
MINUTES
of the
APRIL 2015 MEETING
of
THE ROTARY FOUNDATION
TRUSTEES

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DATE AND PLACE

The Rotary Foundation Trustees met on 13-16 April, 2015 in Evanston, IL, USA

ATTENDANCE

Present were Chairman John Kenny, Chairman-elect Ray Klinginsmith, Vice-Chairman Michael K. McGovern, other Trustees Kalyan Banerjee, Noel A. Bajat, Sushil Gupta, Antonio Hallage, Jackson San-Lien Hsieh, Paul Netzel, Samuel F. Owori, Ian H.S. Riseley, Julio Sorjús, Bryn Styles, Sakuji Tanaka, Young Suk Yoon, and General Secretary John Hewko. P.T. Prabhakar attended as director liaison. At the Chairman's invitation, incoming Trustees Örsçelik Balkan, Ron Burton, Mario César de Camargo, and Thomas M. Thorfinnson attended the meeting as observers.

Andrew McDonald served as secretary of the meeting with assistance from Lauren Kovacevich and Matt Hohmann. Other staff present were Victor Barnes, Michele Berg, Joseph Brownlee, Lori Carlson, Bernadette Knight, Abby McNear, Michele Moiron, Maureen Ninneman, John Osterlund, Carol Pandak, James Robinson, and Eric Schmelling. Hyung Jung Lee 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:

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* Filed only with the official copy of these minutes.

102. Minutes of the January 2015 Meeting

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

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

103. 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 1 December 2014 and 28 February 2015 by those authorized to do so.

104. Report of the General Secretary

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

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

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

Statement: The Foundation general manager and the chief programs and member services officer presented reports to the Trustees on Rotary Foundation activities since the January 2015 Trustees meeting. They reported on the status of PolioPlus, Fund Development matters, 2014–15 Rotary Grants, Partnerships, the Areas of Focus, and the project enhancement process, among other Foundation-related topics.

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

106. Communications from the RI Board

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

DECISION: The Trustees note the following decisions from the January 2015 RI Board meeting:

113. Communications from the Trustees
114. Election of Foundation Trustee
115. Operations Review Committee Report
133. UNESCO-IHE Partnership Agreement Extension
140. Award for Non-Rotarians
152. PolioPlus Communications
153. RI/TRF Joint Cost Allocation Committee Report
154. 2015 RI (São Paulo) Convention Financial Status Report

107. Tentative Future Agenda

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

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

108. Updates to The Rotary Foundation Code of Policies

Statement: Rotary Foundation Code of Policies section 2.010.6. requests the general secretary, at the conclusion of each Trustee meeting, to review the decisions taken by the Trustees at that meeting and prepare a report listing the decisions that might be added to The Rotary Foundation Code of Policies.

DECISION: The Trustees, to record the decisions taken at their January 2015 meeting and previously, amend the Rotary Foundation Code of Policies as shown in Appendix B, filed only with the official copy of these minutes.

109. Review of Delegation of Authority

Statement: Rotary Foundation Code of Policies section 2.020. provides a comprehensive delegation of authority summary for 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 C, filed only with the official copy of these minutes.

110. Selection of Assistant Moderator for 2016 Regional Leaders Training Institute

Statement: Rotary Foundation Code of Policies section 5.060.1. requires the Trustees to annually approve a moderator for the Regional Rotary Foundation Coordinator Training Institutes at their April meeting. Trustee Tanaka suggested deferring this selection to study the possibility of aligning the appointment process with the President-nominee.

DECISION: The Trustees

1. defers selection of assistant moderator for 2016 Regional Leaders Training Institute until its October 2015 meeting;
2. agree to discuss whether there should be a joint moderator for future institutes at their June 2015 meeting.

111. 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. receive the general secretary's annual update on associate foundations;
2. agree that Associação Brasileira da The Rotary Foundation (ABTRF) shall have a legal compliance review beginning in 2015–16, with funding provided by The Rotary Foundation;
3. agree that Public Interest Incorporated Foundation – Rotary Foundation Japan (PIIF-RFJ) shall have a legal compliance review beginning in 2015–16, with funding provided by The Rotary Foundation following the completion of ABTRF's legal compliance review.

112. Appointments to Associate Foundations

Statement: The associate foundations have differing requirements for their trustee appointments. At this meeting, the Trustees considered associate foundation

appointments in accordance with each foundation's requirements.

DECISION: The Trustees

1. thank Past Governor Jennifer Scott for her dedicated service as a trustee of The Australian Rotary Foundation Trust;
2. thank Past Governor Terry Lees for his dedicated service as a trustee of The Australian Rotary Foundation Trust;
3. thank Past Governor Ross Forgione for his service as chairman of The Australian Rotary Foundation Trust and his continued service as a trustee of the Trust;
4. appoint Past Governor Louis A. Johnson as chairman of The Australian Rotary Foundation Trust for the term commencing 1 July 2015 through 30 June 2016;
5. appoint Past Governor Ron Geary as trustee of The Australian Rotary Foundation Trust for a three-year term commencing 1 July 2015 through 30 June 2018;
6. appoint Past Governor Tony Castley as trustee of The Australian Rotary Foundation Trust for a three-year term commencing 1 July 2015 through 30 June 2018;
7. thank Trustee Riseley for his service as Rotary Foundation liaison to The Australian Rotary Foundation Trust during his term as a Trustee through 30 June 2015;
8. appoint Trustee Gupta to service as Rotary Foundation Trustee liaison to The Australian Rotary Foundation Trust during his term as a Trustee through 30 June 2018;
9. appoint incoming Trustee Balkan to serve as Trustee liaison to the advisory councils of Rotary Deutschland Gemeindienst and Deutsche Rotarische Stiftung during his term as Trustee through 30 June 2019;
10. appoint Chairman Kenny to serve as an advisory council member of Rotary Deutschland Gemeindienst and Deutsche Rotarische Stiftung for the term commencing on 1 July 2015 through 30 June 2017;

11. thank Chairman Kenny for his service as Trustee Liaison on the advisory councils of the Rotary Deutschland Gemeindienst and Deutsche Rotarische Stiftung for the term ending 30 June 2015;
12. thank Past RI President Stenhammar for his service as advisory council member of Rotary Deutschland Gemeindienst and Deutsche Rotarische Stiftung for the term ending 30 June 2015;
13. express their profound sadness over the death of Trustee Monty Audenart who also served as a member of The Rotary Foundation Canada's executive board, and recognize him for his dedicated service;
14. appoint Trustee Bryn Styles to serve as director of The Rotary Foundation (Canada) through 30 June 2017;
15. thank regional Rotary Foundation coordinator Ian Legge for his dedicated service as a director of Rotary Foundation UK's Committee of Management;
16. appoint incoming regional Rotary Foundation coordinator John Dunkley as a director of Rotary Foundation UK's Committee of Management, to serve a three-year term, commencing on 1 July 2015 through 30 June 2018;
17. appoint regional Rotary Foundation coordinator Allan MacLaughlan as a director of Rotary Foundation UK's Committee of Management, to serve his term as regional Rotary Foundation coordinator through 30 June 2017;
18. appoint Trustee Chairman Kenny to continue to serve as a director of Rotary Foundation UK's Committee of Management for a three-year term, commencing on 30 June 2015 or until such time as a new Rotary Foundation Trustee from the United Kingdom is appointed to The Rotary Foundation Trustees if such appointment is before his three-year term ends;
19. appoint incoming Trustee Camargo as the Rotary Foundation Trustee liaison and governing member of Associação Brasileira da The Rotary Foundation, commencing on 1 July 2015 through 30 June 2019;
20. thank Trustee Hallage for his service as the liaison and governing member of Associação Brasileira da

The Rotary Foundation for the term ending 30 June 2015.

113. Interim Report on Strategic Plan Measures

Statement: In decision 17, October 2014, the Trustees requested an interim report on the Strategic Plan measures at their April 2015 meeting. The general secretary presented a Strategic Plan dashboard, which shows 20 stand-alone measures for which data is collected to monitor the progress of the Strategic Plan.

DECISION: The Trustees receive the interim report on Strategic Plan measures.

114. Rotary Foundation Strategic Planning Committee Options

Statement: At their October 2014 meeting, the Trustees received the general secretary's analysis of strategic planning committee options for The Rotary Foundation and deferred consideration of next steps to this meeting. Noting that the Board had agreed to submit legislation to the 2016 Council on Legislation that would amend the terms of reference for the Strategic Planning Committee, the Trustees discussed how the roles and responsibilities of this Committee could be clarified with regard to The Rotary Foundation.

DECISION: The Trustees

1. endorse the proposed legislation from District 6080 (USA, Missouri) as shown in Appendix D that would amend the terms of reference for the Strategic Planning Committee, and request the Board to act as a co-proposer of the legislation;
2. agree in concept with the joint policy statement for strategic planning committee roles and responsibilities as noted in Appendix E (filed only with the official copy of these minutes), effective 1 July 2016, and request the concurrence of the RI Board;
3. note that participation in the collaborative strategic planning committee does not exclude any TRF committee from participating in strategic or long-term planning for The Rotary Foundation;
4. request the general secretary to budget US\$35,000 in 2016–17 and subsequent years for this purpose.

115. TRF Centennial Committee Report

Statement: The TRF Centennial Committee met on 3 April 2015 in Evanston, Illinois, USA. The committee discussed the status of the Centennial book, plans for Centennial pins, and the Centennial at other Rotary events, among other topics.

DECISION: The Trustees

1. thank the TRF Centennial Committee for its report;
2. approve the revised TRF Centennial Goals and Strategies as shown in Appendix F.

116. Endowment Modification

Statement: Following the Future Vision global launch, the general secretary has continued to review The Foundation's endowed funds to identify which funds require modifications.

DECISION: The Trustees

1. thank the Fund Development Committee for its report regarding the modification of endowments;
2. acknowledge the modification of endowments by the general secretary, as shown in Appendix G;
3. rescind point 2 of their decision 102, April 2014, modifying the Mabelle L. Fullerton Endowed Fund to only support SHARE;
4. accept the request from District 7950 (USA, RI, MA), the Rotary Club of Hingham/Hull, and the Rotary Club of Quincy, as shown in Appendix H (filed only with the official copy of these minutes) to modify the current gift designation for the Mabelle L. Fullerton Endowed Fund as follows:
 - a. authorize the fair market value (FMV) of the Mabelle L. Fullerton Endowed Fund to be transferred to The Rotary Foundation Donor Advised Fund (TRF DAF) as the new gift designation;
 - b. agree the funds will be held in a Legacy DAF and a grant totaling 4.25% of the FMV will be made annually from the DAF, of which 1% or \$1,000, whichever is greater, will be transferred to the Annual Fund-SHARE;

- c. the remaining 3.25% will be split evenly between the Rotary Club of Quincy Charitable Foundation, Inc. and the Rotary Club of Hingham and Hull, Inc. Foundation (A Charitable Trust) as long as their 501(c)(3) status is maintained, otherwise the allocation will default to the Annual Fund;
- d. agree the funds will be invested in the DAF model portfolio that is most closely aligned with the asset allocation of the Endowment Fund;
- e. agree that other than asset portfolio selection, modification to the DAF must be approved by the Trustees;
- f. agree the DAF will be subject to the terms and conditions of the Program Circular;
- g. agree that TRF retains total control over the use of the assets and will do what is best to preserve the legacy of Mabelle L. Fullerton to The Rotary Foundation;
- h. agree that future contributions may be accepted to the DAF.

117. Jean Thomson Harris Society

Statement: The Trustees discussed the opportunity to build greater connections between The Rotary Foundation and donors to the Endowment Fund by creating a new recognition society named after Jean Harris that recognizes gifts and commitments of US\$25,000 or more.

DECISION: The Trustees

1. thank the Fund Development Committee for its report regarding the proposed Jean Thomson Harris Society;
2. establish the Jean Thomson Harris Society, effective 1 January 2016;
3. define a Jean Thomson Harris Society member as an individual or couple who have made a contribution and/or commitment to Rotary's Endowment Fund in the cumulative amount of US\$25,000 or more;

4. request the general secretary to budget US\$310,000 in 2015–16 for this purpose and to budget in future years accordingly.

118. Areas of Focus Major Gifts Initiatives

Statement: Noting that the Areas of Focus offer substantial opportunities for increased contributions to the Foundation, the Trustees discussed strategies for raising major gifts and commitments for Rotary’s Areas of Focus through a new major gifts initiative modeled on the Rotary Peace Centers Major Gifts Initiative.

DECISION: The Trustees

1. thank the Fund Development Committee for its report regarding major gifts initiatives;
2. reaffirm that polio eradication remains Rotary’s top priority until the world is polio-free;
3. reaffirm the success of the Rotary Peace Centers Major Gifts Initiative as an effective model for the concept of the Areas of Focus Major Gifts Initiatives, and agree that this initiative shall represent the Peace and Conflict Prevention/Resolution Area of Focus;
4. reaffirm their interest in supporting the Rotary Foundation’s Areas of Focus by encouraging major gifts for global grants and the development of Endowment Funds;
5. agree to begin major gifts initiatives that initially seek major and planned gifts in three Areas of Focus: water and sanitation, basic education and literacy, and disease prevention and treatment, each initiative with a specific fundraising goal;
6. request the general secretary to budget US\$150,000 in 2015–16 for this purpose and to budget accordingly for future years to sustain the Areas of Focus Major Gifts Initiatives;
7. request the general secretary to work with the Fund Development Committee to develop a business plan and specific strategies for these initiatives, for report to the Trustees at their October 2015 meeting.
8. suggest a minimum goal of \$25,000,000 per Area of Focus over three to five years, with the primary focus on contributions of \$100,000 or above, and

with a minimum of fifty percent of each goal designated for endowment.

119. Banner Recognition for 100 Percent Participation Clubs

Statement: In decision 26, October 2014, the Trustees requested the general secretary propose a new strategy to annually recognize clubs that achieve 100% giving to The Rotary Foundation, including gifts to the Annual Fund, the Endowment Fund, the Donor Advised Fund, Global Grant cash contributions, PolioPlus, and term gifts. The general secretary suggested that the Trustees consider overall enhancements to the Foundation’s other banner recognition options.

DECISION: The Trustees

1. thank the Fund Development Committee for its report regarding banner recognition for 100% participation clubs;
2. beginning in 2015–16, agree to:
 - a. consolidate the Every Rotarian, Every Year club banner with the 100% Sustaining Member Club banner, creating one Every Rotarian, Every Year/Sustaining Club banner to be awarded to clubs where every active (dues-paying) member contributes \$100 minimum to the Annual Fund;
 - b. establish a new 100% Foundation Giving Club banner, to be awarded to clubs where every active (dues-paying) member contributes to The Rotary Foundation, with an average of at least \$100 per capita to any Rotary Foundation gift designation;
 - c. establish a new 100% Paul Harris Society Club recognition banner, to be awarded to clubs where every member has contributed at the Paul Harris Society level every year;

and request the general secretary to budget US\$27,000 in 2015–16 for this purpose.

120. 2015–16 Grant Model Evaluation

Statement: In decision 110, April 2013, the Trustees received an evaluation cycle for The Rotary Foundation, which stipulated that the grants process is to be evaluated every three years. The general secretary

provided an update on the plans to implement a comprehensive evaluation of the grant model.

DECISION: The Trustees

1. receive the general secretary's report on the grant model evaluation plan for 2015–16;
2. request the Programs Committee to supplement the review process, if necessary, to assure proper review of the grants model, including Rotarian satisfaction and sense of ownership with The Rotary Foundation.

121. Level III Grant Review: Global Grant 1422606

Statement: According to Trustee policy, global grants requesting over US\$100,000 from the World Fund, must be reviewed by the Trustees. Two Rotary clubs applied for a global grant exceeding this amount that would develop literacy, textbook, and technology educational programs for schools in Guatemala.

DECISION: The Trustees agree to award Global Grant 1422606, a basic education and literacy project carried out with Cooperative for Education, in the amount of \$155,121 from the World Fund (total project cost of \$372,425).

122. Global Grant Limit for Cooperating Organizations

Statement: Rotary Foundation Code of Policies section 11.030.5.1. states that cooperating organizations are restricted to no more than five global grants each Rotary year. The Trustees discussed increasing the limit from five to six annually.

DECISION: The Trustees increase the grants limit for cooperating organizations to six per year, effective immediately.

123. Domestic Travel and Insurance Coverage for Grant Travelers

Statement: In decision 80, January 2013, the Trustees agreed to provide blanket travel insurance coverage for all individuals traveling on Rotary Foundation grants and Rotary Peace fellowships, effective 1 July 2013. The general secretary suggested additional amendments to the Rotary Grants Travel Policy that would allow grants travelers to book domestic travel locally and still retain Rotary Grant Traveler insurance coverage.

DECISION: The Trustees amend the Rotary Grants Travel Policy to add the following:

- only international air travel funded by a Rotary Foundation grant must be booked through RITS;
- domestic travel bookings are the responsibility of the grant traveler;
- to be covered under Rotary Grant Travel Insurance policy, domestic travelers must complete the Travel Report Form prior to their trip;
- medical benefits are not available to domestic travelers; other travel accident benefits apply.

124. Areas of Focus Water, Sanitation and Hygiene (WASH) in Schools Target Challenge

Statement: In decision 97, April 2014, the Trustees requested the general secretary to develop a proposed strategy and anticipated measurable outcomes, for WASH in schools, for report at this meeting. Chairman Kenny appointed a WASH in Schools working group to study this issue. Noting several success factors, such as demonstrated Rotarian interest and activity in WASH in Schools, active Rotarian Action Groups in the field, and established success indicators, the working group suggested establishing a WASH in Schools Target Challenge that would help students achieve educational success and better health through teaching universal water, sanitation, and hygiene standards in schools.

DECISION: The Trustees, as part of the Foundation's overall strategy to develop better support to clubs and districts in six areas of focus,

1. agree to implement a pilot project in the development of integrated infrastructure, education, and behavioral change projects for Water, Sanitation, and Hygiene (WASH) in Schools within the areas of focus of Water and Sanitation and Basic Education and Literacy;
2. agree that the pilot project shall be conducted for two and a half years, commencing on 1 January 2016 and ending on 30 June 2018 in Belize, Guatemala, Honduras, India, and Kenya;
3. acknowledge that the pilot project shall be conceptually structured using a three-star (three-level) implementation and recognition approach, measuring outcomes such as numbers of schools with sustainable WASH facilities, numbers of

students involved, school attendance increases, and behavioral criteria;

4. note that recognition shall be provided to participating Rotary clubs and district sponsors and participating schools based upon objective and measurable criteria;
5. request the general secretary to budget US\$133,000 in 2015–16 for this purpose and to budget accordingly for this pilot project in 2016–17 and 2017–18;
6. establish the WASH in Schools Challenge Target Committee to monitor and guide the implementation of the pilot project, with regular reports to the Trustees at their annual October and April meetings.

125. Project Enhancement Process—Implementation Plan Update

Statement: In decision 44, October 2014, the Trustees requested the general secretary to develop a plan for future implementation of the most successful components of the Project Enhancement Process (PEP) pilot to the other areas of focus, for consideration at the this meeting. The general secretary provided an implementation plan update and a report outlining three PEP strategic objectives with expected outcomes that will: 1) increase the quality and likelihood of sustainability of Rotarian-led projects; 2) increase utilization of Rotarian expertise as a supportive mechanism in project planning and design; and 3) support Rotarians to mobilize local and regional resources to improve project impact and sustainability.

DECISION: The Trustees

1. receive the strategic objectives and outcomes developed for the Project Enhancement Process (PEP) as shown in Appendix I;
2. requests the general secretary to prepare a PEP implementation plan for the other Areas of Focus, for review at their October 2015 meeting.

126. Alumni Engagement Strategies

Statement: In decision 45, October 2014, the Trustees requested the general secretary to complete the draft alumni engagement strategies, for report at this meeting. The general secretary reported that survey results show that alumni wish to engage with Rotary in a similar

manner as Rotarians by joining leaders, exchanging ideas, and taking action. The general secretary developed a menu of activities based on these categories that Rotarians can use when seeking to involve Rotary alumni.

DECISION: The Trustees receive the general secretary's report on alumni engagement strategies.

127. Report on Stewardship 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. authorize the general secretary to lift the suspension of District 3201 (India) upon the completion of all audit requirements;
2. note the Stewardship Committee's action based on the appeal of sanctions by one individual in District 3201(India);
3. authorize the general secretary to lift the suspension of District 3272 (Pakistan) upon completion of all outstanding stewardship requirements;
4. extend the suspension of District 3810 (Philippines) and authorize the general secretary to lift the suspension upon completion of all outstanding stewardship requirements and initial repayment of at least half of the outstanding grant funds (US\$23,276);
5. suspend the Rotary Club of Victoria Falls, District 9210 (Zimbabwe) from participation in Rotary grants until 1 May 2016;
6. note the Stewardship Committee's sanctions of one individual in District 9210 (Zimbabwe) and one individual in District 9212 (Kenya) for failure to comply with stewardship requirements.

128. 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 2014–15 priorities and proposed priorities for 2015–16.

DECISION: The Trustees

1. approve the stewardship plan for 2015–16 as discussed at this meeting;
2. amend The Rotary Foundation Code of Policies regarding the Annual Stewardship Plan as follows:

14.010. Annual Stewardship Plan

An Annual Stewardship Plan will be prepared by the general secretary for ~~approval by~~ report to the Trustees Stewardship Committee at the April meeting. The plan shall set stewardship priorities for the Rotary year by setting goals and targets for auditing and monitoring activities, reviewing appropriate penalties, and developing training and recruitment priorities for The Rotary Foundation Cadre of Technical Advisers among other activities.

129. World Reporting Analysis for Rotary Grants

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 District 2203 (Spain), effective 1 May 2015, 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.

DECISIONS 130-131
TRF Finance Committee Report

The TRF Finance Committee met on 10-11 April 2015 in Evanston, IL, USA.

130. Budget for 2015–16 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 2015–16 totaling US\$270,400,000;
2. approve the total program awards expenditures budget to be made in 2015–16 totaling \$228,211,000;
 - a. approve the budget of \$3,548,000 for program awards expenditures to be made in 2015–16 from Other Funds 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;
 - b. approve the budget of \$104,163,000 for program award expenditures to be made in 2015–16 from the Annual Fund;
 - c. approve the budget of \$115,900,000 for program award expenditures to be made in 2015–16 from the PolioPlus Fund in accordance with temporary restricted contributions received and in accordance with Trustee policy;
 - d. approve the budget of \$4,600,000 for program expenditures to be made in 2015–16 from Other 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 RI Board;
3. request the RI Board to approve the above 2015–16 budget for program award expenditures of \$91,746,000 from unrestricted contributions in the Annual Fund (District Designated Fund \$56,756,000; World Fund \$30,390,000; and Donor Advised Fund \$4,600,000);
4. reaffirm their decision 149, March 2012 to continue to match District Designated Fund (DDF) contributions to PolioPlus (US\$0.50 from the World Fund for every \$1.00 DDF) capped at \$3,500,000 annually for the next two fiscal years.

131. Endowment Fund Spending Rate

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

1. approve the following Endowment Fund spending rates and allocations for fiscal year 2015–16:

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%

2. approve Endowment Fund Spendable earnings of US\$12,980,000 for the 2015–16 budget, of which \$10,644,000 is allocated to program awards, \$1,038,000 is allocated to program operations, \$779,000 is allocated to fund development, and \$519,000 is allocated to general administration expenses.

132. Investment Committee Report

Statement: The Rotary Foundation Investment Committee met on 8 April 2015 in Evanston, Illinois, USA and discussed a decision to retain the Foundation’s investment in the PIMCO Global Multi-Asset Fund, reviewed the asset allocation policies for the Annual Fund and Endowment Fund, and received an update on the new hedge fund portfolio implemented by NEPC, among other topics.

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

133. Audit Committee Report

Statement: The Audit Committee met via teleconference on 12 February 2015, and discussed several external and internal audits, and related matters.

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

134. Modifications to the Budget

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

DECISION: The Trustees

1. note no modifications to the 2014–15 budget

2014–15

Revenues:	\$297,824,000
Program awards:	229,257,000
Program operations:	22,777,000
Operating Expenses:	
Fund Development & General and Administration	22,673,000
Total expenses:	274,708,000

Change in net assets	<u>\$23,116,000</u>
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2. note budget variance for 2014–15 and future financial impact:

	<u>2014–15</u>	<u>2015–16</u>	<u>2016–17</u>
Revenues			
October 2014 mtg.:	20,000	-	-
January 2015 mtg.:		20,000	-
April 2015 mtg.:	-	-	-

	<u>2014–15</u>	<u>2015–16</u>	<u>2016–17</u>
Expenses			
October 2014 meeting	244,875	99,600	-
January 2015 meeting	-	1,830,850	-

April 2015 meeting

Dec. 114 TRF Strategic Plan. Comm. Options	-	-	35,000
Dec. 117 Jean Thomson Harris Society	-	310,000	95,577
Dec. 118 Areas of Focus Major Gifts Initiatives	-	150,000	216,000
Dec. 119 Banner Recognition for 100% Participation Clubs	-	-	26,785
Dec. 124 Areas of Focus (WASH) in Schools Target Challenge	-	133,000	136,990
Dec. 120 2015-16 Grant Model Evaluation	-	321,500	-

Total April 2015 mtg. expense impact:	0	914,500	510,352
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Net total of Revenue over Expenses	22,891,125	(2,824,950)	(510,352)
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Adjournment

The foregoing is a true record of the proceedings at the Rotary Foundation Trustees meeting held on 13-16 April, 2015 in Evanston, IL, USA.

John Kenny, 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 103)

Exhibit A-2-a: Citation for Meritorious Service Awards

- 14 award recipients.

Exhibit A-2-b: TRF Cadre of Technical Advisers

- The cadre reviewed 43 grants, including twenty technical reviews, four random audits, one routine audit, two advance site visits, eleven interim monitoring visits, five post project site visits.

Exhibit A-2-c: Foundation Programs

- 107 district grants awarded for a total of \$4,527,482 in DDF
- 239 global grants awarded (\$6,968,261 World Fund / \$16,588,168 total funding)

Exhibit A-2-d: Legacy Programs

- **Districts/Clubs:** Rotary Club of Upland (District 5300) and the Rotary Club of Kisumu (District 9212)

Nature of Request: Recommendation to waive the Rotary Club of Upland of any additional reporting responsibility for the final report for Matching Grant #67874 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Kisumu will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.

- **Districts/Clubs:** District 7530 and District 3040
Nature of Request: Recommendation to waive District 7530 of any additional reporting responsibility for the final report for Matching Grant #73893 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. District 3040 will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.
- **Districts/Clubs:** Rotary Club of Seosan-Hanseong (District 3620) and the Rotary Club of Battambang, (District 3350)
Nature of Request: Recommendation to waive the Rotary Club of Seosan-Hanseong of any additional reporting responsibility for the final report for Matching Grant #75822 because of their good faith effort in communicating with the host sponsor to

complete the reporting requirements. The Rotary Club of Battambang will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.

- **Districts/Clubs:** Rotary Club of Salzgitter-Wolfenbüttel-Vorharz (District 1800) and the Rotary Club of Ficksburg (District 9370)
Nature of Request: Recommendation to waive Rotary Club of Salzgitter-Wolfenbüttel-Vorharz of any additional reporting responsibility for the final report for Matching Grant #77276 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Ficksburg will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.
- **Districts/Clubs:** District 9830 and the Rotary Club of Jaipur South (District 3052)
Nature of Request: Recommendation to waive District 9830 of any additional reporting responsibility for the final report for Matching Grant #77395 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Jaipur South will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.
- **Districts/Clubs:** Rotary Club of Novafeltria-Alto Montefeltro (District 2072) and the Rotary Club of Arcot (District 3230)
Nature of Request: Recommendation to waive the Rotary Club of Novafeltria-Alto Montefeltro of any additional reporting responsibility for the final report for Matching Grant #79102 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Arcot will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.

APPENDIX D

PROPOSED LEGISLATION TO THE 2016 COUNCIL ON LEGISLATION TO AMEND COMPOSITION OF THE STRATEGIC PLANNING COMMITTEE (Decision 114)

PROPOSED ENACTMENT 16-

To amend the terms of reference for the Strategic Planning Committee

Proposed by District 6080, USA

To amend the **BYLAWS** of Rotary International as follows (page 186 MOP)

Article 16 Committees

16.100. Strategic Planning Committee.

The board shall appoint a strategic planning committee to be composed of six members, ~~four of whom shall serve a single term for a six year period with two members appointed every third year and two of whom shall be members of the board appointed annually. No member of the committee shall be a past president with staggered four-year terms.~~ Membership shall be selected so that qualifications provide a balance in membership with Rotarians and others experienced in long-term planning, RI and/or Rotary Foundation programs and activities, and financial management. The committee shall meet at such times and places and upon such notice as may be determined by the president or the board. The strategic planning committee shall develop, recommend and update a strategic plan for consideration by the board, survey Rotarians and clubs not less than every three years in discharge of its duties to review and make recommendations to the board pertaining to the strategic plan and undertake other duties assigned by the board; ~~it shall take into account studies of the change in the number of potential Rotarians on each continent, including in countries that may open soon to expansion, in order to predict the impact of such change on the membership in each zone.~~ The strategic planning committee shall cooperate and collaborate with the strategic planning committee, or similar planning committee, of The Rotary Foundation, and if the RI board and The Rotary Foundation trustees concur, then a joint strategic planning committee may be established to serve Rotary.

(End of Text)

PURPOSE AND EFFECT

This proposal seeks to modify the make-up of the Strategic Planning Committee, to define the qualification for membership on the committee and to encourage cooperation and collaboration between any strategic planning committee for The Rotary Foundation and this committee. Our organization must have a true vision of how we move forward. In order to plan properly, we need qualified candidates on the Strategic Planning Committee. Finally, we need the two entities more and more to move forward with a unified vision and to work together to shape the future of our organization.

APPENDIX F

TRF CENTENNIAL GOALS AND STRATEGIES (Decision 115)

Goal 1. Increase awareness of Rotary and its Foundation

Strategies for achievement:

1. Encourage every Rotary club to host an event in 2016-17 to inform its community about the Foundation and its centennial.
2. Raise the visibility of the Rotary Peace Centers by hosting a TRF centennial event at each of the centers.
3. Secure endorsements and congratulations from corporations and other organizations for TRF's work.
4. Emphasize high-visibility partnerships.

Goal 2. Recognize major achievements related to TRF programs

Strategies for achievement:

1. Identify, recognize, and highlight at the 2017 Convention the ten most outstanding projects completed in 2015-16. Each Zone will submit one project for consideration chosen from projects put forward by their clubs and districts.
2. Utilize the Global Service To Humanity Award and other awards for additional recognition.
3. Include TRF centennial logo on Paul Harris Fellow certificates and other awards.

Goal 3. Celebrate by staging activities at both the 2016 and 2017 RI conventions and at all zone, district, and multidistrict meetings in 2016-17

Strategies for achievement:

1. Secure prominent speakers to highlight the Foundation and its centennial for the 2016 and 2017 conventions.
2. Encourage booths and workshops to highlight the TRF centennial at the 2016 and 2017 conventions.
3. Engage the Rotary Club of Cleveland and District 6630 as the home club and district of Arch Klumph.
4. Inform and engage the Rotary network about the goals and strategies for the TRF centennial.

5. Request that the TRF centennial be highlighted at all Rotary events at appropriate time prior or during the TRF centennial year.
6. Propose that the presidential citation requirements reflect TRF centennial goals.

Goal 4. Reach all-time high contribution levels in 2016-17 for the Annual Fund, Endowment Fund, and Rotary Peace Centers Major Gift Initiative

Strategies for achievement:

1. Establish the following fundraising targets:
 - a. Endowment Fund to reach \$1 billion by 2017 to include \$150 million for the Peace Centers program
 - b. Minimum of \$35 million towards the eradication of polio
 - c. 100 new donors per district
 - d. 100 new major donors per zone
 - e. 100 new Paul Harris Fellows per district
 - f. 100 new Bequest Society members per district
 - g. 100 new Arch Klumph Society members globally
 - h. 100% participation of districts in the Paul Harris Society
2. Leverage \$26.50 original contribution in fundraising plan.
3. Engage the Rotary network in the TRF centennial fundraising goals.

APPENDIX G

**MODIFICATION OF ENDOWMENTS
(Decision 116)**

	Endowment	Pre-modification spending designation	Post-modification spending designation	31 Jan 2015 Gift Value	31 Jan 2015 Market Value
1	Children's Fund Pool within the Permanent Fund	Children's Fund (matching grants)	Maternal and child health area of focus (global grants)	\$253,094	\$283,861
2	John M. Cole Endowed Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$447,725	\$689,706
3	ELS Language Centers Endowed Fund	Academic-Year Ambassadorial Scholarship	Rotary Peace Centers General Support	\$60,000	\$150,632
4	Burton E. Grossman Endowed Scholarship	Endowed Global Grants - Scholarships	Endowed Global Grants - Scholarships	\$150,000*	\$273,448
5	Low Income Scholarship Pool	Academic-Year Ambassadorial Scholarship	Rotary Peace Centers General Support	\$36,119	\$44,021
6	Anna and James "Buck" Rash Endowed Fund	Academic-Year Ambassadorial Scholarship	Endowed Global Grants	\$148,705*	\$246,378

*Although the gift value of the endowed fund is below the current naming opportunity for a global grant endowed fund, grandfathering in the endowed fund is the best option to stay consistent with the donor's original intent.

APPENDIX I

PROJECT ENHANCEMENT PROCESS STRATEGIC OBJECTIVES AND OUTCOMES (Decision 125)

Objective 1: Increase the quality and likelihood of sustainability of Rotarian-led projects

Outcome 1.1: Standards of quality adopted and utilized

Outcome 1.2: Rotarian capacity to help design implement high-quality projects improved

Outcome 1.3: Project model materials developed and promoted

Outcome 1.4: Mechanisms to collect successes and challenges of PEP and PEP partners strengthened

Outcome 1.5: Rotary showcase utilized to share success stories and lessons learned

Objective 2: Increase utilization of Rotarian expertise as a supportive mechanism in project planning and design

Outcome 2.1: Cadre's role as a project-development resource defined and appropriate training provided

Outcome 2.2: Use of existing Rotary experts and expertise in the field increased

Outcome 2.3: Use of cadre input and expertise in project planning and evaluation maximized

Outcome 2.4: More trained cadre members to support project planning and design mobilized
Outcome 2.5: Rotarian Action Groups developed and utilized as a resource for projects and program-planning increased

Objective 3: Support Rotarians to mobilize local and regional resources to improve project impact and sustainability

Outcome 3.1: Use of existing programs and relationships by Rotarians to further build projects increased

Outcome 3.2: Local input and expertise in project planning

Outcome 3.3: Rotarian-led regional coalitions created and/or strengthened

Outcome 3.4: Rotarian influence and effectiveness in mobilizing resources strengthened

Outcome 3.5: Partnership models piloted and implemented

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