grant .....	9
126.	Duty of Care to Grant Travelers.....	10
127.	US-Bound Scholar Options .....	10
128.	Insurance Policy for Grant Travelers .....	10
129.	Low Cost Shelters and Simple Schools.....	10
130.	Update on TRF Centennial History Book .....	10
131.	Report on the Rotary Peace Centers Future Planning Committee .....	11
132.	End of Polio Subcommittee Report.....	11
133.	Project Enhancement Database.....	11
134.	Funding for TRF Activities at Atlanta Convention.....	11
135.	Report on Allegations.....	11
136.	Annual Stewardship Plan.....	12
137.	World Reporting Analysis for the Grants Program.....	12
138.	TRF Finance Committee Report .....	12
139.	Budget for 2016-17 Contributions and Program Awards .....	12
140.	Investment Committee Report .....	13
141.	Socially Responsible Investing .....	14
142.	Investment Governance .....	14
143.	2016–17 Endowment Fund Spending Rates and Spendable Earnings .....	14
144.	Modifications to the Budget .....	15

## Appendices

A.	Decisions Taken on Behalf of the Trustees (Decision 96) (Summary) .....	16
A.*	Decisions Taken on Behalf of the Trustees (Decision 96) (Complete)	
B.*	Review of Delegation of Authority (Decision 102)	
C.	Arch Klumph Society Centennial Family Circle (Decision 108).....	17
D.	Endowment/Major Gift Advisers Training Institute (Decision 108).....	18
E.	Areas of Focus Major Gifts Initiative Action Plan (Decision 110).....	19
F.	Naming Opportunities for Endowed Funds and Term Gifts (Decision 110).....	25
G.	Endowment Fund Centennial Recognition Opportunities (Decision 110) .....	27
H.	Basic Education and Literacy, Economic and Community Development TRF Code Updates (Decision 117) .....	28
I.	Measurement Framework for Scholarships (Decision 119) .....	30
J.*	Measurement Framework for Vocational Training Teams (Decision 119)	
K.*	Memorandum of Understanding, Opportunity International Canada (Decision 123)	
L.	Amendment to the Rotary Foundation Code of Policies Regarding Cadre Responsibilities and Appointment Process (Decision 136).....	31
M.*	Investment Policy Statement for the Endowment Fund (Decision 140)	
N.*	Investment Policy Statement for the Annual Fund (Decision 140)	

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

## 95. Approval of the January 2016 Meeting Minutes

*Statement:* The general secretary distributed the January 2016 Trustees meeting minutes to each trustee in advance of the meeting.

*DECISION:* The Trustees approve the minutes of their January 2016 meeting and request the chairman to sign the official copy of those minutes.

## 96. 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 24 November 2015 and 19 February 2016 by those authorized to do so.

## 97. General Secretary's Report

*Statement:* The general secretary presented an update on the work at the Secretariat since the January 2016 Trustees meeting.

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

## 98. Communications from the RI Board

*Statement:* At its January 2016 meeting, the Board took several decisions of interest to the Trustees. The Trustees also considered the name change of the Rotary Global Alumni Service to Humanity Award that the Board had approved at its January 2016 meeting.

*DECISION:* The Trustees

1. note the following decisions from the January 2016 RI Board meeting:
  101. Communications from the Trustees
  102. Proposed Board and Trustee Meeting Schedules
  105. 2016–17 RI Committee Appointments
  107. Zone Liability Concerns
  118. Rotary Global Rewards Update
  124. Joint Committee on Alumni Relations Report
  128. 2017 Atlanta Presidential Peace Conference and Preconvention Meetings

137. Budget Assumptions for 2016–17 Draft Budget
141. RI Five-Year Financial Forecast
142. Expenses Reductions

2. agree with the Board's request to change the name of the Rotary Global Alumni Service to Humanity Award to the Rotary Alumni Global Service Award;
3. thank the Board for agreeing that joint meetings of the Board and Trustees are beneficial to Rotary and for requesting that future presidents and Trustee chairs schedule such meetings at mutually agreed upon times;
4. thank the Board for its decision that vendor revenues net of expenses generated by the Rotary Global Rewards program will be contributed to The Rotary Foundation.

## 99. Appreciation for Rotary Foundation General Manager

*Statement:* The Trustees received notice of the resignation of Rotary Foundation General Manager and Chief Development Officer John T. Osterlund and wished to record their appreciation for his service to The Rotary Foundation.

*DECISION:* The Trustees express their sincere appreciation to John T. Osterlund for his 24 years of service to Rotary, including his service as general manager of TRF and chief development officer. We wish him well as he continues his career in fund development at a major Chicago-based charity.

## 100. Tentative Future Agenda

*Statement:* Trustees' policy requires at each meeting the submission of a tentative agenda for the next Trustees meeting.

*DECISION:* The Trustees receive the tentative agenda for their June 2016 meeting.

## 101. Report on Rotary Foundation Goals and Objectives

*Statement:* In decision 9, October 2014, the Trustees developed the following three-year priorities to provide more continuity and better planning for the following Foundation objectives: ending polio; strengthening Rotarian knowledge, engagement, and financial support of The Rotary Foundation; increasing the quality and impact of Rotary's humanitarian service efforts through

Foundation grants and the six areas of focus; and enhancing the image and awareness of the Foundation's record of achievements. Chairman Klingensmith requested an update on the progress of these objectives.

**DECISION:** The Trustees receive the general secretary's update on the 2015–16 Rotary Foundation goals and objectives.

### 102. Review of Delegation of Authority

*Statement:* Rotary Foundation Code of Policies section 2.020. provides a comprehensive delegation of authority for certain program and administrative matters. The Trustees annually review the delegation of authority at their April meeting.

**DECISION:** The Trustees approve the delegation of authority as shown in Appendix B, filed only with the official copy of these minutes.

### 103. Trustee Selection of Lead Facilitator for 2017 Regional Leaders Training Institute

*Statement:* In decision 33, October 2015, the Trustees agreed to the creation of a planning team for the Regional Leaders Training Institute beginning in 2017 comprising a joint moderator and two lead facilitators, with one lead facilitator to be selected by the RI Board and the other by the Trustees. The Board took a similar decision at their October 2015 meeting. 2017–18 Chairman Paul Netzel proposed one of the 2017 RLTI lead facilitators for the Trustees' consideration.

**DECISION:** The Trustees agree to the selection of Mary Beth Growney-Selene to serve as one of two lead facilitators on the 2017 Regional Leaders Training Institute planning team with the moderator Bryn Styles and another lead facilitator appointed by the RI Board.

### 104. Trustee Promotional Travel Funds

*Statement:* Rotary Foundation Code of Policies section 26.010. provides guidelines for the use of US\$5,000 promotional travel funds allocated to the Trustees over a four-year period. The Finance Committee recommended an increase in these promotional funds to allow for additional fundraising activities and travel.

**DECISION:** The Trustees

1. increase the amount of promotional travel funds available to Rotary Foundation Trustees from up to

US\$5,000 per Trustee, to up to an annual US\$10,000 per Trustee, effective 1 July 2016;

2. amend the Rotary Foundation Code of Policies regarding the guidelines for Trustee promotional travel expenses as follows:

#### **26.010. Promotional Travel Expense Guidelines**

The guidelines for the promotional activities of the Trustees are as follows:

- To warrant the Trustees' participation, activities should clearly promote Rotary's Foundation, including promoting and educating prospects on the activities of the Foundation, which are intended to ~~and, if possible,~~ result in significant contributions, address stewardship issues or programs promotion.
- Clubs, districts and other groups requesting Trustees to participate in their activities should pay the Trustees' travel, lodging and other expenses.
- In promoting the Foundation, Trustees incurring annual expenses not exceeding ~~US\$5,000~~ US\$10,000 shall be reimbursed upon request. Each such request shall be accompanied by receipts and a brief report to the trustee chairman on the event. This amount may not be used to fund the expenses of a Trustee attending a Rotary institute to which another Trustee has been assigned by the chair.

### 105. Annual Update on Associate Foundations

*Statement:* Rotary Foundation Code of Policies section 3.010.2.1. requires the general secretary to provide an annual update on the activities and financial status of each associate foundation at the April Trustees meeting. The update included a review of contributions handled by each associate foundation, management structure, tax benefits, and Foundation programs supported, among other issues.

**DECISION:** The Trustees

1. thank the general secretary for providing the annual update on associate foundations;
2. agree that Public Interest Incorporated Foundation—Rotary Foundation Japan shall have a legal

compliance review beginning in 2016–17 with funding provided by TRF.

### **106. Appointments to Associate Foundations**

*Statement:* The associate foundations have differing requirements for their trustee appointments. The Trustees considered appointments in accordance with each associate foundation's governing documents.

**DECISION:** The Trustees

1. thank Past District Governors Joanne Schilling, Monica Saville, and Ross Forgione for their dedicated service as trustees of the Australian Rotary Foundation Trust;
2. appoint Past District Governors Joanne Schilling, Monica Saville and Eric Wood as trustees of the Australian Rotary Foundation Trust for the three-year term commencing 1 July 2016 through 30 June 2019;
3. thank Past RI Director Ekkehart Pandel and Rotarian Hans Peter Hoh for their service as members of Deutsche Rotarische Stiftung's advisory council;
4. thank Rotarian Rüdiger Götzr for his service as a member of Rotary Deutschland Gemeindienst's advisory council for the term ending 30 June 2016;
5. appoint RI Director-nominee Peter Iblher to serve as a member of Deutsche Rotarische Stiftung's Advisory Councils for the term commencing on 1 January 2016 through 31 December 2018;
6. appoint Past RI Director Holger Knaack to serve as a member of Rotary Deutschland Gemeindienst's and Deutsche Rotarische Stiftung's Advisory Councils for terms commencing on 1 July 2016 through 30 June 2019 (RDG) and 1 October 2016 through 30 September 2019 (DRS);
7. thank Trustee Tanaka for his service as Trustee's liaison to the Public Interest Incorporated Foundation, Rotary Foundation Japan during his term on The Rotary Foundation Trustees through 30 June 2016;
8. appoint incoming Trustee Seiji Kita as the Foundation's Trustee liaison to Public Interest Incorporated Foundation, Rotary Foundation Japan (PIIF-RFJ), effective 1 July 2016 and as PIIF-RFJ Trustee, beginning September 2016 through 30 June 2020;

9. appoint Trustee Sushil Gupta as the Trustee's liaison to Rotary Foundation India, effective 1 July 2016 through 30 June 2018;
10. agree to be members of the Rotary Foundation of the United Kingdom and request the secretary of the UK Foundation to enter the trustees' names in the appropriate records as provided in the Rotary Foundation of the United Kingdom's articles of association;
11. thank Rotarians Hipolito S Ferreira, Mário de Oliveira Antonino, and Gerson Gonçalves for their dedicated service as president, vice president, and director respectively of Associação Brasileira da The Rotary Foundation;
12. recognize the following officers of Associação Brasileira da The Rotary Foundation in 2016-17: Luiz Coelho de Oliveira, president; Alceu A. Vezozzo, vice president of ABTRF; Francisco Schlabit, director.

### **107. TRF Policies Simplification Committee Report**

*Statement:* In decision 97, January 2015, the Trustees created the TRF Code of Policies Simplification Committee to review the Code in its entirety to ensure that it still meets its intended purpose as a compendium of existing Trustee policies. In decision 16, October 2015, the Trustees noted with approval the committee's proposed revision to the Code's table of contents. The committee met on 1–2 February in Evanston, Illinois, USA and later in February via teleconference to continue its work. The committee suggested that its work, which it planned to complete by 30 June, be reviewed by a subcommittee of Trustees to ensure no substantive changes or deletions were made.

**DECISION:** The Trustees

1. thank the members of the TRF Policies Simplification Committee for its progress in reorganizing and simplifying The Rotary Foundation Code of Policies;
2. acknowledge that the committee expects to complete its work and propose a simplified Code of Policies by 30 June 2016, which will include any revisions of the current Code made by the Trustees at their current meeting;
3. request the general secretary to send a copy of the proposed simplified Code to all trustees following its receipt from the committee;

4. appoint a Policies Review Committee with Tom Thorfinnson as chair and Sushil Gupta and Barry Rassin as members to review the proposed simplified Code upon its receipt from the general secretary and to offer an evaluation of the proposed Code to assist the Trustees in their consideration of the proposed Code at their September 2016 meeting.

### 108. Fund Development Committee Report

*Statement:* The Fund Development committee met on 30–31 March 2016 and discussed the new global and district grant models, the new Arch Klumph Society induction format, the Fund Development committee goals, changes to the sustaining member banner for major donors, and the establishment of training for endowment/major gifts advisers, among other topics.

**DECISION:** The Trustees

1. thank the Fund Development Committee for its report;
2. amend the Rotary Foundation Code of Policies section 21.040.7. as follows
  - 21.040.7. Every Rotarian, Every Year/Sustaining Club Banner  
The Every Rotarian, Every Year/~~Sustaining~~ Club banner is awarded to clubs where every active (dues-paying) member contributes ~~\$100~~ \$25 minimum, with an average of at least \$100 per capita to the Annual Fund.

[text omitted]
3. agree to implement a Centennial Year Pilot recognition concept called the “Arch Klumph Society Centennial Family Circle,” as shown in Appendix C, whereby lineal family members can be named as recipients by Arch Klumph Society donors with new cash contributions to The Rotary Foundation starting at US\$250,000;
4. approve an approximate net increase of \$163,800 in costs for Rotary year 2016–17 for a stand-alone Endowment/Major Gifts Advisers Training Institute, as shown in Appendix D, noting this will result in a decrease of approximately \$72,300 in other budget areas;
5. agree that endowment/major gifts advisers will not participate in the Regional Leaders Training Institute for a period of three years, through 30 June 2019 to allow for the model to be rolled out fully;

6. request the general secretary to develop a) terms of reference for the Endowment/Major Gifts Advisers Advisory Group and b) 2016–17 budget implications, for report at the June 2016 Trustees meeting.

### 109. Building The Rotary Foundation Endowment: 2025 by 2025

*Statement:* In decision 43, October 2015, the Trustees looked with favor on the concept of developing a long-term plan for growing Rotary’s endowment to more than \$2 billion in net assets and commitments by 30 June 2025. In decision 83, January 2016, the Trustees received an update on a long-term plan to reach this goal and requested a preliminary plan for review at this meeting. In reviewing this plan, the Fund Development Committee agreed that its success depends on separate strategies for two types of gifts: commitments and outright gifts. The committee proposed strategies for maximizing each gift type, including training, marketing, and solicitation activities.

**DECISION:** The Trustees

1. receive the long-term proposal to build The Rotary Foundation’s endowment to US\$2.025 billion by 2025;
2. adopt a goal that by year 2025 the Foundation’s endowment will comprise at least \$1 billion in net assets and \$1.025 billion in commitments;
3. request the general secretary to provide an update on the training, marketing, and gift solicitation activities for this proposal at the September 2016 Trustees meeting;
4. reaffirm that the endowment/major gifts advisers will be responsible for implementing the plan in his or her region to reach the goal of US\$2.025 billion by 2025.

### 110. Areas of Focus Major Gifts Initiative Report

*Statement:* In decision 118, April 2015, the Trustees requested the general secretary to work with the Fund Development Committee to develop a business plan and specific strategies for major gift initiatives supporting Rotary’s areas of focus. In decision 41, October 2015, the Trustees requested the general secretary to develop a donor stewardship plan for these initiatives. The general secretary presented key planning points and specific strategies, including training, communications, gift opportunities, and a timeline. The Fund Development

Committee also suggested special Foundation centennial naming opportunities.

**DECISION:** The Trustees

1. reaffirm their decision 41, October 2015 to launch the Water and Sanitation Major Gifts Initiative, beginning 1 July 2016;
2. approve the Areas of Focus Major Gifts Initiative final action plan as shown in Appendix E;
3. approve the naming opportunities as shown in Appendix F;
4. approve Endowment Fund Centennial recognition opportunities, as shown in Appendix G, subject to the Board's approval, with

**Option A:** 100 percent of the spendable earnings used to support Rotary Foundation operations;

**Option B:** 50 percent of the spendable earnings used to support Rotary Foundation operations and 50 percent used to support Foundation programs;

**Option C:** 100 percent of the spendable earnings used to support Rotary Foundation programs;

5. request the Fund Development Committee to provide an update on naming opportunities for gifts of US\$1,000,000 and greater at the September 2016 Trustees meeting;
6. agree that, beginning 1 July 2016, gifts and commitments received for an area of focus will count towards that area of focus's fundraising goal, even if that area of focus's initiative is not launched until a subsequent year;
7. agree that District Designated Funds can be directed to the Endowment Fund for the areas of focus and will count towards the initiatives;
8. request the general secretary to provide periodic updates on the progress of the Areas of Focus Major Gifts Initiatives, beginning in April 2017;
9. request the general secretary to budget US\$36,000 for the Water and Sanitation Major Gifts Initiative Committee meeting and \$95,805 for Water and Sanitation Major Gifts Initiative cultivation events in 2016–17.

## 111. Corporate Social Responsibility in India

*Statement:* The Indian Companies Act requires companies with an average net profit of at least 50 million rupees (approximately US\$816,000) over a three-year period to spend two percent of their net profit on what is termed "corporate social responsibility" (CRS). In decision 86, January 2016, the Trustees received the general secretary's interim report on the possibility of Rotary Foundation (India) receiving CRS funds and requested a final report at this meeting. The general secretary reported that TRF's consultant Ernst & Young agreed that Rotary Foundation (India) is an eligible entity for accepting CSR funds and proposed a four-phased process for beginning to accept these funds. The general secretary also reported on potential challenges to the process.

**DECISION:** The Trustees

1. receive the general secretary's final report on the possibility of Rotary Foundation (India) receiving corporate social responsibility (CSR) funds from corporations in India;
2. agree to accept CSR contributions in India beginning in the 2016–17 Rotary year, provided that the necessary processes and procedures are established consistent with Rotary Foundation guidelines as a three-year pilot project through 2018–19.

### DECISIONS 112–121

#### Programs Committee Report: Grant Model Evaluation

Meeting 1-4 March 2016 in Evanston, IL, USA

## 112. Grant Model

*Statement:* The Trustees received the evaluation for the new grant model from collected grant activity data over the 2013–14 and 2014–15 Rotary years. The Programs Committee suggested that further evaluations and monitoring are needed and should continue on a consistent basis.

**DECISION:** The Trustees

1. reaffirm their commitment to the new grant model and agree that it will take time for the model to achieve its critical success factors through continued investments in training and communication;
2. recognize that the grant evaluation report highlights opportunities to further enhance and improve the new

grant model, which will be developed for consideration in the future;

3. agree to continue regular evaluations of the grant model to ensure it meets the needs of Rotary clubs, districts, and grant beneficiaries.

### 113. Training

*Statement:* The Programs committee reported on several training options for grant sponsors to help transition from the traditional grant model to the new grant model, including properly disseminating information through mailings, seminars, and regular communication with Rotary Foundation coordinators and endowment/major gifts advisers. The Programs Committee further suggested that the general secretary evaluate and monitor the progress of these trainings and communication efforts.

**DECISION:** The Trustees acknowledge the importance of directly training grant sponsors to ensure they are fully prepared to participate in the grant application process, and therefore:

1. request the RI Board to
  - a. encourage districts to allocate more time and emphasis on District Foundation Seminars and the Grant Management Seminar;
  - b. provide training and support to district international service chairs to help ensure quality needs assessments and project design before developing a global grant application;
  - c. encourage districts to appoint district international service chairs for three-year terms;
2. request the general secretary to:
  - a. evaluate the role and function of regional Rotary Foundation coordinators and endowment/major gifts advisers to ensure that clubs and districts receive effective support for their grants and fundraising activities, for report to the Trustees at their January 2017 meeting;
  - b. continue Rotary Grants communication and training efforts to ensure that Rotarian satisfaction with Rotary Grants remains high;

- c. work with cadre members and regional experts in building Rotarian capacity to provide direct training and support to grant sponsors;
- d. conduct an evaluation of how the recently revised Grants Management Seminar materials have impacted Rotarians' understanding and adoption of the grant model, for report at the April 2017 Trustees meeting;
- e. develop a communications plan to update club and district leaders about why the district and global grant model was implemented and how it benefits them and Rotary as it prepares for the post-polio era;
- f. review and update qualifications of district Rotary Foundation chairs and district grant subcommittee chairs, for report to the Trustees at their April 2017 meeting;
- g. support the participation of grant officers and area of focus managers at regional training events.

### 114. Projects of Scale

*Statement:* The Programs Committee reported on the importance of identifying project types in each area of focus that can be brought to scale in preparation for the post-polio era and identified several factors to consider when developing these projects.

**DECISION:** The Trustees request the general secretary, in consultation with the Strategic Planning Committee and Programs Committee, to investigate developing a new grant type that would fund scalable projects in the areas of focus with support from potential partners, and be based on the lessons-learned from packaged grants, polio legacy research, area of focus strategies, and development of opportunity funds, for report to the Trustees at their April 2017 meeting.

### 115. District Designated Fund Usage

*Statement:* The Programs Committee noted that in 2014-15 48 percent of District Designated Funds went unused, which was a slightly larger percentage compared to the traditional grant model.

**DECISION:** The Trustees request the general secretary to conduct further research on unused district designated funds for report at the April 2017 Trustees meeting.

## 116. Sustainability

*Statement:* The Programs Committee reported on improvements in the 2015 sustainability check scores compared to the 2012 Future Vision pilot and suggested that continued communications and training on this topic would improve Rotarians' understanding of grant project sustainability requirements.

**DECISION:** The Trustees

1. agree that survey data of the sustainability framework in global grants suggests that the grant requirements, application process, and training provided to Rotarians is improving global grant sustainability as measured by the sustainability check;
2. to help Rotarians better understand sustainability requirements for Rotary Grants, request the general secretary to continue communications and training for Rotarians on this topic.

## 117. Areas of Focus

*Statement:* The results of focus groups and surveys conducted throughout the grant model evaluation indicate that Basic Education and Literacy and Economic and Community Development were the two areas of focus to which Rotarians had the most difficulty applying eligibility requirements. The Programs Committee suggested amending requirements for these areas, and encouraging clubs to oversee assessments to align projects to specific areas of focus.

**DECISION:** The Trustees

1. amend The Rotary Foundation Code of Policies regarding eligibility requirements for the Basic Education and Literacy and Economic and Community Development areas of focus as outlined in Appendix H;
2. strongly encourage clubs and districts to more regularly conduct effective community assessments when designing their projects and to align their projects with one or more area of focus;
3. request the general secretary to:
  - a. implement standards of fit and quality for global grants in each area of focus and to train staff and Rotarians on the requirements for submitting an eligible grant application;

- b. evaluate whether community assessments should be required in the global grant application process, for report at the April 2017 Trustees meeting.

## 118. Critical Success Factors

*Statement:* To gauge the success of the new grant model the Trustees established the following specific "critical success factors:" Rotarian perspective, area of focus fit and quality, grant processing cycle time, operational efficiency, and stewardship/compliance. The Programs Committee noted that for the last two years some established targets for these critical success factors have not been met, most notably Rotarian perspective (as shown by amounts of unused DDF) and grant processing cycle times. The committee suggested actions to help the Foundation meet these critical success factors.

**DECISION:** The Trustees

1. note that grant processing cycle times continue to trend downward compared to historical trends, and recognize and appreciate staff efforts in this regard;
2. agree that Secretariat feedback on global grant applications appears to be contributing to increases in sustainability check scores;
3. recognize that in the short term, grant processing cycle times will remain higher than the desired target due to the inherent challenges with change management and training Rotarians on the grant model;
4. agree that no changes should be made to the critical success factor targets at this time;
5. request the general secretary to:
  - a. continue to improve grant processing cycle time by regularly reviewing the entire business process to identify opportunities and implement changes for further improvement;
  - b. provide more communication to Rotarians regarding:
    - i) why grant files are reassigned among staff;
    - ii) the improvements made in cycle times;
    - iii) the expected timeframes for responses from staff;
    - iv) the efforts in place to ensure continuity and consistency in grant processing;

- c. conduct an evaluation of the critical success factors to identify any necessary adjustments to the targets, for report at the April 2018 Trustees meeting.

### 119. Programmatic Issues

*Statement:* As part of the grant model evaluation, the general secretary investigated specific issues related to the new grant model, including partnership difficulties, evaluation of district grant scholars, and lack of multi-club projects, among others. The Programs Committee suggested actions to address the programmatic issues.

*DECISION:* The Trustees

1. adopt the measurement framework for scholarships as recommended by Hanover Research shown in Appendix I;
2. adopt the measurement framework for vocational training teams as recommended by Hanover Research shown in Appendix J, filed only with the official copy of these minutes;
3. noting that the average global grant award continues to increase, and further noting that 71% of primary contacts and 85% of declined grant contacts indicated it is easy or moderately easy to achieve the US\$30,000 minimum budget requirement, agree that no change to the minimum project budget amount is necessary at this time;
4. noting the satisfactory audit findings and achievement of the world reporting target in 2014–15, agree that no modifications to the qualification process or district MOU requirements are necessary at this time;
5. request the general secretary to:
  - a. evaluate the role of cooperating organizations in project implementation;
  - b. clarify policies regarding excessive financial support to cooperating organizations;
  - c. investigate, in addition to Rotary Ideas and Showcase, other ways to encourage clubs and districts to partner and to develop multi-club projects;
  - d. provide an update on these points to the April 2017 Trustees meeting.

### 120. Technology

*Statement:* The Programs Committee reviewed feedback from Rotarians and non-Rotarians regarding the online grant application tool. While much of the feedback was positive, the committee suggested improvements to the user experience, business process and project management, the speed of the site, and the ability to access the tool from rotary.org.

*DECISION:* The Trustees request the general secretary to

1. develop resources and training tools for Rotarians to learn the new online grant application functionality;
2. continue to monitor Rotarian feedback on the adjustments made to the online grant application tool and conduct a follow-up survey and focus group assessment in September 2017 to evaluate if the system modifications, training, and communication plans have addressed dissatisfaction with the online tool, for report to the January 2018 Trustees meeting.

\*\*\*\*\*

### 121. Level III Grant Requests

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

*DECISION:* The Trustees

1. agree to award Global Grant 1635111, a water and sanitation grant sponsored by the Rotary Club of Nairobi-Utumishi, Kenya (District 9212) and District 1860 (Germany) to renovate and expand a piped water network, install tanks and booster pump, construct pit latrines, and develop WASH programs in primary schools in West Uyoma, Rarieda, Siaya County, Kenya, in the amount of \$110,334 from the World Fund (total project cost of \$285,000);
2. agree to award Global Grant 1638677, a water and sanitation grant sponsored by the Rotary Clubs of Debre Berhan, Ethiopia (District 9212) and Union West Indian Trail, NC, USA (District 7680) to be carried out with World Vision, to provide access to safe water and improved sanitation facilities in the Ephrata and Angolela districts in Ethiopia in the amount of \$148,500 from the World Fund (total project cost of \$400,000);

3. agree to award Global Grant 1637115, a disease prevention and treatment grant sponsored by the Rotary Clubs of Montes Claros-Norte, Brazil (District 4760) and Modesto, CA, USA (District 5220) to be carried out with Santa Casa de Montes Claros, Agência de Desenvolvimento da Região Norte de Minas, and SAMU Macro Norte – The Mobile Emergency Service to provide training and equipment for the treatment and diagnosis of cerebrovascular accident in the northern part of the State of Minas Gerais in the amount of \$128,705 from the World Fund (total project cost of \$296,645).

## **122. Global Grant Appeal**

*Statement:* The general secretary received one appeal to a global grant application that had been previously denied.

*DECISION:* The Trustees defer consideration of the appeal for Global Grant application 1635260 until their June 2016 meeting in order to explore new options for the requested improvement of the Baumgartsbrunn school in Namibia.

## **123. Joint Committee on Partnerships Report**

*Statement:* The Joint Committee on Partnerships met on 29 February–2 March 2016 in Evanston, IL, USA. The committee discussed action plans for the top ten resource partners, the status of Rotary’s strategic partnerships, the characteristics of successful strategic partnerships, a possible corporate engagement proposal, the implementation of sponsorships, a memorandum of understanding with Opportunity International/Canada, corporate social responsibility opportunities, the vetting of potential resource partners, and break-out sessions on partnerships at the Korea convention, among other topics.

*DECISION:* The Trustees

1. thank the Joint Committee on Partnerships for its report;
2. note the pilot marketing relationship in place with eBay and requests the general secretary to provide an update on the progress of this relationship at the September 2016 Trustees meeting;
3. request the general secretary, in consultation with the Strategic Planning Committee and Programs Committee, to investigate developing a new grant type that would fund scalable projects in the areas of focus with support from partner, and be based on the

lessons-learned from packaged grants, polio legacy research, and area of focus strategies, for report to the Trustees at their April 2017 meeting;

4. thank UNESCO-IHE for being a valued partner, but agree not to renew the Memorandum of Understanding with UNESCO-IHE and encourage interested Rotarians to use the Global Grant process to award scholarships to appropriate candidates for the UNESCO-IHE program;
5. agree to proceed with a Memorandum of Understanding with Opportunity International Canada for global grants to implement the Honduras Economic and Development (HECD) Program, as shown in Appendix K filed only with the official copy of these minutes.

## **124. World Vision Strategic Partner Update**

*Statement:* In decision 124, April 2015, the Trustees agreed to implement a pilot project for water, sanitation, and hygiene (WASH) in school. In decision 30, October 2015, the Trustees agreed to a partnership with World Vision to be implemented in India as part of the WASH in schools pilot project. The Trustees received the proposed program awards budget for the application of this program in 2016–17.

*DECISION:* The Trustees

1. receive the general secretary’s report on the WASH in Schools Target Challenge;
2. approve a program budget of up to US\$2 million for the World Vision partnership pilot project (which is already incorporated in the proposed 2017 program awards budget) until the end of this pilot project in January 2018;
3. acknowledge that Rotarians in India will raise US\$550,000 for this pilot project.

## **125. Term Gifts for Global Grant**

*Statement:* Term gifts are one time contributions that target a specific purpose, and have developed into a new opportunity to fund global grants. The general secretary presented several options for the development of term gifts in continued support of global grants.

*DECISION:* The Trustees request the general secretary to develop revised language for term gifts and their role in

supporting operating expenses, for report at the June 2016 Trustees meeting.

## 126. Duty of Care to Grant Travelers

*Statement:* In the corporate travel industry, “Duty of Care” can be loosely defined as the “legal and moral obligation to ensure the safety or well-being of an organization’s travelers when away on business.” The general secretary suggested that the Trustees develop a “Duty of Care” policy specifically for grant-funded travelers.

**DECISION:** The Trustees adopt the following policy for grant travelers:

In the event of emergencies, The Rotary Foundation will offer reasonable assistance to grant funded travelers upon their request, but will not proactively offer travel security measures or accept responsibility for evacuating them.

and request the general secretary to amend the Rotary Code of Policies accordingly.

## 127. US-Bound Scholar Options

*Statement:* Under US tax law, US-bound grant scholars paid by The Rotary Foundation may be subject to approximately a 30 percent tax withholding on all expenses other than tuition, books, and fees. In decision 68, January 2016, the Trustees agreed that global grant scholars studying in the US shall limit their expenditures to tuition, books, and fees. Noting feedback from districts since this decision was implemented, the general secretary suggested other options for supporting grant scholars studying in the US.

**DECISION:** The Trustees

1. request the general secretary to continue exploring options for using an outside entity to select and pay global grant scholarships;
2. agree, in the interim, to remove the limitation on expenditures for global grant scholars studying in the US and further agree that The Rotary Foundation shall complete US tax withholdings for these grants and pay the withholding amount to the US Internal Revenue Service;
3. request the general secretary to develop a process that would provide for sponsors of global grant

scholarships to contribute additional funding to cover the withholding costs for students studying within the US, for report at the September 2016 Trustees meeting.

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

## 128. Insurance Policy for Grant Travelers

*Statement:* In decision 70, January 2016, the Trustees terminated the Grant Travel Insurance policy, effective 30 June 2016, and requested the general secretary to recommend appropriate insurance terms and limits for purchase directly by grant travelers. The general secretary presented possible insurance terms and limit options based on travel type, availability of insurance products, and requirements of the scholar’s educational institution.

**DECISION:** The Trustees thank the general secretary for his report on the insurance terms and limits for grant recipients.

## 129. Low Cost Shelters and Simple Schools

*Statement:* Low cost shelters and simple schools are structures designed for the poor, located in rural or urban areas. Construction is prohibited by global grants policy. Chairman-elect Banerjee requested the Trustees consider relaxing this policy to allow for funding of these structures through global grants.

**DECISION:** The Trustees defer consideration of Low Cost Shelters to its first meeting of 2016–17.

## 130. Update on TRF Centennial History Book

*Statement:* In decision 131, April 2008, the Trustees requested an annual update on the centennial history of TRF book. *Doing Good in the World: The Inspiring Story of The Rotary Foundation’s First 100 Years*, was launched at the 2016 International Assembly and will be promoted at the 2016 International Convention in Seoul, Korea. The Trustees received the TRF Centennial History Book Committee’s final report and considered whether this committee should be reappointed in 2016-17.

**DECISION:** The Trustees

1. thank the TRF Centennial History Book Committee for its final report;

2. defer consideration of the reappointment of the committee to its June 2016 meeting.

### **131. Rotary Peace Centers Future Planning Committee**

*Statement:* In decision 80, January 2016, the Trustees approved the appointment of a Rotary Peace Centers Future Planning committee. Chairman Klinginsmith reported on the progress of this committee.

**DECISION:** The Trustees

1. thank the Trustee chairman for his progress report on the Rotary Peace Centers Future Planning Committee;
2. approve the appointment of Trustee William B. Boyd as an additional member of the Rotary Peace Centers Future Planning Committee.

### **132. End of Polio Subcommittee Report**

*Statement:* In decision 78, January 2016, the Trustees requested the RI Board to extend the term of the End of Polio Subcommittee through 2017–18. The Trustees received the communications plan from the subcommittee, including spending options for the promotion of the end of polio campaign.

**DECISION:** The Trustees

1. receive the End of Polio Communications plan as presented at this meeting;
2. tentatively approve a PolioPlus Communications spending plan for 2016–17 through 2018–19 in the amount of US\$2,564,000, subject to the review and recommendation of the International PolioPlus Committee.

### **133. Project Enhancement Database**

*Statement:* In decision 71, January 2016, the Trustees approved the “Project Enhancement Process” model and operational plan within the six areas of focus, including the development of a database to identify regional experts. The general secretary reported on the database requirements and a timeline for this project.

**DECISION:** The Trustees

1. recognize the tremendous value in having a pool of regional experts available to assist and otherwise

consult with Rotarians interested in developing a global grant project of high quality. In addition the use of regional experts should help reduce cycle time in grant processing, assist the clubs in performing community needs assessments, improve project planning, enhance sustainability, ensure that area of focus requirements are met and improve the impact of the project;

2. support in principle an enterprise project to enhance My Rotary to allow Project Enhancement Consultants to register their skills and expertise, and to volunteer as consultants for global grants in their region;
3. request the general secretary and the RI and TRF Finance Committees to include this project in the project prioritization process.

### **134. Funding for TRF Activities at Atlanta Convention**

*Statement:* In decision 39, October 2015, the Trustees looked with favor on a specific set of Rotary Foundation events and activities to take place during the 2017 RI International Convention in celebration of the Rotary Foundation’s centennial. The general secretary reported on the budget for specific events, including a major donor reception, workshops, and exhibit booths, among other options.

**DECISION:** The Trustees receive the general secretary’s report on funding for Foundation activities at the Atlanta convention.

### **135. 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. receive the general secretary’s report on allegations;
2. request the District 3272 (Pakistan) special advisers to provide a status report at the September 2016 Trustees meeting;
3. suspend District 3202 (India) from participation in district sponsored grants until 1 May 2017 and note

the stewardship committee's sanctions of five individuals;

4. suspend the Rotary Club of Pokhara, District 3292 (Nepal) from participation in Rotary grants until 1 May 2017 and note the stewardship committee's sanctions of one individual;
5. suspend District 3770 (Philippines) from participation in district sponsored grants until 1 May 2017 and note the stewardship committee's sanctions of one individual;
6. request a report on the status of the Rotary Club of Kisumu Winam, District 9212 (Kenya), at the September 2016 Trustees meeting.

### 136. Annual Stewardship Plan

*Statement:* Rotary Foundation Code of Policies section 14.010. requests the general secretary to prepare an annual stewardship plan for review at the April Trustees meeting. The general secretary reported on the status of the stewardship plan's 2015–16 priorities and proposed priorities for 2016–17, which are recruit and train the TRF cadre of technical advisers and support Rotarians as they continue to implement grant qualification requirements, to increase stewardship controls for Rotary grants.

*DECISION:* The Trustees

1. receive the report on the stewardship plan for 2015–16 and approve the stewardship plan for 2016–17 as discussed at this meeting;
2. amend The Rotary Foundation Code of Policies regarding cadre responsibilities and the cadre appointment process as shown in Appendix L.

### 137. World Reporting Analysis for the Grants Program

*Statement:* Rotary Foundation Code of Policies section 14.040.2. requires Rotary clubs and districts to be 100 percent current and compliant with grant reporting requirements. The general secretary provides a comprehensive report on the status of such grant reporting compliance at the April Trustees meetings.

*DECISION:* The Trustees note that the general secretary will suspend the following seven districts, effective 1 May 2016, for failure to meet reporting compliance of 70

percent for four quarters and for having more than one grant overdue in each of the analyses:

3040, 3051 (India)  
4150, 4185, 4195 (Mexico)  
4540 (Brazil)  
5130 (USA).

### 138. TRF Finance Committee Report

*Statement:* The TRF Finance met on 1 April 2016 in Evanston, IL, and discussed the contributions, program awards, and spendable earnings budgets for 2016–17, the new grant model cost-benefit analysis, and the status of the operating reserves, among other topics.

*DECISION:* The Trustees

1. thank the TRF Finance Committee for its report;
2. receive the committee's update on the cost/benefit analysis of the new grant model;
3. acknowledge the concerns of the TRF Finance Committee regarding the 30 June 2016 projected balances in the World Fund and operating reserves, and request the committee to recommend amendments to the Rotary Foundation's operating reserve policy that would ensure long term financial sustainability, for report at the September 2016 Trustees meeting.

### 139. Budget for 2016-17 Contributions and Program Awards

*Statement:* The Trustees annually approve a contributions and program awards budget for the following year. The portion of the budget that relates to expenditure of unrestricted contributions for program awards requires Board approval.

*DECISION:* The Trustees

1. approve the contributions budget for 2016–17 totaling US\$311,300,000;
2. approve the net investment return budget for 2016–17 totaling \$35,446,000;
3. approve the total program awards expenditures budget to be made in 2016–17 totaling \$230,052,000 from funding sources as follows;

- a. approve a budget of \$111,208,000 for program award expenditures to be made in 2016–17 from Annual Fund contributions;
  - b. approve a budget of \$1,344,000 for program awards expenditures to be made in 2016–17 in accordance with temporary restricted contributions received, and endowment spendable earnings with authorization to the general secretary to exceed or under spend these amounts, in accordance with Trustee policy;
  - c. approve a budget of \$7,000,000 for program expenditures to be made in 2016–17 from the Donor Advised Funds with authorization to the general secretary to exceed or under spend these amounts in accordance with Trustee policy, and subject to the approval of the Board;
  - d. approve a budget of \$110,500,000 for program award expenditures to be made in 2016–17 from the PolioPlus Fund in accordance with temporary restricted contributions received and in accordance with Trustee policy;
4. request the Board to approve the 2016–17 budget for program award expenditures of \$98,875,000 from unrestricted contributions (Annual Fund District Designated Funds: \$55,055,000 and World Fund: \$36,820,000; and Donor Advised Fund unrestricted contributions of \$7,000,000);
  5. reaffirm decision 149 March 2012 to continue to match DDF contributions to PolioPlus (US\$0.50 from the World Fund for every US\$1.00 DDF), capped at US\$3,500,000 annually for the next fiscal year;
  6. note that the 2017 Rotary Foundation contributions, net investment returns, and awards budgets will be reviewed and a full budget approved at the June 2016 Trustees meeting.

**140. Investment Committee Report**

*Statement:* The Investment committee on 22–23 March 2016 in Evanston, IL, and discussed asset allocations, an increase in the endowment fund’s target allocation to private equity, an update on investment performance throughout 2015–16, and fiscal year-to-date performance for the annual and endowment funds, among other topics.

**DECISION:** The Trustees

1. approve the following strategic asset class/strategy allocations and ranges for the Rotary Foundation Endowment Fund;

Asset Class/Strategy	Endowment Fund		
	Min	Target	Max
Cash (1)	0%	0%	10%
Public Equity (1)	25%	40%	60%
Global Equity	10%	15%	20%
US Equity	5%	10%	15%
Non-US Equity	5%	10%	15%
Emerging Market Equity	0%	5%	10%
Private Equity (2)	5%	13%	20%
Fixed Income (1)	0%	10%	40%
Core Fixed Income	0%	5%	20%
Non-Core Fixed Income	0%	5%	20%
Real Assets (1, 2)	0%	12%	25%
Private Real Assets	0%	4%	10%
Real Estate	0%	4%	10%
Real Assets (Liquid)	0%	4%	10%
Multi Asset	0%	25%	35%
Hedge Funds	0%	10%	15%
Global Asset Allocation	0%	15%	20%
Total	100%		

- (1) May include short-term, tactical opportunities not to exceed 10% of the total portfolio.
  - (2) Total illiquid assets not to exceed 20% of the total portfolio, including private equity, and private real assets.
2. approve changes to the Investment Policy Statement for the Endowment Fund reflecting these strategic asset allocations as well as updated asset class definitions and performance measurement standards, as reflected in Appendix M, filed only with the official copy of these minutes;
  3. approve the following strategic asset class/strategy allocations and ranges for the Rotary Foundation Annual Fund;

Asset Class/Strategy	Programs Fund		
	Min	Target	Max
Cash (1)	0%	0%	10%
Public Equity (1)	25%	40%	60%
Global Equity	10%	15%	20%
US Equity	5%	10%	15%
Non-US Equity	5%	10%	15%
Emerging Market Equity	0%	5%	10%
Fixed Income (1)	0%	17%	40%
Core Fixed Income	0%	10%	20%
Non-Core Fixed Income	0%	7%	20%
Real Assets (1)	0%	18%	25%
Real Estate	0%	12%	15%
Real Assets (Liquid)	0%	6%	10%
Multi Asset	0%	25%	35%
Hedge Funds	0%	10%	15%
Global Asset Allocation	0%	15%	20%
Total		100%	

(1) May include short-term, tactical opportunities not to exceed 10% of the total portfolio.

Asset Class/Strategy	Annual Fund: Operating Reserve		
	Min	Target	Max
Fixed Income	0%	100%	100%
Core Fixed Income	0%	34%	40%
Non-Core Fixed Income	0%	33%	40%
Short Duration	0%	33%	100%
Total		100%	

4. approve changes to the Investment Policy Statement for the Annual Fund reflecting these strategic asset allocations as well as updated asset class definitions and performance measurement standards as reflected in Appendix N, filed only with the official copy of these minutes.

### 141. Socially Responsible Investing

*Statement:* Socially responsible investing (SRI) involves the introduction of social and environmental criteria to the investment decision-making process. It includes the selection and management of investments based on ethical, moral, social, or environmental concerns. From time to time the general secretary receives questions regarding the Trustees’ position on socially responsible investing.

**DECISION:** The Trustees

1. thank the Investment Committee for the update on socially responsible investing;
2. request the Investment Committee to recommend updated socially responsible investing policy language at the June 2016 Trustees meeting.

### 142. Investment Governance

*Statement:* The Investment Committee requested the Trustees to consider establishing an investment office to oversee the investment of RI and TRF assets. The establishment of this office would also include a new Secretariat position of chief investment officer to work with the chief financial officer and the Investment Committee. The Trustees requested an update on the progress of this office at their June 2016 meeting.

**DECISION:** The Trustees

1. support the establishment of an investment office at Rotary International that would assume authority, responsibility, and accountability for the investment programs of The Rotary Foundation and Rotary International;
2. approve additional meetings of the investment committee to advise the general secretary on the selection, recruitment, and training of a chief investment officer and request the general secretary to budget for additional committee expenses and recruitment consulting fees accordingly;
3. request the Investment Committee to provide an update at the June 2016 Trustees meeting;
4. request the Investment Committee to suggest Rotary Foundation Code of Policy amendments to ensure that the new investment office shall operate without influence of individual investment requests, for report at the June 2016 Trustees meeting;
5. request the RI Board to concur with these decisions.

### 143. Endowment 2016–17 Endowment Fund Spending Rates and Spendable Earnings

*Statement:* In accordance with the Endowment Fund’s Investment Policy Statement, the Trustees annually approve spending rates for each market value tier.

**DECISION:** The Trustees

- approve the following Endowment Fund spending rates and allocations for fiscal year 2016–17:

Expense	Tier			
	1	2	3	4
Program awards	0%	1.8%	3.2%	4.1%
Program operations	0%	0.2%	0.3%	0.4%
Fund development	0%	0%	0.3%	0.3%
General administration	0%	0%	0.2%	0.2%
Total spending rate	0%	2.0%	4.0%	5.0%

- approve Endowment Fund spendable earnings of US\$13,521,565 for the 2016–17 budget, of which \$11,069,108 is allocated to program awards, \$1,077,081 is allocated to program operations, \$825,225 is allocated to fund development, and \$550,150 is allocated to general administration expenses.

#### 144. Modifications to the Budget

*Statement:* The Trustees reviewed decisions taken at this meeting that have future budget impact.

#### **DECISION:** The Trustees

- note no modifications to the 2015–16 budget

	<u>2015–16</u>
Revenues:	\$316,278,000
Program awards:	228,211,000
Program operations:	26,010,000
Operating expenses	
Fund dev. &	
general and admin.:	<u>24,835,000</u>
Total expenses:	279,056,000

- note budget variance for 2015–16 and future financial impact:

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
<b>Revenues</b>			
Dec. 111 Corp.			
Social Respon.	2,000,000	10,000,000	20,000,000
India:			
<b>Total Revenues:</b>	<b><u>2,000,000</u></b>	<b><u>10,000,000</u></b>	<b><u>20,000,000</u></b>

#### **Program Awards**

Dec.124 World Vision Strat.	2,000,000	-	-
Partner Update			

<u>Expenses</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Dec. 104 Trustee Prom. Travel Funds:	65,000	65,000	65,000
Dec. 108 Fund Dev. Comm. Report:	163,800	-	-
Dec. 110 Areas of Focus Major Gifts Init. Report:	131,800	135,800	139,900
Dec. 111 Corp. Social Respon. India:	103,750	129,100	145,300
Dec. 127 US-Bound Scholar Options:	173,838	173,838	173,838
Dec. 131 Report on RPC Future Planning Comm.:	6,000	-	-
Dec. 132 End of Polio Subcomm. Report:	1,014,000	615,000	935,000
Dec. 134 Funding for TRF Activities Atlanta:	468,400	-	-
Dec. 142 Investment Governance:	145,500	-	-
<b>Total Expenses</b>	<b><u>\$2,272,088</u></b>	<b><u>\$1,118,738</u></b>	<b><u>\$1,459,038</u></b>

#### **Adjournment**

The foregoing is a true record of the proceedings at The Rotary Foundation Trustees meeting held on 4–6 April 2016 in Evanston, IL, USA.

\_\_\_\_\_  
Ray Klingensmith, Chairman  
The Rotary Foundation

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

#### **ATTEST:**

\_\_\_\_\_  
John Hewko  
General Secretary

## APPENDIX A

### SUMMARY OF DECISIONS TAKEN ON BEHALF OF THE TRUSTEES (Decision 96)

#### **Exhibit 2-a: Citation for Meritorious Service Awards**

- 22 award recipients.

#### **Exhibit 2-b: TRF Cadre of Technical Advisers**

- The cadre reviewed 36 grants, including 10 technical reviews, three random audits, three advance site visits, 14 interim monitoring visits, two post project site visits, three Grant Model Evaluation Beneficiary Level interviews, and one Grant Model Evaluation site visits.

#### **Exhibit 2-c: Foundation Programs**

- 233 global grants awarded for a total of \$6,077,191 in World Fund
- 98 district grants awarded for a total of \$4,754,075 in DDF

#### **Exhibit 2-d: Waivers**

- In January 2016 the Trustees agreed to limit global grant scholars coming to the US to tuition, books and fees as these expenses do not require the Secretariat to withhold taxes. Per the Trustees' request, the general secretary is bringing alternative options to the Trustees in April 2016. In the meantime, the general secretary has noted that approximately a quarter of the students who come to the US each year are from Japan, and therefore paid by the PIIF (Japanese associate foundation). The PIIF is not required to do withholdings for these students, and a number of them are research scholars, whose expenses do not include any tuition, books or fees. The general secretary, in consultation with the Trustee chair, granted a waiver from the budgetary restrictions for these students.
- **Districts/Clubs:** Rotary Club of Viareggio Versilia (District 2071) and Rotary Club of Kensington (District 1130)  
**Nature of Request:** Flavia Sorbi is currently a doctor in her fourth year of the residency program in obstetrics and gynecology at Careggi University Hospital in Florence, Italy. This application is to provide a scholarship to Ms. Sorbi to take part in a research and clinical fellow program and attend courses to advance her knowledge in screening programs and surgical techniques within gynecology and oncology at Imperial College in

London for four months. Her future plans are to come back to Italy and use the knowledge she has gained to treat her patients more effectively, pursue additional cancer research, and promote new screening programs. TRF policy states that global grants provide scholarships to fund graduate level coursework or research or its equivalent for a term of one to four academic years. Due to this applicant's background, future career plans and coursework's strong alignment with the area of focus, we have granted a waiver for the minimum one year requirement and approved the grant as proposed.

- **Districts/Clubs:** Rotary Club of North Scott, Davenport (District 6000) and Rotary Club of Masaka (District 9211)

**Nature of Request:** This project seeks to teach animal and crop production skills to the community, provide training on handicraft production for tourists, provide water tanks and toilets to 20 households and the orphanage and provide furniture and supplies to be used for educational activities. The project is being conducted in conjunction with the installation of a water well, funded through a grant from the grocery chain Hy Vee. This application required extensive coaching from a team of staff to be eligible for global grant funding. While the sponsors modified certain aspects of the project's design to ensure greater impact and success, they were unwilling to make the necessary modifications to the BEL portion of the project. Rather than prolong what was increasingly becoming a contentious interaction with the international primary sponsor, the general secretary waived the sustainability requirement for the BEL portion of the project.

## APPENDIX C

### ARCH KLUMPH CENTENNIAL FAMILY CIRCLE CENTENNIAL YEAR PILOT RECOGNITION (Decision 108)

This new recognition concept is a result of recent requests from Rotarians who would like to honor family members as AKS. To try and accommodate requests such as these without taking away from the importance of recognizing the significant contributions given by our current Arch Klumph Society members, the idea of AKS Centennial Family Circle was born.

*Key features:*

1. 1 July 2016 launch date as a TRF Centennial Year pilot.
2. Children, Grandchildren, Parents, Siblings and Grandparents of the donor will be eligible to become an AKS Centennial Family Circle recipient.
3. A minimum of US\$250,000 given to TRF during the Centennial year will be required to name an AKS Centennial Family Circle recipient. Prior year contributions will not be eligible.
4. The donor will be able to choose any designation for the new cash gift.
5. AKS Centennial Family Circle recipients can be named starting from US\$250,000 per individual or couple.
6. AKS Centennial Family Circle recipient portraits will exist in the AKS electronic kiosk only and not be hung in the existing AKS Gallery.
7. The donors of the AKS Centennial Family Circle contribution will be recognized for their new gift as part of their own total giving to TRF. For example, if the donor is AKS Level 1 at US\$250,000 and they contribute an additional US\$250,000 to name an AKS Centennial Family Circle recipient, the donor's own giving total will increase to US\$500,000 and they will reach AKS Level 2. The AKS Centennial Family Circle recipient will receive 250,000 points, but will not be considered a major donor in their own right.
8. AKS Centennial Family Circle recipients will receive the current universal pin or pendant to wear as recognition.
9. AKS Centennial Family Circle recipients will not be eligible to go through the AKS induction process.
10. AKS Centennial Family Circle recipients will not be eligible to attend the AKS dinner at the RI convention but will be granted access to the AKS lounge in the House of Friendship at the convention.
11. AKS Centennial Family Circle recipients will be listed apart from traditional AKS donors in any AKS publications.
12. This concept is specific for the Centennial Year but if successful, could extend beyond the Centennial year.

## **APPENDIX D**

### **ENDOWMENT/MAJOR GIFTS ADVISER TRAINING (Decision 108)**

Assumptions:

- The training is a two-day event in April in Evanston at One Rotary Center.
- In 2016-17, all incoming endowment/major gifts advisers (E/MGA) who will serve in the coming Rotary year and those who will be starting their second year will attend.
- The training will use the same moderator and assistant moderator as the Regional Leadership Training Institute.
- Four members of the Endowment/Major Gifts Advisory Group will serve as trainers, with two of the four serving as lead trainers.
- Each major gifts officer with an incoming or second year E/MGA will attend to work with their E/MGAs.
- Each international office will send Foundation fundraising staff to support non-North American E/MGAs from their areas.

Potential topics/activities include:

- Foundation giving options & campaigns
- Current Foundation fundraising goals
- Four step giving process
- Soliciting individuals
- Soliciting companies
- Rotary grants & programs
- Leveraging your regional team

## APPENDIX E

### AREAS OF FOCUS MAJOR GIFTS INITIATIVES ACTION PLAN (Decision 110)

Recognizing the substantial opportunities for increased contributions to support Rotary's strategic goals, major gift initiatives seeking major and planned gifts of \$100,000 or above in three areas of focus were approved in April 2015. The areas of focus selected are water & sanitation; basic education & literacy; disease prevention & treatment and will be launched on a staggered basis. Each will have a minimum financial goal of \$25 million over three to five years with a minimum of fifty percent of each goal designated for the Endowment Fund.

#### AREAS OF FOCUS LAUNCH ORDER

Because WASH in Schools has already launched in India, it is recommended that the Water and Sanitation area of focus be given first priority. WASH in Schools also incorporates Basic Education and Literacy, so it has been placed second. Global grant naming opportunities already exist for all areas of focus.

This document outlines the key planning points to be considered in the development of a business plan.

Area of Focus	Launch	Gifts and Commitment Goals	Current Special Initiatives Underway	Rotarian Action Groups (RAGS)	Leadership Gift Potential (\$1 Million or more)	Other Considerations
1. Water and sanitation	July 1, 2016	Minimum \$25 million in term and endowed gifts and commitments over 3-5 years	WASH In Schools	WASRAG is high profile and engaged	High	WASH In Schools Target Challenge has launched in India
2. Basic Education and Literacy	July 1, 2017	Minimum \$25 million in term and endowed gifts and commitments over 3-5 years	WASH In Schools	Health Ed and Wellness, Literacy	High	BEL is integrated into WASH in Target Schools
3. Disease Prevention and Treatment	July 1, 2018	Minimum \$25 million in term and endowed gifts and commitments over 3-5 years		Approximately 14 RAGS	High	Broad area; what particular projects can be carved out? Can/should the focus be narrowed?

#### FOR DISCUSSION: FRAMEWORK FOR WATER AND SANITATION

Element	Volunteer Leadership	Staff Leadership	Partners	Strategy	Timeline
WASH In Schools Target Challenge	<ul style="list-style-type: none"> <li>Indian Rotarian leaders</li> <li>WASRAG</li> </ul>	<ul style="list-style-type: none"> <li>Programs and Grants</li> <li>Strategy, Research and Evaluation</li> </ul>	USAID World Vision UNICEF		1 July 2016 launch
Water Education		<ul style="list-style-type: none"> <li>Programs and Grants</li> <li>Partnerships</li> </ul>	UNESCO-IHE Institute for Water Education		
Global grants, other	<ul style="list-style-type: none"> <li>District leaders</li> </ul>	<ul style="list-style-type: none"> <li>Programs and Grants</li> </ul>		<ul style="list-style-type: none"> <li>Develop marketing toolkit and training materials to promote existing gift opportunities</li> </ul>	1 July 2016 launch

**STAKEHOLDERS**

Volunteers	Secretariat	Rotary-Affiliated Groups	Partners
Rotary Senior Leaders, particularly Trustees	Fund Development, including Campaigns and Major Gifts, Planned Giving, International Offices, Principal Gifts	Water and Sanitation Rotary Action Group (WASRAG)	Prospective partners to be determined
AOF*MGI Planning Subcommittee of the Fund Development Committee	Programs and Grants		
Fund Development Committee	Donor Relations, Donor Services		
Endowment/Major Gift Advisers (E/MGAs)	Strategy, Research and Evaluation (including Business Intelligence)		
Regional Rotary Foundation Chairs (RRFCs)	Partnerships		
District Committees	Finance, including Financial Business Support and Accounts Receivable		
AOF*MGI Committees for each area of focus	Communications, including Marketing, Design, Interpretation, Broadcast Media, Social Media, Public Relations, Web		
Special Committees specific to stakeholder countries (such as India)	Information Technology		
Programs Committee	Learning and Development		
	International Office Staff		
	Project Improvement Plan (PEP)		

**PRIMARY TEAM STRUCTURE**

Team	Reports To	Scope of Responsibilities	Launch/ Due Date	Comments/Key Deliverables
Fund Development Committee	The Rotary Foundation Trustees	<ul style="list-style-type: none"> <li>Oversees the development of the plan and timetable for all aspects of the AOF Major Gifts Initiatives</li> </ul>	July 1, 2015	<ul style="list-style-type: none"> <li>A planning group of the Fund Development Committee will be responsible for developing the roll-out plan</li> </ul>
Fund Development Staff Team (including Campaigns/Planned and Major Gifts, Partnerships, Donor Services and Support)	Chief Development Officer and General Manager, Polio Development and Partnerships	<ul style="list-style-type: none"> <li>Develop plan with Fund Development planning group</li> <li>Work with staff and volunteer stakeholders on all aspects of plan</li> <li>Develop partnership opportunities</li> <li>Gift reports, donor stewardship, tracked gifts, gift agreements</li> </ul>	October 1, 2016	<ul style="list-style-type: none"> <li>Primary staff stakeholder and coordinator of relationships</li> <li>Emphasis on programs that may attract funding of \$5 million or more</li> <li>New reports needed to track major and planned gifts by area of focus and contributor</li> <li>Endowment reports to donors are key to donor satisfaction</li> </ul>
Programs and Grants Staff Team	Chief Programs and Member Services Officer and General Manager	<ul style="list-style-type: none"> <li>Identify program and grant opportunities</li> <li>Work with Director of Partnerships to identify possible programs for high end contributions</li> </ul>	July 1, 2016	<ul style="list-style-type: none"> <li>Already a part of the planning process</li> </ul>
Strategy, Research and Evaluation Staff Team	Chief Strategy Officer and General Manager	<ul style="list-style-type: none"> <li>Coordinate processes relating to evaluation and reporting</li> </ul>	October 1, 2015	<ul style="list-style-type: none"> <li>Relationships to be clarified prior to Trustee meeting</li> </ul>
Financial Systems and Process	Business and Finance	<ul style="list-style-type: none"> <li>Monthly detailed gift reports</li> </ul>	October 1, 2015	<ul style="list-style-type: none"> <li>Detailed gift report by donor and region needed to measure progress against goals</li> </ul>

Communications	Chief Communications Officer and General Manager	<ul style="list-style-type: none"> <li>Create materials for each area of focus</li> <li>Develop content for web and social media</li> </ul>	July 1, 2015	
----------------	--	---	--------------	--

**COMMITTEE STRUCTURE RECOMMENDATION**

Area of Focus	Volunteer Leadership Team Description	Launch Date	Comments
Water and Sanitation	Up to 12 members with a one -year position, with potential for re-appointment, up to three years or at discretion of Trustee Chair. Committee Chair chosen based upon demonstrated interest in Water and Sanitation area of focus.	July 1, 2016	Consider including WASRAG leadership representative on committee.
Basic Education and Literacy	Same as above. Chair chosen based upon demonstrated interest in BEL area of focus.	July 1, 2017	RAG and cadre leadership should be considered
Disease Prevention and Treatment	Same as above. . Chair chosen based upon demonstrated interest in DPT area of focus.	July 1, 2018	RAG and cadre leadership should be considered

**COMMITTEE ACTION RECOMMENDATIONS**

Action	Responsibility	Support/Resources	Strategy	Comments
Identify	Identify and develop cultivation plans for potential AOF•MGI supporters	Fund Development Staff, E/MGAs, RRFCs, Fund Development Committee, other Rotary leaders	Work with district leadership to identify prospects and create personalized strategies for each prospect	Leveraging district leadership to help identify Rotarians will be a key strategy to cultivate potential AOF•MGI supporters
Cultivate	Cultivate by educating Rotarians and friends on the AOF•MGI	Fund Development Staff, E/MGAs, RRFCs, Fund Development Committee, other Rotary leaders	Rotary events (IA, Convention, Zone institutes, PETS, Webinars, regional event, local publications)	Leveraging district leadership to help educate Rotarians will be another important strategy
Solicit	Participate and support solicitation activities, including one-on-one conversations and special events with a soft solicitation component	Fund Development Staff, E/MGAs, RRFCs, Fund Development Committee, other Rotary leaders	Participate in the solicitation process, including meetings with prospective donors as well as events that encourage support of the AOF•MGI	Local events have been very successful for the RPC•MGI and can be a great resource and strategy for the AOF•MGI
Steward	Provide appropriate stewardship for donors who have supported the AOF•MGI	Fund Development Staff, E/MGAs, RRFCs, Fund Development Committee, Other Rotary leaders	Stewarding supporters will keep them engaged and will secure repeat gifts	A strong stewardship plan for RPC•MGI has contributed to engaged donors who have made repeat gifts. As of 30 Sept 2015 the RPC•MGI has received 7,124 gifts form 4,110 donors

**TRAINING**

Constituency	Secretariat Area of Responsibility	Training Opportunities	Challenges	Implementation Timeline
Zone leadership (Endowment/ Major Gift Advisers and Regional Rotary Foundation Coordinators)	Regional Leader Support Campaigns and Major Gifts	<ul style="list-style-type: none"> <li>RRFC and E/MGA training</li> <li>Coordinator Communique</li> <li>GETS</li> <li>Institutes</li> <li>Zone team trainings</li> <li>Webinars</li> </ul>	<ul style="list-style-type: none"> <li>For new volunteers only</li> <li>Lacks the impact of meeting-based training</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated into March 2016 and each subsequent year</li> <li>March 2016 and annual updates</li> </ul>
District leadership (District Governors, District Rotary Foundation Chairs, District Endowment/Major Gift Advisers)	Learning and Development Campaigns and Major Gifts	<ul style="list-style-type: none"> <li>International Assembly</li> <li>Webinars</li> </ul>	<ul style="list-style-type: none"> <li>Agenda time</li> <li>Agenda time and district interest</li> </ul>	<ul style="list-style-type: none"> <li>January 2016 on</li> <li>2016-17 on</li> </ul>

**COMMUNICATIONS**

Element	Audience	Development Start Date	Completion Date	Responsible Areas	Annual Budget (approximate)
AOF Brochure	Rotarian and non-Rotarian prospects; corporations, foundations	September 1, 2015	June 1, 2016	Donor Marketing, with Campaigns and Major Gifts	\$30,000 budgeted for FY16
iPad friendly presentation for prospect meetings	Rotarian and non-Rotarian prospects; corporations, foundations	June 1, 2016	July 1, 2016	Donor Marketing, Design, Campaigns and Major Gifts	No cost if done internally; cost TBD if an external vendor is used to develop a more high-tech version
PowerPoint version for district and zone cultivation	Rotarians at district and zone training activities	July 1, 2016	September 1, 2016	Donor Marketing, Design, Campaigns and Major Gifts	No cost
Area of Focus Pins (starting with water and sanitation)	Rotarian prospects and donors	October 1, 2015	July 1, 2020 Water and Sanitation pin completed	Design	\$5,000 per year per area of focus
Website content	Rotarians and non-Rotarians	July 1, 2016	Ongoing	Donor Marketing, with Campaigns and Major Gifts	No cost if done internally
Video	Rotarians and non-Rotarians	July 1, 2016	Ongoing	Donor Marketing, Broadcast Media	\$1,500 per video for language versions
Publicity on new initiatives	Rotarians	July 1, 2016	Ongoing	Communications	No cost projected at this time
Social media plan (if needed)	Rotarians	July 1, 2016	Ongoing	Social and digital media	No cost

**GIFT OPPORTUNITIES**

Gift Size	Opportunities for Consideration	Benefits	Responsible Areas
<b>\$5 million plus</b>			
<i>Existing Opportunities</i>			
	<ul style="list-style-type: none"> <li>Endowed global grants</li> </ul>	<ul style="list-style-type: none"> <li>Within the existing Rotary model</li> <li>Rotarian action groups may be helpful in developing expenditure models</li> <li>Particularly appealing to Rotarians</li> </ul>	<ul style="list-style-type: none"> <li>Larger gifts are difficult to spend within existing global grant structure</li> <li>Limited appeal to non-Rotarian donors or to corporations and foundations</li> <li>Donor reporting and stewardship challenges</li> </ul>
	<ul style="list-style-type: none"> <li>Term global grants</li> </ul>	<ul style="list-style-type: none"> <li>Within the existing Rotary model</li> <li>Rotarian action groups may be helpful in developing expenditure models</li> <li>May have appeal to non-Rotarians</li> </ul>	<ul style="list-style-type: none"> <li>Size and specificity may create expenditure challenges</li> <li>Some donors may want to have more say in creating a particular program</li> </ul>
	<ul style="list-style-type: none"> <li>General endowment fund</li> </ul>	<ul style="list-style-type: none"> <li>Legacy gift opportunity for committed Rotarians and spouses</li> </ul>	<ul style="list-style-type: none"> <li>No donor specificity</li> </ul>
<i>Potential New Opportunities-Under consideration</i>			
	<ul style="list-style-type: none"> <li>Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Appealing to foundations and corporations</li> <li>Multi-year commitment possibilities</li> </ul>	<ul style="list-style-type: none"> <li>Identification of appropriate projects within areas of focus that complement global grant activities</li> <li>Quantifiable results necessary for partners</li> <li>Partnership approval complicates donor negotiations</li> </ul>
	<ul style="list-style-type: none"> <li>Foundation Centennial Celebration</li> </ul>	<ul style="list-style-type: none"> <li>Unique opportunities could be identified to name programs and staff positions</li> </ul>	<ul style="list-style-type: none"> <li>Acceptance of all volunteer constituencies</li> </ul>

Up to \$5 million			
Existing Opportunities			
	<ul style="list-style-type: none"> <li>Endowed global grants</li> </ul>	<ul style="list-style-type: none"> <li>Within existing model</li> <li>Appealing to Rotarians</li> </ul>	<ul style="list-style-type: none"> <li>Donor flexibility is constrained by guidelines</li> </ul>
	<ul style="list-style-type: none"> <li>Term global grants</li> </ul>	<ul style="list-style-type: none"> <li>Same as above</li> </ul>	<ul style="list-style-type: none"> <li>Same as above</li> </ul>
	<ul style="list-style-type: none"> <li>General endowment fund</li> </ul>	<ul style="list-style-type: none"> <li>Same as above</li> </ul>	<ul style="list-style-type: none"> <li>Same as above</li> </ul>

**TIMELINE HIGHLIGHTS**

Fiscal Year	Action	Responsible Areas (staff)	Comments
2015-2016	<ul style="list-style-type: none"> <li>Develop communications plan and elements supporting the fundraising activities</li> </ul>	Communications (Maura Duffy)	As an organizational year, the focus is on building the infrastructure and giving the key volunteer constituencies a heads-up that the full roll-out is coming.
	<ul style="list-style-type: none"> <li>Convene Areas of Focus Major Gifts Sub-Committee of the Fund Development Committee and convene planning meeting</li> </ul>	Fund Development (chief development officer, Eric Schmelling, Peggy Asseo, Nafisha Karim)	
	<ul style="list-style-type: none"> <li>Add staff and adjust fund development office structure to support increased activity</li> </ul>	Campaigns and Major Gifts (Peggy Asseo)	
	<ul style="list-style-type: none"> <li>Appoint Major Gifts Committees for first selected area of focus</li> </ul>	Trustee Chair-elect (chief development officer)	
	<ul style="list-style-type: none"> <li>Begin basic information update of E/MGAs and DGEs, incorporated into regular training activities</li> </ul>	Learning & Development, Regional Leader Support, Member Services (Christine Sanders)	GETS/Institutes International Assembly, RRFC/E/MGA training
	<ul style="list-style-type: none"> <li>Overview report to the Trustees in October 2015</li> <li>Business plan report to the Trustees in April 2016</li> </ul>	Fund Development Committee (chief development officer)	
	<ul style="list-style-type: none"> <li>Launch small gatherings to encourage AOF major gifts</li> <li>Launch dinners and other special events to promote giving to the areas of focus</li> <li>Develop cadre of speakers for various events, trainings, etc.</li> </ul>	E/MGAs, Major Gift Officers, International Gift Officers (Peggy Asseo, Nafisha Karim, Dori Dinsmore)	
2016-2017	<ul style="list-style-type: none"> <li>Begin gift cultivation and solicitation utilizing new goals, materials, and naming opportunities</li> </ul>	Major gift officers and International gift officers (Dori Dinsmore, David Bender)	<ul style="list-style-type: none"> <li>Communication materials developed and implemented as part of the comprehensive communications plan</li> <li>Consider special cultivation and solicitation strategies based on regions</li> </ul>
	<ul style="list-style-type: none"> <li>Add additional support staff to support new gift initiatives</li> </ul>	Fund Development (Eric Schmelling)	
	<ul style="list-style-type: none"> <li>First AOF Major Gifts Committee meets in summer, with quarterly webinar updates</li> </ul>	Campaigns and Major Gifts (Peggy Asseo)	
	<ul style="list-style-type: none"> <li>Training activities incorporated as part of all district and zone leadership</li> </ul>	Learning and Development, Regional Leader Support (Christine Sanders)	Materials must be developed and translated by Campaigns and Major Gifts

	<ul style="list-style-type: none"> <li>Announcement of leadership gifts (tentative)</li> </ul>	Fund Development, Partnerships (Eric Schmelling, Peggy Asseo, Michele Cangelosi)	
<b>2017-2020</b>	<ul style="list-style-type: none"> <li>Adjust budget and staff annually to reflect return on investment</li> </ul>	Polio, Development and Partnerships (chief development officer)	Ongoing review of all aspects of the major gifts initiatives
	<ul style="list-style-type: none"> <li>Report progress against goals to the Fund Development Committee on a quarterly basis</li> </ul>	Campaigns and Major Gifts (Peggy Asseo)	
	<ul style="list-style-type: none"> <li>Report progress against goals to the Trustees on an annual basis</li> <li>Develop a comprehensive report and recommendations for continued activity in areas of focus major and planning giving</li> </ul>	Fund Development Committee (chief development officer)	

## APPENDIX F

### ENDOWMENT FUND AND GLOBAL GRANT NAMING OPPORTUNITIES (Decision 110)

#### ENDOWMENT FUND

Named Funds of \$25,000 or more

Special opportunities exist to create a custom fund within the Endowment Fund. A fund can carry the name of the donor or loved and is tracked separately. Donors receive an annual financial update on their endowed fund.

Options vary depending upon the size and purpose of the gift:

#### \$500,000+ *Customized Global Grant Endowed Fund\**

A customized endowed fund may be created with up to three of the following options below:

1. Activity—humanitarian project, scholarship, vocational training team
2. Area of Focus
3. District
4. Geographic location such as Africa, Asia, or Latin America

For example: *The Robert and Jane Smith Humanitarian Endowed Fund for Maternal and Child Health*- the endowment provides Robert and Jane's home district in Southern California the opportunity to work on humanitarian grants in the maternal and child health area of focus around the world.

#### \$250,000+ *Customized Global Grant Endowed Fund\**

A customized endowed fund may be created with up to **two** of the following options below:

1. Activity—humanitarian project, scholarship, vocational training team
2. Area of Focus
3. District
4. Geographic location such as Africa, Asia, or Latin America

For example: *The Robert and Jane Smith Endowed Fund for Ghana Water Projects*- the endowment provides support for TRF to use towards water projects in Ghana.

#### \$150,000 *Activity Global Grant Endowed Fund*

A customized endowed fund may be created to support

one of the following grants: humanitarian projects, scholarships, or vocational training teams

For example: *The Robert and Jane Smith Endowed Scholarship*- the endowment provides support for TRF to use towards scholarships for students studying graduate studies in one of the areas of focus.

#### \$25,000 *Named Endowed Fund*

Provides general support to the World Fund, SHARE, Rotary Peace Centers or general support to a global grant developed around the world in one of Rotary's areas of focus:

- Peace and conflict prevention/ resolution
- Disease prevention and treatment
- Water and sanitation
- Maternal and child health
- Basic education and literacy
- Economic and community development

For additional details see the accompanying "Program Designations of Any Amount."

Please note that only a portion of the earnings are used annually for program spending. Click here to learn more about the Endowment Fund Spending Policy.

#### TERM GIFTS

##### Global Grant Naming Opportunities

Special opportunities are available to those who wish to support global grant activities through a term gift. This is generally a one-time gift, used in its entirety for its intended purpose and carries the name of the donor or loved one — for instance, the Robert and Jane Smith Term Global Grant for Basic Education and Literacy. Each term gift will be individually tracked and reported on to the donor.

Term global grants will provide support to humanitarian projects, scholarships, and vocational training teams in one of Rotary's areas of focus:

- Peace and conflict prevention/resolution
- Disease prevention and treatment
- Water and sanitation
- Maternal and child health
- Basic education and literacy
- Economic and community development

Options vary depending on the size of the gift:

**\$15,000+**

Funds one or more global grant with an area of focus option specified by the donor. A geographic preference for the grant, such as Africa, Asia, or Latin America, will be considered. Donors will receive a letter when the term gift is used with general information regarding the grant.

**\$30,000+**

Funds one or more global grant with an area of focus option specified by the donor. Donors may specify the area of focus and a district to develop the grant, as well as the project or activity type: humanitarian project, scholarship, or vocational training team. A geographic preference for the grant, such as Africa, Asia, or Latin America, will be considered. Donors will receive a report when the term gift is used with specific information on the grant funded by the gift.

**\$150,000+**

Funds one or more global grant as described above. Additionally, donors may specify up to two areas of focus and the option to support any current special initiatives of the Foundation; for example the WASH in Schools (WinS) initiative. Donors will receive a personalized report when the term gift is used, including general information on the grant, how much additional funds were leveraged and pictures when available.

Term global grants are typically supplemented with other Rotary funding which leverages and maximizes each gift. Combined term and endowed gift opportunities are available. Please contact The Rotary Foundation to discuss the opportunity that is best for you.

\*Will only be established upon approval by The Rotary Foundation  
All monetary amounts in this document are in U.S. dollars

## APPENDIX G

### THE ROTARY FOUNDATION CENTENNIAL RECOGNITION OPPORTUNITIES (Decision 110)

Special opportunities are available to those who wish to support The Rotary Foundation during its centennial year through an outright gift to the Endowment Fund of \$1,000,000 or more. In return for providing crucial support to the Foundation, a donor may be recognized with a plaque in a Rotary International headquarters space for a designated amount of time. The donor's names will also be recognized in a long-term display at One Rotary Center. The recognition opportunity is limited to one donor or couple per space.

Three options for support to the Endowment Fund are presented for the Trustees' consideration:

1. 100% of the spendable earnings to support The Rotary Foundation operations
2. 50/50 between program support and offsetting The Rotary Foundation operations
3. 100% program support

Major gift pledges over three to five years are encouraged.

Options include:

Recognition opportunity	Amount	Duration
Board room	\$5,000,000	10 Years
Main lobby	\$5,000,000	10 Years
Auditorium	\$3,000,000	8 Years
First floor conference rooms (three)	\$1,500,000	6 Years
Conference rooms (multiple)	\$1,000,000	5 Years

Other space options may be considered at the donor's request.

It has been suggested that the two most visible rooms at ORC should be officially named - Paul P. Harris Board Room and the Arch C. Klumph Auditorium - in recognition of the founder of Rotary and the founder of the Rotary Foundation. While this item is not part of the decision recommended it could be added if the Trustees are in agreement. This could be regardless of the decision on Recognition Opportunities.

\*Will only be established upon approval by The Rotary Foundation  
All monetary amounts in this document are in U.S. dollars

## APPENDIX H

### AMENDMENTS TO THE ROTARY FOUNDATION CODE OF POLICIES REGARDING ELIGIBILITY REQUIREMENTS FOR AREAS OF FOCUS

#### (Decision 117)

#### 11.070.2.5. Basic Education and Literacy

Rotary supports activities and training to improve education for all children and literacy for children and adults.

##### I. Area of Focus Statement of Purpose and Goals

TRF enables Rotarians to ensure that all people have sustainable access to basic education and literacy by

1. Involving the community to support programs that strengthen the capacity of communities to provide basic education and literacy to all
2. Increasing adult literacy in communities
3. Working to reduce gender disparity in education
4. Supporting studies for career-minded professionals related to basic education and literacy

##### II. Parameters for Eligibility

TRF considers activities targeting the following to be within the scope of the basic education and literacy area of focus:

1. Enhancing Access to quality basic primary and secondary education, seeking to involve local school officials when possible
2. Educating adults in literacy
3. Providing teacher training in curriculum implementation, effective instructional methodologies and/or student assessment teaching literacy, curriculum development and school administration
4. Strengthening educational experience through improved materials and facilities that complement curriculum and/or teacher training
5. ~~Community management of education systems~~
- 56 School desk purchases, when accompanied by a detailed and verifiable plan to improve basic education and literacy
67. Vocational training teams supporting the above activities
78. Scholarships for graduate-level study in programs related to basic education and literacy

TRF considers activities targeting the following to be outside the scope of the basic education and literacy

area of focus and as such are not eligible for global grant funding:

1. Projects that consist exclusively of equipment purchases;
2. Projects that provide tuition or school supplies without the means for the community to provide these in the future
3. Projects that the community is not able to continue after grant funding ends



#### 11.070.2.6. Economic and Community Development

Rotary supports investments in people to create measurable and enduring economic improvement in their lives and communities.

##### I. Area of Focus Statement of Purpose and Goals

TRF enables Rotarians to invest in people by creating sustainable, measurable and long term economic improvements in their communities and livelihoods by

1. Building the capacity of entrepreneurs, community leaders, local organizations, and community networks to support economic development in impoverished communities
2. Developing opportunities for productive work
3. Reducing poverty in underserved communities
4. Supporting studies for career-minded professionals related to economic and community development.

##### II. Parameters for Eligibility

TRF considers activities targeting the following to be within the scope of the economic and community development area of focus:

1. Access to financial services for the poor, which may include but are not limited to microcredit, savings, or insurance
2. Training related to economic and community development including but not limited to

entrepreneurship, community leadership, vocational, and financial literacy

3. Small business/cooperative/social enterprise development and income-generating activities for the poor, including but not limited to the organization of village-wide businesses that provide employment
4. Agricultural development for subsistence and small farmers, including but not limited to the facilitation of access to markets
5. Community-led and coordinated adopt-a-village or comprehensive community development activities
6. Vocational training teams supporting the above activities
7. Scholarships for graduate-level study in programs related to ~~grass-roots~~ local, regional, or national economic development and programs specifically designated in community development.

TRF considers activities targeting the following to be outside the scope of the economic and community development area of focus and as such are not eligible for global grant funding:

1. Community infrastructure projects, unless they result in a significant increase in the ability of community members to produce and distribute goods and services that create personal resources
2. Community beautification projects
3. Construction or rehabilitation of community centers

## APPENDIX I

### MEASUREMENT FRAMEWORK FOR SCHOLARSHIPS (DECISION 119)

Global grant scholar impact will be measured for future evaluations using the measures identified below by Hanover Research. Many of these measures are based on data points TRF currently collects or can easily obtain to track scholar impact. Districts could also adopt these measures in evaluating their district grant scholars.

#### SCHOLARSHIP EVALUATION Proposed Scholar Impact Model

##### **GOAL 1: Access and Opportunity**

###### Possible Measures

- percent of current students on-track academically
- GPA and graduation rates
- Demographics and socioeconomic characteristics of students

##### **GOAL 2: Commitment to Service**

###### Possible Measures

- Percent of recipients currently holding/held a leadership position
- Percent of recipients currently working in a field aligned with the areas of focus
- Percent of recipients indicating continued commitment to the areas of focus
- Percent of recipients with accomplishments related to the areas of focus

##### **GOAL 3: Engagement with Rotary**

###### Possible Measures

- Number and types of interactions with Rotary during and after completing the degree program
- Percent of recipients holding leadership positions within Rotary

## APPENDIX L

### AMENDMENTS TO THE ROTARY FOUNDATION CODE OF POLICIES REGARDING CADRE RESPONSIBILITIES AND THE CADRE APPOINTMENT PROCESS

#### (Decision 136)

#### 14.020. The Rotary Foundation Cadre of Technical Advisers

The Rotary Foundation Cadre of Technical Advisers is a team of Rotarians who volunteer to review, monitor, and evaluate Rotary Foundation grant projects. The cadre is composed of technical advisers, technical coordinators, cadre chair and cadre vice chair. To be a registered member of the cadre, a Rotarian must meet the following qualifications:

- a. be a current, active member of a functioning Rotary club
- b. be in good standing with The Rotary Foundation and Rotary International
- c. register with the cadre every three years
- d. have professional experience in at least one of the Trustee-approved areas of focus and/or financial auditing
- e. complete the new cadre member orientation process.

The cadre shall support the Foundation's programs as follows:

- a. provide project planning guidance to Rotarians as requested
- b. provide technical review and feedback per the guidelines outlined in Rotary Foundation Code of Policies section 11.040.3. C.3. for Rotary Foundation grant applications, and assess Rotary Foundation grant project implementation, prior to and after making any site visit as may be requested, and in accordance with the Trustee-approved levels of grant application assessment
- c. support qualified districts by performing operational audits to ensure compliance with qualification requirements
- d. assist in the investigation and resolution of allegations
- e. maintain confidentiality of reports upon completion of any assignments.



#### 14.020.2. Appointment

The trustee chairman will appoint for three-year terms, on a staggered basis, the chair, vice chair

and technical coordinators of The Rotary Foundation Cadre of Technical Advisers.



#### 14.020.5. The Rotary Foundation Cadre Vice-Chair Responsibilities

The cadre vice chair responsibilities shall be to:

- 1) Orient and support Technical Coordinators
- 2) Ensure quality and consistency of all technical adviser reports
- 3) Maintain integrity and confidentiality of all technical adviser reports.



14.020.6.1. Technical Coordinator Responsibilities  
The technical coordinator responsibilities shall be to:

1. provide technical expertise to enhance project quality
2. perform complicated or sensitive assignments
3. serve as a resource for Rotarians, technical advisers, and the general secretary
4. recruit Rotarians, particularly individuals from underrepresented groups, to register as technical advisers
5. assist in the orientation process of new cadre advisers by evaluating technical reviews to determine skill level and provide guidance
6. identify project trends and concerns, program recommendations, and best practices to share with the general secretary.

## INDEX

All references are to decision numbers unless otherwise noted

### -A-

Agenda, tentative future, 100  
Allegations, report on, 135  
Appreciation for Rotary Foundation  
general manager, 99  
Areas of focus major gifts initiative  
report, 110 (App. E, F, G)  
Associate foundations  
annual update on, 105  
appointments to, 106

### -B-

Budget  
contributions and program  
awards, 139  
modifications, 144  
Board, communications from the RI,  
98

### -C-

Centennial history book, update on,  
130  
Committee report  
areas of focus major gifts  
initiative, 110 (App. E, F, G)  
end of polio, 132  
finance, 138  
fund development, 108  
(App. C, D)  
investment, 140 (App. M)  
joint committee on partnerships,  
123 (App. K)  
programs (112-120)  
areas of focus, 117 (App. H)  
critical success factors, 118  
district designated fund use, 115  
grant model, 112  
programmatic issues, 119  
(App. I, J)  
projects of scale, 114  
sustainability, 116  
technology, 120  
training, 113  
Rotary peace centers future  
planning, 131  
TRF policies simplification, 107  
Communications from the RI Board,  
98  
Contributions and program awards,  
budget for, 139  
Convention, funding for TRF  
activities at Atlanta, 134  
Corporate social responsibility in  
India, 111

### -D-

Decisions taken on behalf of the  
Trustees, 96 (App. A)  
Delegation of authority, review of,  
102 (App. B\*)  
Duty of care to grant travelers, 126

### -E-

End of polio subcommittee report,  
132  
Endowment: 2025 by 2025, 109  
Endowment fund spending rates and  
spendable earnings, 143

### -F-

Foundation  
general manager, appreciation for,  
99  
goals and objectives, report on,  
101  
Fund development committee report,  
108 (App. C, D)

### -G-

General secretary report of the, 97  
Global grant  
appeal, 122  
term gifts, 125  
Grant model evaluation  
areas of focus, 117 (App. H)  
critical success factors, 118  
district designated fund use, 115  
grant model, 112  
programmatic issues, 119  
(App. I, J)  
projects of scale, 114  
sustainability, 116  
technology, 120  
training, 113  
Grants program, world reporting  
analysis for the, 137  
Grant requests, level III, 121  
Grant travelers,  
duty of care to, 126  
insurance policy for, 128

### -I-

Insurance policy for grant travelers,  
128  
Investment committee report, 140  
(App. M)  
Investment governance, 142

### -J-

Joint committee on partnerships, 123  
(App. K)

### -L-

Lead facilitator for 2017 regional  
leaders training institute, 103  
Level III grant requests, 121  
Low cost shelters and simple  
schools, 129

### -M-

Minutes of the January 2016  
meeting, 95  
Modifications to the budget, 144

### -P-

Project enhancement database, 133  
Promotional travel funds, trustee,  
104

### -R-

Regional leaders training institute,  
selection of lead facilitator  
for, 103  
Report  
on allegations, 135  
of the general secretary, 97  
on Rotary Foundation goals and  
objectives, 101  
on the Rotary peace centers future  
planning committee, 131

### -S-

Scholar options, US-bound, 127  
Socially responsible investing, 141  
Stewardship plan, annual, 136  
(App. L)  
Strategic partnership update, world  
vision, 124

### -T-

Term gifts for global grants, 125  
Trustees, decisions taken on behalf  
of, 96 (App. A)  
Trustee promotional travel funds,  
104

### -U-

US-bound scholar options, 127

### -W-

World reporting analysis for the  
grants program, 137  
World vision strategic partnership  
update, 124

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