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# MINUTES

of the

OCTOBER 2007 MEETING

of

THE TRUSTEES

of

THE ROTARY FOUNDATION

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## DATE AND PLACE

The Trustees of The Rotary Foundation of Rotary International met on 22-26 October 2007 in Evanston, Illinois, USA.

## ATTENDANCE

Present were Chairman Robert S. Scott; Chairman-elect Jonathan B. Majiyagbe; Vice-Chairman Mark Daniel Maloney; other Trustees Peter Bundgaard, Ron D. Burton, Rudolf Hörndler, Carolyn E. Jones, David D. Morgan, Louis Piconi; K.R. Ravindran, José Antonio Salazar-Cruz, Carl-Wilhelm Stenhammar, Sakuji Tanaka, and General Secretary Ed Futa.

The Trustees regretted the inability of Trustees Glenn E. Estess, Sr., and Bhichai Rattakul to attend the meeting.

Also present were RI Director Monty J. Audenart; Chief Financial Officer Peter DeBerge; Rotary Foundation General Manager John T. Osterlund; Corporate Services Manager Andrew G. McDonald; Associate Manager of Corporate Services Alice Baehler, who served as secretary of the meeting; Educational Programs Manager Harvey Newcomb; Administration and Operations Manager Michael Magusin; Humanitarian Grants Program Manager James Robinson; PolioPlus Manager Carol Pandak; Fund Development Manager Donald R. Balcom; Communications Services General Manager Kathleen A. Kessenich; Information Services General Manager and Chief Information Officer Peter Markos; Membership Services General Manager Theresa Nissen; General Counsel Steven Z. Routburg; General Auditor Mary Graham; Strategic Planning Manager Joseph Brownlee; Controller Geoffrey Woie; Assistant General Counsel Mark A. Garavaglia; Administration Department Manager Gary Millman; Financial Compliance Manager Mark A. Vieth; Corporate Relations & Global Travel Division Manager Robert Mintz.

## 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.

## **1. Minutes of the June 2007 Meeting**

*Statement:* Copies of the minutes of the June 2007 meeting were provided to each trustee in advance of the meeting.

*DECISION:* The Trustees approve the minutes of the June 2007 meeting and request the chairman to sign the official copy of these minutes.

## **2. Decisions Taken on Behalf of the Trustees**

*Statement:* Section 5.9 of The Rotary Foundation bylaws states that any officer acting on behalf of the Trustees shall report such action to the Trustees at their next scheduled meeting.

*DECISION:* The Trustees ratify the decisions as summarized in Appendix A, the complete copy of which is filed only with the official copy of these minutes, taken on their behalf between 1 June and 15 September 2007 by those authorized to do so.

## **3. Report of the General Secretary**

*Statement:* The general secretary presented a report to the Trustees on the work at the Secretariat during the first quarter of 2007-08.

*DECISION:* The Trustees receive the report of the general secretary on the activities of the Secretariat.

## **4. Report of The Rotary Foundation General Manager**

*Statement:* The general manager presented a report to the Trustees on recent activities of The Rotary Foundation.

*DECISION:* The Trustees receive the report of the general manager on the activities of The Rotary Foundation.

## **5. Communications from the RI Directors**

*Statement:* At its July 2007 meeting the RI Board of Directors made a number of decisions of interest to the Trustees.

*DECISION:* The Trustees

1. note the following decisions from the July 2007 meeting of the RI Board of Directors:

5. Appointment of Rotary Foundation Trustees
15. Paid Attendance at the 2008 (Los Angeles) Convention
18. Rotary Foundation Programs Budget for 2007-08

2. express their appreciation to Director Monty J. Audenart for his service as the liaison from the RI Board of Directors to this meeting.

## **6. Tentative Future Agenda**

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

*DECISION:* The Trustees receive the tentative agenda for their January 2008 meeting.

## **7. Miscellaneous Communication**

*Statement:* The Trustees reviewed a communication from the Polio Survivors and Associates Rotarian Action Group requesting the Trustees to consider giving priority to Matching Grant requests that focus on the needs of people in the remaining polio endemic countries.

*DECISION:* The Trustees, the Executive Committee acting on their behalf, request the general secretary to follow through on the miscellaneous communication received at this meeting in accordance with discussion at this meeting.

## **8. Review of the Joint Committee Agenda**

*Statement:* The Trustees reviewed the agenda for the 27 October 2007 meeting of the Joint Committee of Directors and Trustees, as developed by the president and trustee chairman.

*DECISION:* The Trustees receive the agenda for the meeting of the Joint Committee of Directors and Trustees.

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### **DECISIONS 9-13**

#### **Implementation of Proposed and Adopted Council Resolutions**

A number of resolutions adopted by the 2007 Council on Legislation were referred by the RI Board to the Trustees for their consideration. The Board also referred proposed resolution 07-76 to the Trustees for consideration.

**9. Resolution 07-68: To endorse and affirm that the eradication of polio is a goal of the highest order of Rotary International**

*Statement:* At the request of the Trustees, the RI Board of Directors proposed a resolution to the 2007 Council to endorse and affirm that polio eradication is a goal of the highest order of RI.

*DECISION:* The Trustees express their appreciation to the 2007 Council on Legislation for adopting this resolution that reaffirms that the Rotary world wants to maintain its focus on achieving the goal of the certification of the eradication of polio.

**10. Proposed Resolution 07-76: To request the Trustees to consider a program to combat the spread of tuberculosis**

*Statement:* Proposed Council Resolution 07-76 requested the RI Board “to request the Trustees to consider a program to combat the spread of tuberculosis.”

*DECISION:* The Trustees

1. thank the RI Board of Directors for referring Council Proposed Resolution 07-76: “To request the Trustees to consider a program to combat the spread of tuberculosis”;
2. agree that, in accordance with the 2007 Council Resolution 07-08 affirming that “no other corporate project should be adopted until the certification of the eradication of the wild poliovirus,” the Trustees will not consider any new global programs until polio eradication is achieved.

**11. Council Resolutions Pertaining to the Future Vision Plan**

*Statement:* The 2007 Council on Legislation adopted a series of resolutions containing proposals currently under study by the Future Vision Committee.

*DECISION:* The Trustees

1. thank the RI Board for referring Council Resolution 07-118: “To request the Trustees to consider allowing districts to access up to 30% of their District Designated Funds to be used for District Simplified Grants,” and Resolution 07-120: “To request the Trustees to consider reducing the minimum amount for Matching Grants to US\$2,500”;

2. note that the above resolutions have been addressed in the Type A Grants structure in the Future Vision Plan adopted by the Trustees at this meeting;
3. thank the RI Board for referring Council Resolution 07-121: “To request the Trustees to consider authorizing the construction of buildings using Matching Grants” and note that this matter was previously referred to the Future Vision Committee for further analysis and report to the Trustees at their April 2008 meeting;
4. thank the RI Board for referring Council Resolution 07-130: “To request the Trustees to consider establishing a Group Study Exchange Partner Request section under “Group Study Exchange” on the RI Web site;
5. note that the general secretary provides a “Group Study Exchange Discussion Forum” located on the RI Web site and an internet “secure site” for GSE, both of which can be used by Rotarians to establish Group Study Exchange Program district pairings;
6. thank the RI Board for referring Council Resolution 07-132: “To request the Trustees to consider reducing the amount of time that scholarship applications are processed,” and Resolution 07-134: “To request the Trustees to consider increasing the amount of project information posted on the Rotary Web site”;
7. note that the above Resolutions 07-130, 07-132, and 07-134 are under consideration within the context of the business process review of The Rotary Foundation.

**12. Resolution 07-124: To request the Trustees to consider reviewing the expenses and procedures related to audits and review of individual grants and projects**

*Statement:* The 2007 Council on Legislation resolved “to request the Trustees to consider reviewing the expenses and procedures related to audits and review of individual grants and projects.”

*DECISION:* The Trustees

1. thank the RI Board for referring Council Resolution 07-124: “To request the Trustees to consider reviewing the expenses and procedures related to audits and review of individual grants and projects”;

2. reaffirm their commitment to the proper stewardship of Foundation funds and agree to continue conducting financial reviews and audits in a cost-effective manner;
3. recognize that, for the last ten years, the Humanitarian Grants Cadre of Technical Advisors has provided the service of auditing and monitoring Humanitarian Grants and other Foundation projects on a volunteer basis to ensure proper stewardship;
4. reaffirm their practice of appointing technical advisors from nearby areas for auditing and monitoring of Humanitarian Grants whenever appropriately qualified technical advisors are available nearby.

**13. Resolution 07-137: To request the Trustees to consider itemizing fund development expenses in annual reports**

*Statement:* The 2007 Council on Legislation resolved “to request the Trustees to consider itemizing fund development expenses in annual reports.”

**DECISION:** The Trustees

1. thank the RI Board for referring Council Resolution 07-137: “To request the Trustees to consider itemizing fund development expenses in annual reports”;
2. acknowledge the importance of being transparent and accountable to Rotarians and other supporters of the Foundation;
3. note that a detailed breakdown of fund development expenses is included in the Foundation’s audited financial statements and on the Internal Revenue Service Federal Tax Form 990, and that both documents are available to the public on RI’s Web site or upon request to the general secretary.

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**14. Amendment to TRF Bylaws Section 3.7**

*Statement:* In decision 18, October 2004, the Trustees amended The Rotary Foundation bylaws section 3.7 by adding the office of chairman-elect and specifying that a vacancy in the office of chairman would be filled by the chairman-elect for the balance of the term. In decision 71, February 2005, the Trustees amended section 5.5 of

the Foundation bylaws to provide that the vice-chairman would succeed to the chairmanship in the event of a vacancy. In reviewing the TRF bylaws for publication in the 2007 *Manual of Procedure*, the general secretary noted that section 3.7 of the Foundation bylaws still stated that the chairman-elect would serve an unexpired term of the chairman.

**DECISION:** The Trustees

1. note that an amendment to section 5.5 of The Rotary Foundation bylaws adopted by the Trustees in February 2005 provided that in the event of a vacancy in the office of chairman, the vice-chairman shall succeed to the office of chairman, but failed to similarly amend section 3.7;
2. amend section 3.7 of The Rotary Foundation bylaws as follows:

**Section 3.7 – Chairman.** The Trustees shall annually elect one of the trustees as chairman-elect for the following year. The chairman-elect shall serve as chairman in the year following his or her year as chairman-elect. ~~In the case of death, resignation, disability, or removal of the chairman, the chairman-elect shall serve for the unexpired term.~~

3. in accordance with section 9.4 of the TRF bylaws, request the RI Board to approve this revision to the TRF bylaws.

**15. Election of Vice-Chairman for 2007-08**

*Statement:* Upon the resignation of Trustee Chairman Rattakul on 1 August 2007, Vice-Chairman Scott succeeded to the office of chairman in accordance with The Rotary Foundation bylaws section 5.5, creating a vacancy in the office of vice-chairman. In such circumstances, Foundation bylaws section 5.5 provides that the Trustees shall elect a successor vice-chairman for the balance of the term.

**DECISION:** The Trustees elect Trustee Mark Daniel Maloney as their vice-chairman for the balance of 2007-08.

**16. Election of Officers for 2008-09**

*Statement:* Section 5.2 of the Foundation bylaws provides that “the chairman-elect and vice-chairman [of the Trustees] shall be annually elected by the Trustees for

a term of one year.” The Trustees have previously agreed to elect their officers at their October meeting to allow them sufficient time to prepare for their term of office.

**DECISION:** The Trustees elect Trustee Glenn E. Estess, Sr. as their chairman-elect and Trustee Ron D. Burton as their vice-chairman to serve during 2008-09 as officers of The Rotary Foundation of Rotary International, an Illinois not-for-profit corporation.

### **17. Approval of 2008-09 Foundation Goals**

*Statement:* Goals for The Rotary Foundation are developed annually by each Trustee chairman. A report on the achievement of these goals is prepared for review by the Trustees at the end of each Rotary year. The Trustees considered the goals presented by the chairman-elect.

**DECISION:** The Trustees adopt the goals for The Rotary Foundation in 2008-09 for implementation beginning 1 July 2008.

### **18. Proposed Foundation Committee Structure for 2008-09**

*Statement:* *The Rotary Foundation Code of Policies* section 2.020.2. requests the chairman-elect, in order to comply with Foundation bylaws section 6.1, to submit the proposed committee structure for the following year to the Trustees for review at their October meeting. Chairman-elect Majiyagbe recommended the committees for 2008-09 at this meeting.

**DECISION:** The Trustees thank their chairman-elect for the review of his recommendations for Foundation committees in 2008-09.

### **19. Meeting Dates in 2008-09**

*Statement:* The Foundation bylaws provide that the annual meeting of the Foundation Trustees will be held each year at such time and at such place within or without the state of Illinois as shall be designated by the Trustees (section 4.1) and for the chairman to decide on all other meetings (section 4.2).

**DECISION:** The Trustees

1. agree to hold their annual meeting 27-31 October 2008 in Evanston, Illinois, USA;

2. request their chairman to decide the details of this meeting and the dates of all other meetings in 2008-09.

### **20. Canadian Associate Foundation Appointment**

*Statement:* Bylaw 5 of the Rotary Foundation (Canada) states “Two of the eight directors shall be, ex-officio, the chairman and vice-chairman, from time to time, of the Trustees of The Rotary Foundation of Rotary International or any two Trustees designated by such Trustees.” Rotary Foundation (Canada) regularly appoints the chairman-elect of the Trustees of The Rotary Foundation as a trustee of Rotary Foundation (Canada) for a two-year term. As the Rotary Foundation (Canada) makes appointments for the following Rotary year at its annual meeting held in November or December each year, it requested the Trustees of The Rotary Foundation to provide its recommendation at this meeting.

**DECISION:** The Trustees

1. recommend the appointment of Trustee Glenn E. Estess, Sr. as ex-officio director of Rotary Foundation (Canada) for the term commencing 1 July 2008 and terminating 30 June 2010;
2. request the general secretary to notify the president of Rotary Foundation (Canada) of this appointment.

### **21. Establishment of *Deutsche Rotarische Stiftung* (DRS) as an Associate Foundation of The Rotary Foundation**

*Statement:* In decision 23, October 2004, the Trustees reviewed a preliminary proposal to establish a permanent fund in Germany through the establishment of a German Stiftung, *Deutsche Rotarische Stiftung* (DRS). A Stiftung is a charitable entity in Germany that is referred to as a “foundation,” the main characteristic of which is that it has an endowment from which only the earnings are available for spending. In 1951, German Rotarians formed an entity that was defined by German law as a “registered association” with the name of Rotary Deutschland Gemeindienst (RDG). In general, RDG provides an opportunity for German Rotarians to make charitable contributions to TRF on an annual basis. Since 2004, German Rotarians and the general secretary have discussed the various ramifications of approval of an entity more similar to the TRF Permanent Fund. In June 2007, the general secretary met with German leadership to further discuss the development of a Stiftung, and reviewed the 11 guidelines established by the Trustees

for forming associate foundations. The Trustees received a report of the ongoing discussions on this matter.

**DECISION:** The Trustees

1. thank the members of the Executive Board of the Rotary Deutschland Gemeindienst e.V. (RDG) for meeting with the general secretary regarding the proposal to establish *Deutsche Rotarische Stiftung* (DRS), and for their efforts to provide German Rotarians with a means to increase the levels of donations to The Rotary Foundation;
2. acknowledge the efforts of German Rotarians towards developing a permanent fund through DRS;
3. note that the founders of DRS have reviewed the following three principles of TRF and agreed that if DRS is ultimately authorized as an associate foundation, DRS will comply with such principles:

Preservation of Principal – The permanent fund’s (Fund) purchasing power, at a minimum, must be preserved in perpetuity. Therefore, the Fund will be invested in a diversified asset portfolio that is expected to produce an average annual total return that at least equals inflation plus endowment spending, without assuming undue risk.

Intergenerational Equity – A balance must be maintained between the needs of today and those of tomorrow to ensure endowment spending for current and future generations is equitable.

Stability – To provide a measure of predictability in year-to-year distributions and to mitigate the short-term volatility inherent in the financial markets, annual spending will be based on the Fund’s [previous] 12-quarter earnings in principle. This will facilitate development of long-term strategies and financial plans.

4. request the general secretary and the founders of DRS to review the following questions raised by the Trustees for report at their January 2008 meeting:
  - a. Since donations received by DRS would not directly or indirectly become the property of TRF, can TRF still recognize the Stiftung endowment or any donations to DRS in the financial statements of TRF or would such donations be recorded as a note for information purposes on TRF’s Annual Report or similar reports?

- b. In the light of point 4.a., would donors to the Stiftung receive TRF recognition?
  - c. Can use of the term “acting” in Article 9 of the DRS bylaws (English translation) be changed to “current” or “sitting” chairman and governors?
  - d. Can DRS comply with TRF’s Permanent Fund investment and spending policy?
5. request the general secretary to follow up with the founding members of DRS on questions raised at this meeting and provide the Trustees with the framework of principles which will guide the *Memorandum of Understanding* for Trustee review at their January 2008 meeting;
  6. agree that review of the DRS will proceed as an exception to the moratorium approved by the Trustees in decision 22, October 2005.

## **22. Improving Tax Benefits for Donors Worldwide**

*Statement:* In decision 30, April 2006, the Trustees requested the general secretary to recommend possible improvements in the method of providing tax benefits to TRF donors worldwide. A method was developed to review and prioritize the potential for countries without an associate foundation that are represented among the top 20 giving countries. In decision 21, October 2006, the Trustees requested the general secretary to monitor and develop changes to NPO Rotary Foundation Japan, since this may allow Japanese donors to benefit from a new non-profit law, and to proceed with research for potential tax benefits for donors in Italy. The Trustees received a progress report and updated country priority list at this meeting.

**DECISION:** The Trustees

1. thank the general secretary for his report;
2. agree that the results of 2006-07 total giving, as segregated by country, indicate that Japan and Italy remain the two countries where priority efforts to improve tax benefits to donors should be concentrated;
3. request the general secretary to continue
  - a. to monitor the process that will allow NPO Rotary Foundation Japan and/or its successor to

- provide Japanese donors with tax benefits;
- b. due diligence to seek tax benefits for Rotarians in Italy;
  - c. monitoring and overseeing methods and practices that allow for the flexibility required in establishing associate foundations based on the laws of the countries under review;
4. agree to review and update the progress achieved in Japan and Italy, as well as the country priority list, at their October 2008 meeting.

### **23. District Rotary Foundation Committee Chairman Appointments for Split and Merged Districts**

*Statement:* The number of RI districts is subject to change each 1 July as the Board approves the creation of new districts and/or the consolidation (merging) of existing districts. There had been no Trustee policy as to who serves as the district Rotary Foundation committee chair in split or merged districts. The Trustees considered a new policy for these situations at this meeting.

**DECISION:** The Trustees amend *The Rotary Foundation Code of Policies* section 1.070.1. as follows:

- 1.070.1. Appointment and Term of District Rotary Foundation Committee Chair (DRFCC)  
To be effective, the district Rotary Foundation committee must have continuity of leadership; therefore, the district Rotary Foundation committee chair shall be appointed for a three-year term, subject to removal for cause. Any removal for cause must have the Trustee chairman's prior approval. In a district that splits into two or more districts, the DRFCC of the prior district will complete his or her term of office as the DRFCC for the district where the DRFCC's club is located. The other new district will appoint a new DRFC Chair in accordance with the appointment procedures explained in this Code of Policies. In a district that combines with other districts, a new DRFC chair will be appointed for each of the newly combined districts for a three-year term commencing with the effective date of the combination. The district governor (if selected) scheduled for each of the years of the three-year term for

the DRFCC will participate in the selection of the DRFCC. This selection should take place and be reported to TRF no later than 1 March before taking office on 1 July of the same calendar year. The district Rotary Foundation committee chair must have significant knowledge of, commitment to and experience with Rotary Foundation activities. Although not mandatory, it is recommended that this post be filled, if possible, by a past district governor. The current district governor cannot serve as the DRFCC. Districts will not have access to district designated funds until the DRFCC is appointed.

### **24. Report of the Committee to Study the Responsibilities of the District Governor Regarding Administrative and Stewardship Concerns of The Rotary Foundation**

*Statement:* In decision 37, February 2007, the RI Board requested the Trustees to review the role and responsibilities of the district governor regarding the administration and stewardship of the Foundation's interests within the district. In decision 102, April 2007, the Trustees requested their 2007-08 chairman to appoint a committee to conduct such a review, for report to the Trustees at this meeting.

**DECISION:** The Trustees

1. thank the Committee to Study the Responsibilities of the District Governor Regarding Administrative and Stewardship Concerns of The Rotary Foundation for its work;
2. reaffirm the three-year term for the district Rotary Foundation committee (DRFC) chair to ensure stewardship and continuity within districts;
3. continue to require the district governor to obtain prior approval of the Trustee chairman before a DRFC chair can be removed for cause;
4. by a two-thirds majority vote, require the signatures of both the district governor and the DRFC chair for the use of District Designated Funds (DDF) to reflect the decisions of the district Rotary Foundation committee, effective 1 July 2008;

5. to implement the above, amend *The Rotary Foundation Code of Policies* as follows effective 1 July 2008:

**1.070. Policy for District Rotary Foundation Committees**

The district Rotary Foundation committee (DRFC) is a group of experienced and dedicated Rotarians who assist the governor in educating, motivating and inspiring Rotarians to participate in Foundation program and fundraising activities in the district. The committee serves as the liaison between The Rotary Foundation and club Rotarians. The district governor is an ex-officio member of the committee and provides one of two authorizing signatures for the use of District Designated Funds (DDF) to reflect the decisions of the district Rotary Foundation committee.

**1.070.1.1. Duties and Responsibilities of the District Rotary Foundation Committee Chair**

- o) Together with the district governor, provide one of the two ~~the~~ authorizing signatures for the use of DDF to reflect ~~representative of~~ the decisions of the district Rotary Foundation committee.

**9.040. Matching Grants for International Humanitarian Projects**

**9.040.1. General Criteria**

5. Required authorizations for Matching Grants are:
- Three project contacts for both the host and international partner club or district;
  - Club presidents if two clubs are sponsoring the project;
  - District grant subcommittee chair(s) if a district or districts are sponsoring the project, who authorizes the district's participation in the grant;
  - District governor and district Rotary Foundation committee chair, in DDF funds are being used;
  - District grants subcommittee chair from one of the sponsoring club's districts, who has certified the application as complete.

**9.050. Health, Hunger and Humanity (3-H) Grants**

**9.050.5. Required Authorizations**

To be complete and given full consideration, 3-H grant applications must include the following authorizations:

- A minimum of three project contacts for both the host and international partner club or district;
- Club presidents if two clubs are sponsoring the project;
- District grant subcommittee chair(s) if a district or districts are sponsoring the project;
- District governor and district Rotary Foundation committee chair, if DDF funds are being used;
- District grants subcommittee chair from one of the sponsoring club's districts, who has certified the application as complete.

6. reaffirm the current DRFC chair appointment policy requiring the district governor (if selected) scheduled for each of the years of the three-year term (governor-elect, governor-nominee, governor-nominee-nominee) to participate in the selection of the DRFC chair;

7. request the general secretary to alter the administrative procedures to require signatures of the three respective governors, if selected, on the District Appointments Form for the appointment of the DRFC chair;

8. agree that the current *Rotary Foundation Code of Policies* clearly vests leadership in the district governor and encourage continued training of both the district governor and DRFC chair to enhance this relationship.

**25. Additional Regional Rotary Foundation Coordinator for Brazil**

*Statement:* Two Brazilian Regional Rotary Foundation Coordinators (RRFCs) submitted a proposal in July 2007 suggesting the Trustees "consider the possibility of studying a subdivision of Brazil to be covered by three RRFCs..." The Trustees reviewed the financial and other implications of increasing the number of RRFCs in Brazil at this meeting. During the discussion, the Trustees determined that the entire appointment process for RRFCs should be reviewed.

**DECISION:** The Trustees

- request the general secretary to recommend standards for the appointment of regional Rotary Foundation Coordinators (RRFCs) throughout the world, including a consideration of the total number of RRFCs to be appointed and the size of the geo-

graphic area and number of districts assigned to each RRFC, for report to the Trustees at their April 2008 meeting;

2. defer consideration of any new RRFCs until their April 2008 meeting.

## **26. Conflict of Interest Policy**

*Statement:* The Trustees had previously adopted a Conflict of Interest Policy that is reviewed annually at their first meeting of the year. The general secretary recommended that the Trustees amend their current policy in response to changes recently made by the Internal Revenue Service to the Form 990 filed annually by US tax exempt organizations.

*DECISION:* The Trustees amend *The Rotary Foundation Code of Policies* section 2.060. as shown in Appendix B.

## **27. Possible Registration of TRF as a Legal Entity in Russia**

*Statement:* In decision 115, April 2007, the Trustees requested the general secretary to speak with local Rotarian leadership regarding registration of NGOs in Russia, for report to the Trustees at this meeting.

*DECISION:* The Trustees

1. thank the general secretary for his report on registration of NGOs in Russia;
2. look forward to receiving a further report at their April 2008 meeting.

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### DECISIONS 28-35

#### **Future Vision Committee Report**

The Future Vision Committee met in Evanston Illinois, USA, on 27-31 August and 1-4 October 2007 and made numerous recommendations to the Trustees. Before taking the following decisions, the Trustees met for four hours in an "open forum" to discuss the recommendations from the Future Vision Committee.

## **28. Grant Structure for the Future**

*Statement:* In decision 165, June 2007, the Trustees agreed to a new grant-making model concept for TRF

service opportunities that formed the basis for additional recommendations to be made at this meeting. During its meetings in August and October 2007, the Future Vision Committee further refined the future grant structure and requested the Trustees to consider its interim recommendations with further information to be presented to the Trustees at their April 2008 meeting.

*DECISION:* The Trustees

1. receive the report of the Future Vision Committee on the proposed grant structure for the future;
2. acknowledge that the Future Vision Committee has
  - a. received feedback on the future of The Rotary Foundation from surveys of Rotarians, selected focus groups, external consultants, and the general secretary;
  - b. utilized this feedback along with the priorities and goals approved by the Trustees, RI Board of Directors and the 2007 Council on Legislation in preparing their recommendations to the Trustees;
3. note that the proposed grant structure for the future is focused on the strategies and vision of The Rotary Foundation to be fully implemented in 2012-13;
4. note that the Future Vision Committee has decided that the titles it recommended in June 2007 for the two types of proposed grants should be replaced by more descriptive names, and that the committee is now using temporary titles of Type A Grants and Type B Grants for the grants formerly referred to as Service Grants and Strategic Service Grants, respectively;
5. request the Future Vision Committee to recommend new titles for the temporary titles of Type A Grants and Type B Grants, for report to the Trustees at their April 2008 meeting;
6. note that the Future Vision Committee recommended in June 2007, and the Trustees agreed in decision 165, that Type B Grants (then referred to as Strategic Service Grants) would include PolioPlus and any future corporate programs in the grant structure for the future, but the Future Vision Committee has now concluded that PolioPlus and/or any future RI/TRF corporate program should be separate from the grant structure of the future;

7. agree that PolioPlus or any future corporate program will be clearly separate and independent of the new grant structure, including any Type B Grants or areas of focus;
8. agree that Type A Grants in the new grant structure of the future have the following characteristics:
  - a. relate and conform to the mission of The Rotary Foundation;
  - b. consist of block grants that will be managed and administered by Trustee-certified districts according to established guidelines and best practices for the distribution of grants;
  - c. activities/projects preferably completed in less than 18 months;
  - d. sustainability preferred, but not required;
  - e. funds used for a variety of eligible activities that are broad in scope;
  - f. provide flexibility for clubs and districts in completing local and international projects;
  - g. funds utilized for international projects in other countries, including non-Rotary countries and areas;
  - h. encourage international partnerships between clubs and districts;
9. agree that Type B Grants in the new grant structure of the future have the following characteristics:
  - a. activities/projects take place in Rotary countries and non-Rotary countries and areas;
  - b. clubs and districts may participate with cooperative relationship organizations at the local and international levels;
  - c. greater role for and participation of Rotarian Action Groups;
  - d. international partnerships between clubs and districts and/or organizations with which TRF has a strategic cooperative relationship;
  - e. projects designed to support the areas of focus that are based on Rotarians' interests and specific selection criteria;
  - f. focus on long-term projects/activities (e.g., typically completed in 3-4 years except for Rotary scholarships);
  - g. include larger grant awards (minimum/maximum amounts to be determined);
  - h. emphasize competitive process for grant awards;
  - i. consider Group Study Exchange and TRF scholarships in more strategic manner;
  - j. encourage or require sustainability;
  - k. include club and district developed grants and TRF packaged grants (names and titles under further consideration);
  - l. encourage international partnerships between clubs and districts;
10. agree to select three to five areas of focus for Type B Grants to ensure strategic use of Rotary's organizational expertise and resources in a way that:
  - a. differentiates the areas of focus from the corporate program of RI/TRF;
  - b. relates to TRF mission;
  - c. provides durability and long-term commitment (e.g., ten years focus) on the priority world needs;
  - d. is narrow enough to construct specific strategies for sustainable beneficiary outcomes;
  - e. focuses on packaged grants with support from TRF's strategic cooperative relationships;
  - f. demonstrates Rotarian involvement and ownership;
11. request the general secretary to begin a process for the selection of recommended areas of focus, for consideration by the Trustees at their April 2008 meeting;

12. acknowledge that the areas of focus will need the approval of the RI Board of Directors;
13. agree in concept with the proposed draft transition plan for the grant structure of the future as shown in Appendix C, filed only with the official copy of these minutes;
14. note that the Future Vision Committee will finalize the draft transition plan with specific recommendations on current program changes that will be part of Type B Grants, for report to the Trustees at their April 2008 meeting;
15. agree in concept with the plan to utilize three-year pilot projects to develop the proposed grant structure of the future, as shown in Appendix D, filed only with the official copy of these minutes;
16. request the Future Vision Committee to finalize its recommendations for the transition and implementation plans to pilot the grant structure, for report to the Trustees at their April 2008 meeting;
17. request the RI Board of Directors to look with favor on the proposed TRF grant structure for the future.

### **29. Strategic Cooperative Relationship Model for the Future**

*Statement:* The Future Vision Committee received an overview of the proposed strategic cooperative relationship (SCR) model at its October 2007 meeting. Each area of focus should have at least one SCR that will provide funding, expertise, or a combination of both. The SCR will work with TRF in developing pre-packaged grants in which clubs and districts may participate. The Future Vision Committee was in favor of the model and presented it for the consideration of the Trustees at this meeting.

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

1. receive the report of the Future Vision Committee on the proposed alliance/partner model for the future;
2. note that the proposed alliance/partner model for the future is focused on the strategies and vision of The Rotary Foundation, to be fully implemented in 2012-13;
3. agree to refer to the proposed alliance/partner model for the future as the Strategic Cooperative Relation-

ship Model (SCR) of the future;

4. agree that the Strategic Cooperative Relationship Model of the future has the following characteristics:
  - a. relates specifically with TRF's areas of focus;
  - b. applies to Type B Grants;
  - c. developed with or solicited from non-governmental organizations and other experts for each area of focus;
  - d. provides financial resources, technical expertise/resources, advocacy, or a combination thereof;
  - e. funding alternatives for strategic cooperative relationships include:
    - i. strategic cooperative relationships organization provides funding directly to The Rotary Foundation;
    - ii. both The Rotary Foundation and the strategic cooperative relationship organization provide funding through a parallel funding model whereby both entities participate in the project;
    - iii. The Rotary Foundation directly funds the strategic cooperative relationship organization that aligns with TRF's areas of focus;
5. agree that the Strategic Cooperative Relationship Model should conform with the Joint RI and TRF Policy on Relationships with Other Organizations;
6. request the RI Board of Directors to look with favor on the Strategic Cooperative Relationship Model for the future.

### **30. Distributable Funds Model for the Future**

*Statement:* The proposed distributable funds model for the proposed grant structure assumed that the *SHARE* system would remain intact and continue to be based on a three-year cycle. The Future Vision Committee recommended 40% as the maximum District Designated Funds (DDF) a district could request for use in Type A Grants, with the remaining DDF, at least 60 percent, dedicated to Type B Grants. World Funds would be available to the priority areas defined by TRF with Strategic Cooperative Relationship/TRF packaged grants given World Funds

priority. The role of donor advised funds and endowed gifts would be considered by the Future Vision Committee for report to the Trustees at their April 2008 meeting.

**DECISION:** The Trustees

1. confirm the continued operation and existence of *SHARE* in its current structure based on Article 17.010. of *The Rotary Foundation Code of Policies*:

**17.010. Allocations**

The *SHARE* system has been adopted for the allocation of funds. The current proportion of shared funding will be 50/50 (50 percent for the District Designated Fund and 50 percent for the World Fund). This proportion may be reviewed and adjusted periodically depending on the future needs of Rotary's Foundation.

2. agree to the Distributable Funds Model for the future presented by the Future Vision Committee with the following characteristics:
  - a. strategic cooperative relationships result in temporary restricted income each year for use with Type B Grants;
  - b. non-annual program funds are designated to the World Fund to support Type B Grants;
  - c. endowed and named gifts can support Type A and B Grants;
  - d. Type A Grants are funded mainly by a percentage of District Designated Funds (DDF);
  - e. Type B Grants are funded with DDF and World Fund;
  - f. Type B Grants developed by clubs and districts are supported by a World Fund match;
3. agree that a district may use up to 40% of its available DDF to fund Type A Grants during the three-year pilot program, such percentage to be reviewed annually by the Trustees;
4. note that the Future Vision Committee deferred a decision on the use of endowment earnings, major gifts, restricted cash, and donor advised funds in the Distributable Funds Model, and request the commit-

tee to present its recommendations to the Trustees at their April 2008 meeting.

**31. TRF Recognition Plan for the Future**

*Statement:* In decision 108, April 2007, the Trustees supported in concept the suggested criteria for a future recognition program of TRF. At their August and October 2007 meetings, the Future Vision Committee discussed in depth the current recognition program and the issue of recognition points. During its October 2007 meeting, the Future Vision Committee expressed its concern that implementing a new recognition model at the same time as the grant model would offer challenges in assessing the success of each new model. The Future Vision Committee agreed to continue its analysis of these matters and to make further recommendations to the Trustees at their April and October 2008 meetings.

**DECISION:** The Trustees

1. receive the report of the Future Vision Committee on TRF recognition plans for the future;
2. agree to continue the current recognition program with the following adjustments:
  - a. the Paul Harris Fellow medallions will not be provided as automatic recognition, but will be available for purchase from TRF at a reasonable cost;
  - b. wearable recognition will be created for the US\$250,000 Major Donor level;
  - c. recognition points expire upon death of the donor or death of surviving spouse for major donors;
  - d. an individual's donor recognition points can only be transferred by the individual;
  - e. a minimum threshold of 500 points will be established to transfer recognition points;
3. request the Future Vision Committee, in coordination with the general secretary, to provide a report on the implications and transition plan for the above suggestions to the Trustees at their April 2008 meeting;
4. note that the current recognition program maintains the current levels (nine) of Paul Harris Fellow recognition;

5. request the Future Vision Committee to further study the issue of recognition points in the proposed future recognition program, for report to the Trustees at their October 2008 meeting.

### **32. Preliminary Business Operations and Technology Utilization Structure for the Future**

*Statement:* During its August 2007 meeting, the Future Vision Committee received preliminary reports on the business operations and technology models and noted that further study would be necessary after the grant structure, funding, alliance/partnership, and recognition models are further defined. At its October 2007 meeting, the committee agreed that the business operations structure must take into account the necessary administrative changes that need to take place to support the program-related models.

**DECISION:** The Trustees

1. receive an update on the concept of the preliminary business operations and technology utilization structures for the future;
2. request the Future Vision Committee, in coordination with the general secretary, to finalize its recommendations for the business operations and technology utilization structure, for report to the Trustees at their April 2008 meeting;
3. receive the report of the general secretary on the progress and status of the Information Services Division of the Secretariat.

### **33. Preliminary Communication, Training, and Feedback Plans**

*Statement:* The Future Vision Committee reviewed the preliminary communication, training, and feedback plans focused mainly on communicating achievements and progress in the creation of the plan. The plans are geared towards communication of and orientation on the RI Strategic Plan and TRF Future Vision Plan and are designed to standardize communication and training expectations. A final communication plan is due to be considered by the Trustees at their April 2008 meeting.

**DECISION:** The Trustees

1. receive an update on the preliminary communication, training, and feedback plans for the Future Vision

Plan and request the Future Vision Committee to finalize its recommendations for presentation to the Trustees at their April 2008 meeting;

2. acknowledge that the program changes will require approval of the RI Board of Directors;
3. agree to communicate to the Rotary world the progress and actions taken on the Future Vision Plan by the Trustees at this meeting;
4. note that the Future Vision Committee, in coordination with the general secretary, will provide a report to the Trustees at their April 2008 meeting on a suggested marketing and education plan to promote and inform Rotarians about the Future Vision Plan of The Rotary Foundation, including the piloting and transition plans.

### **34. Associate Foundations**

*Statement:* The Future Vision Committee received a thorough briefing from the general secretary on the seven existing associate foundations. The committee discussed the costs and benefits of associate foundations, including legal, finance and accounting issues, Trustee oversight, and tax deductibility for Rotarians in these countries. The committee noted that other countries were seeking or may seek to establish additional associate foundations. In light of the complexities and time required to thoroughly review the purpose and guidelines for associate foundations, the committee recommended that this matter be considered further by a separate committee established by the Trustees.

**DECISION:** The Trustees

1. request their chairman to appoint a committee to review the purpose, guidelines, and issues pertaining to associate foundations, for report to the Trustees at their June 2008 meeting;
2. authorize a budget variance of US\$24,000 for one meeting of this committee in 2007-08.

### **35. Administrative Matters**

*Statement:* The Future Vision Committee reviewed various administrative matters during their meetings, including the actions taken by the 2007 Council on Legislation with potential impact on the Future Vision Plan, reports on the balance of District Designated Funds, and the process improvement initiative related to endow-

ment tracking. The committee also received an update on the items previously referred to the committee.

**DECISION:** The Trustees

1. note that the Future Vision Committee received an update on the actions taken by the 2007 Council on Legislation with potential impact on the Future Vision Plan;
2. note that the Future Vision Committee is considering the Council's actions in its transition plans to be presented to the Trustees at their April 2008 meeting;
3. note that the Future Vision Committee received a report on the balance of District Designated Funds (DDF) from the general secretary and that the Future Vision Committee considers goal 4c related to timely use of DDF to have been achieved;
4. note that the general secretary has reported that the process improvement initiative related to endowment tracking has been started and future updates will be provided to the Trustees;
5. receive an update on the items referred to the Future Vision Committee as shown in Appendix E;
6. express their appreciation, on behalf of the Future Vision Committee, to Past Director Barry Thompson for his participation in both committee meetings and for providing an update on the progress of the RI Strategic Plan.

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### **36. Trustee and Director Personal Sharing**

*Statement:* In decision 134, April 2003, the Trustees adopted the *Every Rotarian, Every Year* Marketing Plan that calls for both TRF and Rotary senior leaders to "Lead by example and contribute each year to the Annual Programs Fund." In decision 170, June 2007, the Trustees asked for an update on personal sharing from both the Board of Trustees and the RI Board of Directors at this meeting.

**DECISION:** The Trustees receive the report on trustee and director personal sharing for 30 June 2007, and for the first quarter ending 30 September 2007.

### **37. Mayhood Bequest**

*Statement:* In decision 171, June 2007, the Trustees requested the general secretary to seek appropriate legal advice on the matter of a significant bequest. The Trustees also requested Vice-Chairman Maloney to meet again with the Rotary Club of Calgary, Alberta, Canada, and The Calgary Rotary Clubs' Foundation regarding this matter for report to the Trustees at this meeting.

**DECISION:** The Trustees request the general secretary to advise the Rotary Club of Calgary, Alberta, Canada, that

1. the June 2007 distribution from the Mayhood bequest has been placed in the Permanent Fund in accordance with *The Rotary Foundation Code of Policies* section 15.050.2.;
2. the Trustees will induct Everett and Ellen Mayhood into the Arch C. Klumph Society at their April 2008 meeting, and invite members of the Rotary Club of Calgary to attend at no cost to The Rotary Foundation;
3. The Rotary Foundation looks forward to receiving future distributions from the Mayhood bequest, which will not be added to the Permanent Fund, but will be spent on programs as the Trustees designate.

### **38. Unrestricted Estate Gift**

*Statement:* *The Rotary Foundation Code of Policies* section 15.050.2. states that when gifts are received without donor instructions, outright gifts of US\$10,000 or more from individuals will be placed in the Permanent Fund with future annual earnings directed to the World Fund. In decision 27, October 2004, the Trustees requested the general secretary to inform the Trustees of all restricted gifts of US\$250,000 or more at the next meeting of the Trustees after the receipt of such a gift, so that the Trustees can determine the most appropriate use of the gift.

**DECISION:** The Trustees

1. receive with appreciation the distribution of US\$896,260 from the estate of Graham D. Turner, District 9790, Albury, New South Wales, Australia;
2. affirm that this gift shall be placed in the Permanent Fund with future earnings directed to the World Fund.

### **39. Endowment Automated Tracking Project**

*Statement:* In decision 45, October 2006, the Trustees agreed to accept donations of District Designated Funds (DDF), either from a single district or multiple districts, to establish endowments within the Permanent Fund with the annual spendable earnings to be applied to Rotary World Peace Fellowships. In decision 150, April 2007, the Trustees agreed to limit DDF endowment pools to the "Heart of America Endowed Fund" due to the technological and administrative challenges posed by current systems, and requested the general secretary to secure the necessary automated resources to properly manage any additional pooled funds by 1 July 2008 to allow other zones or regions to create DDF endowment pools upon request.

**DECISION:** The Trustees

1. receive with appreciation the report of the general secretary on the project currently underway to secure an automated system for tracking and reporting on endowed gifts to the Foundation;
2. encourage the general secretary to make the endowment automated tracing project a high priority;
3. rescind point 3 of their decision 150, April 2007;
4. recommend that administrative impact should be explored before future initiatives are decided upon;
5. request the general secretary to provide an update on this initiative at the April 2008 Trustees' meeting.

### **40. Status of Existing and Proposed Cooperative Relationships**

*Statement:* In decision 116, April 2007, the Trustees approved the RI/TRF Joint Policy on Cooperative Relationships. Articles 1.060. and 1.070. of *The Rotary Foundation Code of Policies* note that the general secretary shall provide an annual report to the Board and the Trustees at their October/November meetings on the status of all existing and proposed agreements of formal cooperation with other organizations. In addition, the general secretary shall provide an update at each meeting of the Board and Trustees with respect to new commitments and changes to existing commitments.

**DECISION:** The Trustees thank the general secretary for the report on cooperative relationships with The Rotary Foundation.

### **41. Competitive Matching Grant Requests**

*Statement:* Matching Grant requests of at least US\$25,001 are reviewed two times per year by the Trustees on a competitive basis.

**DECISION:** The Trustees

1. make Matching Grant #64257 in the amount of US\$41,412 to the Rotary Club of Tamatave (District 9220, Madagascar) and to the Rotary Club of Paris Est (District 1770, France) to help provide 993 water filtration systems and septic tanks to families in the areas of Morarono and Mangarivotra, in Tamatave, Madagascar;
2. make Matching Grant #61531 in the amount of US\$35,530 to the Rotary Club of Dapaong (District 9100, Togo) and to the Rotary Club of Tours (District 1720, France) to help provide drinking water for the population in Savanes Region by digging 14 wells in Togo;
3. make Matching Grant #64238 in the amount of US\$150,000 to the Rotary Club of Flamingo-Welkom (District 9320, South Africa) and to District 1160 (Ireland) to help provide 5,600 new wheelchairs throughout District 9320 in Lesotho and South Africa, plus an additional amount of US\$7,500 for project monitoring by The Rotary Foundation, for a total of US\$157,500, payment to be contingent upon receipt of a positive advance site visitor report;
4. make Matching Grant #61756 in the amount of US\$55,000 to the Rotary Club of Livingstone (District 9210, Zambia) and to the Rotary Club of Åsane (District 2250, Norway) to help establish a fully equipped SOS Children's village in Livingstone, Zambia, plus an additional amount of US\$2,750 for project monitoring by The Rotary Foundation, for a total of US\$57,750, payment to be contingent upon receipt of proof that the school's construction is complete;
5. make Matching Grant #64232 in the amount of US\$52,000 to the Rotary Club of Karen-Nairobi (District 9200, Kenya) and to the Rotary Club of Essendon (District 9800, Australia) to help provide

- a distribution system for clean water and a sewerage system to the Beausang Catholic Education Centre in Embulbul, Rift Valley Province, Kenya, plus an additional amount of US\$2,600 for project monitoring by The Rotary Foundation, for a total of US\$54,600;
6. do not make Matching Grant #61711;
  7. make Matching Grant #64162 in the amount of US\$61,808 to the Rotary Club of Kilifi (District 9200, Kenya) and to the Rotary Club of Vinings (District 6900, USA) to help provide medication to prevent intestinal parasites to 28,780 primary school students over a four-year period and provide scholarships for 50 secondary students to attend four years of high school in Kilifi, Coast Province, Kenya, plus an additional amount of US\$3,090 for project monitoring by The Rotary Foundation, for a total of US\$64,898, payment to be contingent upon written confirmation and endorsement stating that the Kenyan Education Scholarship Hitimu Organization (KESHO) will serve as a cooperating organization for the project;
  8. make Matching Grant #64225 in the amount of US\$150,000 to the Rotary Club of Mengo (District 9200, Uganda) and to District 1060 (England) to help provide 5,320 new wheelchairs to people in need in Uganda, plus an additional amount of US\$7,500 for project monitoring by The Rotary Foundation, for a total of US\$157,500, payment to be contingent upon written confirmation that District 1060 approves of the modifications to the project;
  9. make Matching Grant #64226 in the amount of US\$52,200 to the Rotary Club of Hvar (District 1910, Croatia) and to the Rotary Club of Ljubljana Tivoli (District 1910, Slovenia) to help provide diagnostic medical equipment for the Hvar hospital in the middle Dalmatian Islands in Hvar, Croatia, plus an additional amount of US\$2,610 for project monitoring by The Rotary Foundation, for a total of US\$54,810;
  10. make Matching Grant #64119 in the amount of US\$39,000 to the Rotary Club of Kaunas (District 1460, Lithuania) and to the Rotary Club of Aarhus Nordvestre (District 1450, Denmark) to help provide a special elevator for Kaunas Child Development Clinic "Lopselis" in Kaunas, Lithuania;
  11. make Matching Grant #64231 in the amount of US\$30,000 to the Rotary Club of Canosa (District 2120, Italy) and to the Rotary Club of Ulcinj (District 2481, Montenegro) to help provide a facility for collecting and storing of non-embryonic stem cells for the treatment of cancer patients at the general hospital of Barletta, Bari, Italy;
  12. defer consideration of Matching Grant #64283 to the January 2008 Trustees' meeting;
  13. make Matching Grant #64149 in the amount of US\$30,050 to the Rotary Club of Bamenda (District 9150, Cameroun) and to the Rotary Club of Maple Valley (District 5030, USA) to help provide medical laboratory equipment to the Catholic School of Nursing, Midwifery and Laboratory Technology in Cameroun;
  14. make Matching Grant #64292 in the amount of US\$46,000 to the Rotary Club of Khon Kaen (District 3340, Thailand) and to the Rotary Club of Morristown (District 6780, USA) to help provide 30 water purification systems to rural villages in the Isaan region in northeastern Thailand;
  15. make Matching Grant #62461 in the amount of US\$48,070 to District 3150 (India) and to the Rotary Club of Sherwood Sunrisers (District 1220, England) to help provide safe and clean drinking water to the village of Guntur, Andhra Pradesh, India;
  16. make Matching Grant #64206 in the amount of US\$42,500 to the Rotary Club of Rajahmundry River City (District 3020, India) and to the Rotary Club of Tamworth (District 1060, England) to help provide a medical van intended for the Tribal Villages in Andhra Pradesh, India;
  17. make Matching Grant #64324 in the amount of US\$40,000 to the Rotary Club of Jalalabad (District 3270, Afghanistan) and to the Rotary Club of La Jolla Golden Triangle (District 5340, USA) to help furnish a dormitory for 72 female students studying at Nangarhar University in Jalalabad, Afghanistan, payment to be contingent upon confirmation that the constructions of the dormitory will be completed;
  18. make Matching Grant #63173 in the amount of US\$34,750 to the Rotary Club of Nuuk (District 1470, Greenland) and to the Rotary Club of

- Graested (District 1470, Denmark) to help furnish a center and fund activities for abused and at-risk youth at the children's house "Mælkeøtten," in Nuuk, Greenland;
19. make Matching Grant #64260 in the amount of US\$92,056 to the Rotary Club of Kalispell (District 5390, USA) and to the Rotary Club of Tupavani (District 4510, Brazil) to help surface a baseball field for handicapped accessibility at Community Kid Sports Field in Kalispell, Montana, USA, plus an additional amount of US\$4,603 for project monitoring by The Rotary Foundation, for a total of US\$96,659;
  20. do not make Matching Grant #61705;
  21. make Matching Grant #64215 in the amount of US\$37,666 to the Rotary Club of San Salvador (District 4240, El Salvador) and to District 7010 (Canada) to help provide wheelchairs for 1,400 physically challenged people in El Salvador;
  22. make Matching Grant #63643 in the amount of US\$40,627 to the Rotary Club of São Carlos (District 4540, Brazil) and to District 4900 (Argentina) to help provide blood bank equipment to Santa Casa de Misericórdia Hospital in São Carlos, SP, Brazil;
  23. make Matching Grant #62774 in the amount of US\$38,317 to the Rotary Club of San Pedro Sula (District 4250, Honduras) and to the Rotary Club of East Chapel Hill (District 7710, USA) to help provide a potable water system in the poor rural town of San Manuel, Honduras;
  24. make Matching Grant #64097 in the amount of US\$29,650 to the Rotary Club of Copán Ruinas (District 4250, Honduras) and to the Rotary Club of Gastonia (District 7680, USA) to help provide a clean water supply to the Chorti Indian population in the communities of Porvenir I and II in Copán Ruinas, Honduras;
  25. make Matching Grant #64327 in the amount of US\$35,884 to the Rotary Club of Hermosillo Pitic (District 4100, Mexico) and to the Rotary Club of Phoenix (District 5490, USA) to help provide a mobile clinic for the poor people in rural areas of Hermosillo, Sonora, Mexico;
  26. make Matching Grant #64152 in the amount of \$58,809 to the Rotary Club of Arequipa (District 4300, Peru) and to the Rotary Club of Charlotte (District 7680, USA) to help improve the quality and expand distribution of the existing water plant in the Alto Cayma Settlement in Arequipa, Peru, plus an additional amount of US\$2,940 for project monitoring by The Rotary Foundation, for a total of US\$61,749;
  27. make Matching Grant #63983 in the amount of US\$52,000 to the Rotary Club of Yuzhno-Sakhalinsk (District 5010, Russia) and to the Rotary Club of Gangreung-Gwandong (District 3730, Korea) to help provide an ultra-sound machine for diagnosing patients at the Yuzhno-Sakhalinsk Children's Hospital in Yuzhno-Sakhalinsk, Russia, plus an additional amount of US\$2,600 for project monitoring by The Rotary Foundation, for a total of US\$54,600;
  28. make Matching Grant #64229 in the amount of US\$42,053 to the Rotary Club of Hinche, Centre (District 7020, Haiti) and to the Rotary Club of Hialeah-Miami Springs (District 6990, USA) to help provide equipment to produce the food supplement, Akamil, for the people of Thomonde, Haiti, payment to be contingent upon written confirmation from District 7020 that the club is prepared to implement the project;
  29. make Matching Grant #64230 in the amount of US\$29,000 to the Rotary Club of La Paz Balandra (District 4100, Mexico) and to the Rotary Club of Ry (District 1450, Denmark) to help provide two mobile medical units to serve in the outlying communities of La Paz, Mexico;
  30. request the general secretary to negotiate the inclusion of permanent recognition for The Rotary Foundation on wheelchairs manufactured for projects that are funded by Humanitarian Grants.

#### **42. Matching Grant Projects of the Rotary Club of Phnom Penh**

*Statement:* In decision 41, October 2000, the Trustees sanctioned the Rotary Club of Phnom Penh (District 3350, Cambodia) due to its delinquency in reporting on Matching Grants sponsored by the club. In April 2004, the club submitted a proposal requesting the sanction be lifted. In decision 32, October 2004, the Trustees lifted the ban for a probationary period and agreed that each

club in Cambodia could have three open grants at any one time. In decision 41, October 2005, the Trustees required the Rotary Club of Phnom Penh to provide an acceptable report on Matching Grant #54059 and agreed that no further grants could be awarded to this club until the report was received. In decision 32, October 2006, the Trustees suspended the Rotary Club of Phnom Penh from participation in the Foundation's Humanitarian Grants program until completion of a review by the general secretary. In decision 125, April 2007, the Trustees maintained the suspension of the club from participation in the Humanitarian Grants program until completion of a further review by the general secretary, for report to the Trustees at this meeting.

**DECISION:** The Trustees maintain the current suspension of the Rotary Club of Phnom Penh (District 3350, Cambodia) from participation in the Humanitarian Grants program and delegate authority to the general secretary to lift the suspension when communication between the Rotary Club of Phnom Penh and District 3350 has improved and the club is determined to be fully functioning.

#### **43. Feasibility Study on Providing Low-Cost Housing**

*Statement:* In decision 33, October 2006, the Trustees deferred further consideration on the feasibility of providing low-cost housing to this meeting, at which time the planning process for the future direction of Foundation programs would be nearly complete. The general secretary provided an analysis of the low-cost housing initiative begun in 1997-98, including the inherent complexities of providing such housing.

**DECISION:** The Trustees

1. thank the general secretary for the report on the feasibility of funding low-cost housing through the Humanitarian Grants Program;
2. recognize the positive impact that low-cost housing has had on numerous communities around the world;
3. agree that support for low-cost shelter projects is not consistent with the goal of simplicity as adopted by the Trustees for the Future Vision Plan of The Rotary Foundation;
4. reaffirm decision 103, April 2004, to cease processing grant applications for low-cost shelter projects.

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#### DECISIONS 44-50

#### **International PolioPlus Committee Report**

The International PolioPlus Committee met in Evanston Illinois, USA on 17-18 October 2007 and made several recommendations to the Trustees.

#### **44. Potential Bill and Melinda Gates Foundation Grant**

*Statement:* At the 2007 (Salt Lake City) Convention, the 2006-07 Trustee chairman, the International PolioPlus Committee (IPPC) chairman, and other Rotary senior leaders had the opportunity to interact with guest speaker Bill Gates, Sr. Topics discussed with Mr. Gates included Rotary's role in polio eradication. Subsequently, the Bill and Melinda Gates Foundation invited The Rotary Foundation to submit a grant proposal to support Rotary's polio eradication efforts. In early October 2007, the Gates Foundation notified the general secretary that a US\$100 million challenge grant had been approved. The IPPC recommended a number of options for raising funds to match the US\$100 million challenge grant.

**DECISION:** The Trustees

1. thank the Bill and Melinda Gates Foundation for the preliminary notification of a US\$100 million challenge grant to The Rotary Foundation for polio eradication activities;
2. thank the team of Rotary senior leaders and the general secretary for negotiating the grant;
3. accept the grant and the Bill and Melinda Gates Foundation's conditions that it will be received prior to 31 December 2007, and must be fully expended by 31 December 2008, and that The Rotary Foundation will raise US\$100 million in matching funds over a three-year period beginning 1 January 2008;
4. authorize their chairman to negotiate the terms of the grant agreement with the Bill and Melinda Gates Foundation on their behalf;
5. endorse the conceptual plan to raise the funds as shown in Appendix F, including the appointment of a steering committee as put forth in the plan, and request the general secretary to finalize such plans;

6. request the RI Board to
  - a. accept the terms of the challenge grant to raise US\$100 million in matching funds over a three-year period beginning 1 January 2008;
  - b. endorse the conceptual plan to raise the funds as shown in Appendix F;
7. upon concurrence of the RI Board, request the general secretary to
  - a. make the necessary arrangements to announce the challenge grant and plans to raise matching funds at the 2008 International Assembly;
  - b. provide appropriate staff support for the plan to raise matching funds;
8. upon finalization of the agreement with the Bill and Melinda Gates Foundation, request the general secretary to recommend any necessary changes to the 2007-08 budget.
4. authorize their chairman to negotiate the terms of the grant agreement with Google.org on their behalf;
5. endorse the conceptual plan to raise the funds as shown in Appendix G, including the appointment of a steering committee as set forth in the plan, and request the general secretary to finalize such plans;
6. request the RI Board to
  - a. accept the terms of the challenge grant to raise US\$5.5 million in matching funds over a three-year period beginning 1 January 2008;
  - b. endorse the conceptual plan to raise the funds as shown in Appendix G;
7. upon concurrence of the RI Board, request the general secretary to
  - a. make the necessary arrangements to announce the challenge grant and plans to raise matching funds at the 2008 International Assembly;
  - b. provide appropriate staff support for the plan to raise matching funds;
8. upon finalization of the agreement with Google.org, request the general secretary to recommend any necessary changes to the 2007-08 budget.

#### **45. Potential Google.org Grant**

*Statement:* At its June 2007 meeting, the International PolioPlus Committee (IPPC) made several recommendations to the Trustees to address the declining funds available in the PolioPlus fund. Subsequently, Google.org invited The Rotary Foundation to submit a grant proposal to support Rotary's polio eradication efforts. In early October 2007, Google.org notified the general secretary that a US\$5.5 million challenge grant had been approved. The IPPC recommended a number of options for raising funds to match the US\$5.5 million challenge grant.

**DECISION:** The Trustees

1. thank Google.org for the preliminary notification of a US\$5.5 million challenge grant to The Rotary Foundation for polio eradication activities;
2. thank the team of Rotary senior leaders and the general secretary for negotiating the grant;
3. accept the grant and Google.org's conditions that it will be received prior to 31 December 2007, must be fully expended by 31 December 2008, and that The Rotary Foundation will raise US\$5.5 million in matching funds over a three-year period beginning 1 January 2008;

#### **46. Combined World Health Organization/ African Regional Office (WHO/AFRO) and UNICEF Grant Request**

*Statement:* The World Health Organization/African Regional Office (WHO/AFRO) and UNICEF requested grants for activities in Niger and Nigeria.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$5,500,000 to UNICEF for operational support in Nigeria, this grant to be released in accordance with Trustee policies;
2. approve a PolioPlus grant of up to US\$1,625,000 to WHO for operational support in Niger, this grant to be released in accordance with Trustee policies;
3. approve a PolioPlus grant of up to US\$3,210,000 to the WHO African Regional Office for surveillance

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

4. agree to reallocate US\$332,000 in unspent Rotary grant funds and accrued interest on hand at WHO to WHO/AFRO for surveillance activities in the region;
5. authorize the general secretary to execute agreement letters with WHO and UNICEF to convey the funds on a scheduled basis. WHO and UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
6. note that these are one-year grants which must be fully expended by 31 December 2008, or one year after the transfer of funds to the grantee, whichever comes later;
7. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
  - Niger from US\$4,585,518 to US\$5,085,518
  - Nigeria from US\$45,887,677 to US\$51,387,677
  - WHO African Regional Office from US\$86,275,307 to US\$89,485,307

**47. Combined World Health Organization/  
Eastern Mediterranean Regional Office  
(WHO/EMRO) and UNICEF Grant Request**

*Statement:* The World Health Organization/Eastern Mediterranean Regional Office (WHO/EMRO) and UNICEF requested grants for activities in two countries in the Eastern Mediterranean region.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$3,990,000 to UNICEF for operational support in the following countries:

• Afghanistan	US\$3,000,000
• Pakistan	US\$990,000

this grant to be released in accordance with Trustee policies;

2. approve a PolioPlus grant of up to US\$1,700,000 to WHO/EMRO for technical support in the region, this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant of up to US\$700,000 to WHO/EMRO for surveillance activities in the region, this grant to be released in accordance with Trustee policies;
4. agree to reallocate US\$170,000 in unspent Rotary grant funds and accrued interest on hand at WHO to WHO/EMRO for technical support in the region;
5. authorize the general secretary to execute agreement letters with WHO and UNICEF to convey the funds on a scheduled basis. WHO and UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
6. note that these are one-year grants which must be fully expended by 31 December 2008, or one year after the transfer of funds to the grantee, whichever comes later;
7. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
  - Afghanistan from US\$11,932,027 to US\$14,932,027
  - Pakistan from US\$34,762,830 to US\$35,752,830
  - WHO Eastern Mediterranean Regional Office from US\$14,830,320 to US\$17,230,320

**48. Combined World Health Organization/  
Southeast Asia Regional Office (WHO/  
SEARO) and UNICEF Grant Request**

*Statement:* The World Health Organization/Southeast Asia Regional Office (WHO/SEARO) and UNICEF requested grants for social mobilization activities in India.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$3,100,000 to UNICEF to support social mobilization activities in India, this grant to be released in accordance with Trustee policies;
2. authorize the general secretary to execute agreement letters with UNICEF to convey the funds on a scheduled basis. UNICEF will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
3. note that this is a one-year grant which must be fully expended by 31 December 2008, or one year after

the transfer of funds to the grantee, whichever comes later;

4. note that this grant, if fully expended, will increase total PolioPlus grants in India from US\$65,278,777 to US\$68,378,777.

#### **49. India National PolioPlus Committee Administrative Grant Request**

*Statement:* The India National PolioPlus Committee requested a grant for administrative activities in India.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US\$300,000 to the India National PolioPlus Committee for administrative activities in India, this grant to be released in accordance with Trustee policies;
2. authorize the general secretary to negotiate a new agreement with the National PolioPlus Committee to convey the funds on a scheduled basis. The committee will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
3. note that this is a one-year grant which must be fully expended by 31 December 2008, or one year after the transfer of funds to the grantee, whichever comes later;
4. note that this grant, if fully expended, will increase total PolioPlus grants for India from US\$68,378,777 to US\$68,678,777.

#### **50. Extension of World Health Organization (WHO) Core Grant Request**

*Statement:* The World Health Organization (WHO) requested an extension of the core grant for a team of technical experts who will help all nations develop and strengthen those technical capacities required to achieve the goal of polio eradication.

**DECISION:** The Trustees

1. agree to extend the current core grant, at no cost to The Rotary Foundation, for the period 1 January-2008-31 December 2009 in order to allow WHO to fully implement the grant;

2. agree to allow WHO to utilize the remaining balance of US\$1,400,000 of the current core grant to fund global staff costs during 2008 and 2009;
3. agree that as a condition of the contractual agreement, it be clearly stated that WHO will make all reasonable efforts to secure public recognition of the financial and volunteer human resource contributions of Rotary International on the global polio eradication effort;
4. note that this is a two-year grant which must be fully expended by 31 December 2009;
5. note that this grant, if fully expended, will bring the total PolioPlus grants to WHO/CORE to US\$19,665,825.

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#### **51. Report of the Rotary Centers Committee**

*Statement:* The Rotary Centers Committee selects each class of Rotary World Peace Fellows and serves as the liaison to the universities hosting Rotary Centers. The committee met 8-12 October 2007 in Evanston, Illinois, USA. The Rotary Center Host Area Coordinators Committee met 7-9 October 2007 and joined the Rotary Centers Committee for part of its meeting to review together matters of common interest. The Rotary Centers Committee made several recommendations to enhance and promote the program.

**DECISION:** The Trustees

1. receive the reports of the Rotary Centers Host Area Coordinators Committee and the Rotary Centers Committee;
2. receive the list of candidates to be awarded 2008-10 program year Rotary World Peace Fellowships (Class VII);
3. allocate up to US\$2,000,000 from the World Fund for the 2008-09 educational programs budget, to be approved at the April 2008 Trustees' meeting, to supplement District Designated Funds and restricted gift funds for sixty 2008-10 Rotary World Peace Fellowships;
4. thank the university partners' representatives for their valuable contributions to the Rotary Centers Committee and for the Rotary World Peace Fellow selection;

5. encourage the 2008-09 RI president-elect to make Rotary Centers a topic for discussion at the 2009 International Assembly;
6. encourage all district governors-elect to appoint a district Rotary World Peace Fellowships chair;
7. request Regional Rotary Foundation Coordinators to work with their zones to increase the number of applicants to TRF's peace programs;
8. encourage Rotary Institute conveners to consider having a Rotary World Peace Fellow or Fellow alumna/alumnus speak at each institute;
9. request their chairman to appoint a subcommittee of the Rotary Centers Committee to explore the possibility of establishing a new Rotary Center in accordance with prior decisions, and look forward to receiving a report on this process at their April 2008 meeting;
10. agree to conduct a Rotary World Peace Symposium as an official pre-convention event at the 2009 RI Convention in Birmingham, England, and allocate the necessary funding in the 2008-09 budget to be approved in April 2008;
11. agree that the 2009 Rotary World Peace Symposium and 2009 Rotary Alumni Celebration (approved in decision 159, April 2006), shall be conducted in Birmingham, England; request the general secretary to attempt to secure the appropriate meeting space and facilities; and request an update regarding these events at their April 2008 meeting;
12. noting that the RI Board has previously approved the Alumni event, now request its concurrence to also include the World Peace Symposium in the Birmingham convention program;
13. request the RI Board to extend its decision 285, June 2007 to all Rotary World Peace Fellows (and one guest each) attending the 2009 Rotary World Peace Symposium to be charged the reduced RI Convention registration rate of US\$60 per person;
14. agree to conduct Rotary World Peace Symposiums on a three-year schedule, with the next symposium to be held in 2011-12, subject to a favorable review of the Birmingham symposium;
15. request the general secretary to review the application form and selection process, for report to the Trustees at their October 2008 meeting;
16. request the members of the Rotary Centers Committee to provide to the Centennial History of The Rotary Foundation Book Committee their comments and ideas for preserving and documenting the history of the Rotary Centers Program, recognizing that it is ten years since the establishment of the Rotary Centers, and so as not to let the passage of time erase some of the memory of the development of this successful program;
17. congratulate the Rotary Center at the University of Queensland for being awarded the 2007 Celebrating International Education and Training Industry Showcase Award by the Queensland state government.

**52. Report of Rotary Peace and Conflict Studies Selection Executive Committee**

*Statement:* The Rotary Peace and Conflict Studies Selection Executive Committee met on 20-22 August 2007 in Bangkok, Thailand to select the participants in Session II of the 2007-08 program.

**DECISION:** The Trustees

1. receive the report of the Rotary Peace and Conflict Studies Selection Executive Committee and thank the committee members for their work;
2. receive the list of applicants approved for Session II of the 2007-08 program year of the Rotary Peace and Conflict Studies pilot program;
3. look forward to receiving the next report of the Rotary Peace and Conflict Studies Selection Committee for consideration at their April 2008 meeting;
4. look forward to receiving the general secretary's evaluation of the pilot program for consideration at their April 2008 meeting.

**53. Rotary Conference Room at The United States Institute of Peace**

*Statement:* Mr. Stephen Strickland, Polio Advocacy Group representative at the United Nations Foundation, CEO of the National Peace Foundation, and Special

Consultant for The United States Institute of Peace in Washington, DC, USA, suggested that The Rotary Foundation consider taking advantage of the opportunity to name a conference room in The United States Institute of Peace being constructed in Washington, DC, as a means to increase awareness about Rotary and its Rotary Centers for International Studies program in peace and conflict resolution.

**DECISION:** The Trustees thank Mr. Stephen Strickland for bringing to their attention the opportunity to promote the Rotary Centers for International Studies Program by naming in perpetuity a conference room in The United States Institute of Peace to be constructed in Washington, DC, USA, but do not agree to support this effort.

#### **54. Report of Rotary Foundation Alumni Advisory Committee**

*Statement:* The Rotary Foundation's first Alumni Advisory Committee met in Evanston, Illinois, USA, on 22-24 July 2007. The committee discussed ways to give greater structure and definition to the Foundation's worldwide alumni association, and discussed the program for the first meeting of the association to be held in conjunction with the 2008 (Los Angeles) RI Convention. The committee made several recommendations to the Trustees.

**DECISION:** The Trustees

1. thank the Rotary Foundation Alumni Advisory Committee for its work in developing a proposed mission and structure for a worldwide TRF alumni association and a proposed program for the pre-convention meeting of the association at the 2008 (Los Angeles) RI Convention;
2. congratulate the Foundation alumni associations already chartered around the Rotary world and encourage the continued establishment of Foundation alumni associations;
3. express their support for development of the worldwide TRF alumni association to be called the Rotary Foundation Alumni Network (RFAN or RotaryFAN for short), formerly called the Global Alliance of Rotary Foundation Alumni;
4. approve the mission and objectives of the Rotary Foundation Alumni Network, which includes all

TRF alumni and alumni associations, as shown in Appendix H;

5. look with favor on the tentative draft program for the 2008 pre-convention meeting of the Rotary Foundation Alumni Network to be called the Rotary Alumni Celebration, and authorize the Trustee chairman to complete the program in consultation with the chairman and vice-chairman of the Alumni Advisory Committee;
6. encourage future RI presidents to consider including Rotary Foundation Alumni Network members in presidential conferences and other appropriate meetings;
7. request organizers of club, district, and zone events to include as many Foundation alumni as possible when inviting Rotary Foundation Trustees to participate, and add new section 4.050. to *The Rotary Foundation Code of Policies* as follows:  
  
4.050. Rotary Foundation Alumni Involvement in Trustee Activities  
Conveners of Rotary club, district, and zone events are encouraged to include Foundation alumni in the event when a Rotary Foundation Trustee has been invited to attend.
8. request the Regional Rotary Foundation Coordinators and Rotary Foundation Alumni Coordinators to promote attendance of Foundation alumni at the Rotary Alumni Celebration in Los Angeles, to continue their efforts to organize alumni associations, and to consider conducting regional alumni events;
9. request the general secretary to
  - a. include a listing of directory information for Foundation alumni associations in the *RI Official Directory*, effective with the 2008-09 Rotary year;
  - b. encourage all alumni to register their own information using free social networking sites searchable by keywords such as "Rotary Foundation Alumni";
  - c. provide status reports on plans for the 2008 Rotary Alumni Celebration in Los Angeles and the 2009 Rotary Alumni Celebration in

- Birmingham at their January and April 2008 meetings;
- d. provide a report on the success of the 2008 Rotary Alumni Celebration in Los Angeles and a status report for the 2009 Rotary Alumni Celebration in Birmingham at their June 2008 meeting;
10. express their appreciation to the RI Board for offering a reduced registration fee for recent Foundation alumni who attend the 2008 convention in Los Angeles and request the RI Board to continue the reduced convention fees for recent alumni, and one guest each, for subsequent worldwide alumni meetings held at conventions during the three-year pilot project;
11. look forward to the next report of the TRF Alumni Advisory Committee, for consideration at their October 2008 meeting.
4. suspend District 3260 from participating in the Humanitarian Grants program until the terms of the stewardship plan are fulfilled;
  5. request their chairman to appoint a TRF special advisor and assistant advisor to assist District 3260 leadership to implement the stewardship plan;
  6. approve a 2007-08 budget variance of US\$6,700 to implement points 3 through 5 above;
  7. agree to limit open grants, including Volunteer Service Grants, that benefit the Children of the Golden Triangle Akha Training Center in Mae Suai, Chiang Rai, Thailand, to two at a time to ensure The Rotary Foundation projects are not further adding to the Center's weaknesses in organizational capacity;
  8. require disclosure of the annual operations report and funding breakdown from the Children of the Golden Triangle Akha Training Center before approving additional grants;
  9. request their chairman to appoint a committee of Trustees to meet in January 2008 at the International Assembly to review standards for Humanitarian Grants in which religious organizations are either cooperating or beneficiary organizations, for report at their April 2008 meeting;
  10. approve a 2007-08 budget variance of US\$5,000 to implement point 9 above;
  11. thank the general secretary for his report on allocation of resources for legal issues involving stewardship matters and request a further report at their April 2008 meeting.

## **55. Report on Allegations and Litigation**

*Statement:* To facilitate the work of the Stewardship Committee, and in accordance with *The Rotary Foundation Code of Policies* section 10.030.6.1., the Trustees receive semiannual updates on allegations, investigations and litigation at their October and April meetings each year.

**DECISION:** The Trustees

1. thank the general secretary for his status report on allegations and litigation;
2. request the RI Board of Directors to authorize the general secretary to terminate the Rotary clubs listed below for being in financial arrears with The Rotary Foundation:
  - Rotary Club of Khamman, District 3150
  - Rotary Club of Gargoit, District 3170
  - Rotary Club of Hubli Midtown, District 3170
  - Rotary Club of Bangalore R.T. Nagar, District 3190
  - Rotary Club of Calcutta River Bank, District 3290
3. adopt the stewardship plan for District 3260 as outlined in Appendix I;

## **56. Semi-annual Report of the Humanitarian Grants Cadre**

*Statement:* *The Rotary Foundation Code of Policies* section 10.020. requires the Humanitarian Grants Cadre to provide a semi-annual report of its activities and findings to the Trustees' October and April meetings.

**DECISION:** The Trustees thank the Humanitarian Grants Cadre for its semi-annual activity report.

## **57. Report of Humanitarian Grants Technical Coordinators**

*Statement:* In decision 138, April 2007, the Trustees requested the general secretary to evaluate the recommendations of the Humanitarian Grants Cadre chairman concerning the training of technical advisors, and requested the Humanitarian Grants Cadre chairman and the general secretary to recommend streamlined procedures for assigning technical advisors, for report to the Trustees at this meeting. These recommendations included a change of deadline for submission of competitive Matching Grant applications so as to facilitate review of such applications by technical advisors.

**DECISION:** The Trustees

1. thank the Humanitarian Grants Cadre of Technical Coordinators for their suggestions;
2. request the general secretary to develop training materials for download from the RI Web site for technical coordinators and advisors;
3. approve a training workshop for cadre advisors during the 2009 RI (Birmingham) Convention and authorize an expense of US\$3,250 for this purpose;
4. request the general secretary to organize two regional training meetings in 2008-09 for cadre advisors to be held in Evanston, Illinois, USA, and another location to be determined by the general secretary in consultation with the chairman of the Humanitarian Grants Cadre, and authorize an expense of US\$10,800 for these meetings;
5. by a two-thirds majority vote, agree that the 1 January deadline for the submission of competitive Matching Grant applications will be changed to 15 December, and amend accordingly section 9.040.3.b. of *The Rotary Foundation Code of Policies* effective 1 July 2008, as follows:
  - b. applications must be submitted by 1 August and 15 December ~~1 January~~ preceding the meeting with the deadline being widely publicized in the Rotary world.

## **58. Ensuring the Safety of Water Projects**

*Statement:* During the discussion on tube well testing in District 3280 (Bangladesh), the Stewardship Committee expressed concern over water projects funded by The

Rotary Foundation. The committee requested additional study on the safety of water projects.

**DECISION:** The Trustees request the general secretary to recommend procedures for ensuring the development of safe water projects for funding by Humanitarian Grants, for report to the Trustees at their October 2008 meeting.

## **59. World Reporting Analysis for the Humanitarian Grants Program**

*Statement:* In decision 163, April 2006, the Trustees adopted section 9.010.5.2. of *The Rotary Foundation Code of Policies* emphasizing that an important component of effective stewardship is the preparation and submission of timely and accurate grant reports. This decision set the expectation that districts and their member Rotary clubs must be 100% current and compliant with grant reporting requirements. All districts and their member clubs that are less than 70% compliant with reporting requirements after two consecutive semi-annual reporting periods will be suspended until 90% compliance is achieved. The first semi-annual analysis of world reporting was conducted in October 2006. In decision 136, April 2007, the Trustees agreed not to suspend districts for failure to meet the reporting compliance of 70% after two consecutive semi-annual report analyses until April 2008.

**DECISION:** The Trustees

1. recognize that timely and accurate grant reporting is an important component of effective stewardship and thank clubs and districts for their efforts to make progress on reporting compliance for Humanitarian Grants worldwide;
2. acknowledge a decrease in world reporting for Humanitarian Grants for the September 2007 analysis and expect that districts will improve their reporting percentages by the semi-annual report analysis in April 2008.

## **60. Tube Well Testing in District 3280 (Bangladesh)**

*Statement:* In decision 51, October 2006, the Trustees requested the general secretary to monitor the testing of tube wells in District 3280 (Bangladesh) and to take action regarding remediation of water quality as necessary, for report to the Trustees at their April 2007 meeting. In decision 131, April 2007, the Trustees

requested the general secretary to provide an updated report on the status of arsenic mitigation in District 3280 well projects at this meeting.

**DECISION:** The Trustees

1. thank the general secretary for the report;
2. request the general secretary to make reports to the Trustees at their October and April meetings on the status of tube well testing in District 3280 (Bangladesh), until completion of testing.

### **61. Report on the Stewardship Plan for District 3280 (Bangladesh)**

*Statement:* In decision 51, October 2006, the Trustees adopted a stewardship plan for District 3280 (Bangladesh), which included the appointment of a special advisor and assistant advisor to assist district leadership in implementing the stewardship plan. A report from Special Advisor and Past RI Director Noraseth Pathmanand and Assistant Advisor and Past Governor Gulam A. Vahanvaty on their trip to Bangladesh on 9-10 August 2007 was reviewed at this meeting.

**DECISION:** The Trustees thank the special advisors for their reports.

### **62. Appeal from District 4450 (Peru)**

*Statement:* A total of 15 Matching Grants in District 4450 (Peru) were audited by The Rotary Foundation in December 2006 in response to concerns that had been raised about the overall management of grant projects in the district. The general findings of the audit indicated an overall lack of proper grant management and oversight. In decision 140, April 2007, District 4450 and its member clubs were temporarily suspended from further participation in the Humanitarian Grants program in response to the audit findings. The district leadership submitted an appeal to the Foundation to lift the suspension.

**DECISION** The Trustees

1. thank the general secretary for presenting this matter to the Stewardship Committee;
2. agree to lift the suspension on District 4450 from participation in Humanitarian Grants, effective immediately;

3. request the general secretary to send a letter to the District 4450 leadership to convey the Trustees' decision regarding the appeal from the district;
4. request the general secretary to return funds paid in the amount of US\$300 each (total of US\$600) to The Rotary Foundation by the Rotary clubs of San Francisco de Borja and Miraflores that went to the Dream Center to support administrative costs for each soy cow.

### **63. Review of the 2006-07 Audit Report and Report to Management and Management's Reply**

*Statement:* In accordance with The Rotary Foundation bylaws and as authorized by the Trustees, the firm of Deloitte & Touche audited the Foundation's financial statements for the fiscal year ended 30 June 2007. Their report was received at this meeting. Auditors customarily submit recommendations for opportunities to enhance internal controls along with the audit report.

**DECISION:** The Trustees

1. receive with appreciation the report on The Rotary Foundation's audited financial results for 2006-07 submitted by Deloitte & Touche, as shown in Appendix J, filed only with the official copy of these minutes;
2. receive the report to management and management's response submitted in conjunction with the 2006-07 audit report, as shown in Appendix K, filed only with the official copy of these minutes;
3. request the general secretary to publish an annual report in accordance with the Foundation bylaws.

### **64. Appointment of Auditors for 2007-08**

*Statement:* Section 8.3 of the Foundation bylaws states "the corporation, as an administrative expense, shall annually engage the auditors employed to audit the accounts of the corporate member to audit the accounts of the Foundation."

**DECISION:** The Trustees

1. appoint the firm of Deloitte & Touche to audit the financial statements of The Rotary Foundation for the fiscal year 2007-08 at the proposed fees presented to the TRF Finance Committee;

2. request the general secretary to notify Deloitte & Touche of their appointment;
3. request the general secretary to invite the auditors to make a presentation to the Trustees' Finance Committee at its October 2008 meeting.

## **65. Report of the General Auditor**

*Statement:* At the request of the Finance Committee (acting as the Audit Committee), the general auditor reports semi-annually on the activities and results of the Auditing Services Division of Rotary International. The Finance Committee also discussed the need for better communication between the TRF Finance Committee and the RI Audit Committee relating to the appointment and evaluation of an independent auditor.

**DECISION:** The Trustees

1. receive the report of the general auditor;
2. request the general secretary to develop a procedure for communication between the TRF Finance Committee and the RI Audit Committee to implement the provisions of section 21.020. of *The Rotary Foundation Code of Policies* and section 67.020. of the *Rotary Code of Policies*, for report to the Trustees at their April 2008 meeting.

## **66. Request for a Stand-Alone Audit Committee**

*Statement:* The Finance Committee discussed the desirability of establishing a separate TRF Audit Committee. It reviewed possible alternatives for the makeup of this committee.

**DECISION:** The Trustees request the general secretary to recommend a structure for a stand-alone audit committee to consist of Trustees and Rotarians who are not Trustees, for report to the Trustees at their January 2008 meeting.

## **67. Report of the Investment Advisory Committee**

*Statement:* The Rotary Foundation Investment Advisory Committee met on 17-19 September 2007 in Evanston, Illinois, USA, and made several recommendations to the Trustees.

**DECISION:** The Trustees

1. thank the Investment Advisory Committee for its report on the feasibility of increasing the allocation of assets to indexed investments and agree to make no change at this time;
2. receive the report on investments for the Annual Programs Fund, Permanent Fund, and PolioPlus Fund as of 30 June 2007;
3. receive The Northern Trust's investment report as of 30 June 2007 on the life income agreements;
4. request the general secretary to provide quarterly investment reports for the Donor Advised Fund;
5. place RREEF on the Watch List due to a change in the lead portfolio manager;
6. terminate TCW due to significant underperformance;
7. appoint INTECH (Enhanced Investment Technologies, LLC) to invest 50 percent of the allocation to large cap growth stocks in its Broad Large Cap Growth product;
8. appoint Friess Associates to invest 50 percent of the allocation to large cap growth stocks in its Large Cap Growth product;
9. reappoint Hewitt Investment Group to provide investment consulting services for the two-year period beginning 1 January 2008;
10. request the RI Board's concurrence to items 6 through 9;
11. approve a US\$5 million Permanent Fund commitment to Adams Street Partnership Fund – 2008 Global Fund L.P.

## **68. Status of Operating Reserve**

*Statement:* The *Rotary Foundation Code of Policies* section 19.010. defines the Foundation's operating reserve as the earned income balance of the Annual Programs Fund adjusted for any unspent reserve allocations. The Foundation is required to maintain an operating reserve equal to the sum of (1) budgeted operating expenses for the current year, (2) forecasted operating expenses for the next two fiscal years, and (3) 50 percent of the budgeted Annual Programs Fund awards for the current year. The Trustees must take

action to re-establish the reserve or reduce expenses if the level of the reserve falls to 50 percent of the targeted reserve level. If, at the end of the fiscal year, the operating reserve ratio is above 50 percent, then program operations expenses (excluding PolioPlus expenses) will be paid from the operating reserve, provided that the ratio will not fall below 50 percent.

**DECISION:** The Trustees note that the operating reserve balance of US\$117.1 million exceeds the minimum required reserve ratio of 50 percent.

**69. Future Funding Plans for PolioPlus**

*Statement:* During the June 2007 Trustees' meeting, the Trustees noted that fiscal 2007 investment returns were likely to be significantly higher than budget. In decision 176, point 4, the Trustees requested their Finance Committee to consider the feasibility of allocating a significant amount of the investment earnings to the PolioPlus Fund, for report to the Trustees at this meeting.

**DECISION:** The Trustees defer consideration of decision 176, point 4, June 2007, to their January 2008 meeting.

**70. Modifications to the 2007-08 Budget**

*Statement:* The Trustees did not approve any modifications to the 2007-08 budget but did approve several variances to the 2007-08 budget during the course of this meeting.

**DECISION:** The Trustees

- 1. note no modifications to the 2007-08 budget:

2007-08 Budget	
Revenues	US\$181,801,000
Program Awards	104,635,300
Program Operations	22,022,500
Fund Development	14,986,000
General Administration	<u>6,553,500</u>
Total Expenses	<u>148,197,300</u>
Change in Net Assets	<u><u>33,603,700</u></u>

- 2. approve budget variances for 2007-08 as indicated below:

April 2007 Meeting	19,700
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June 2007 Meeting	103,500
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October 2007 decisions:	
39. Associate Foundations	24,000
55. Report on Allegations and Litigation	11,700

Total Variances 2007-08	158,900
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- 3. note decisions with 2008-09 budget impact as indicated below:

39. Associate Foundations	Admini- stration	24,000
51. Report of the Rotary Centers Committee	Awards	2,276,500
55. Report on Allegations and Litigation	Operations	14,900
57. Report of Humanitarian Grants Technical Coordinators	Operations	14,100

Total Budget Impact 2008-09	US\$2,329,500
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**ADJOURNMENT**

The foregoing is a true record of the proceedings of the meeting of the Trustees of The Rotary Foundation of Rotary International held 22-26 October 2007 in Evanston, Illinois, USA.

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Robert S. Scott, Chairman  
The Rotary Foundation

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Alice Baehler  
Secretary of the Meeting

**ATTEST:**

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Ed Futa, General Secretary

## APPENDIX A

### Summary of Decisions Taken on Behalf of the Trustees (Decision 2)

- Exhibit a - Citation for Meritorious Service Awards  
*Forty-five recipients in 21 countries.*
- Exhibit b - PolioPlus Grants Approved by the Trustee chairman  
*Fourteen PolioPlus Partners Matching Funds grants and four Administrative Grants for a total of US\$773,455.*
- Exhibit c - Ambassadorial Scholarships, Grants for University Teachers Awards, Rotary Centers and Group Study Exchanges  
*Eight Regional Scholar Orientations for Ambassadorial Scholarships were approved for a total of US\$63,900, and one Bi-Annual Regional Scholar Seminar Alliance at US\$50,000.*  
*Twenty-two Rotary Center for Peace and Conflict Studies participants were approved for a total of US\$211,000.*  
*One district was approved for withholding of GSE programs and eight districts were put on probation.*  
*Thirteen Group Study Exchanges (GSE) policy exceptions were approved.*
- Exhibit d – District Simplified Grants  
*Forty-nine grants for a total of US\$849,364.*
- Exhibit e – Matching Grants  
*Three hundred seven grants for a total of US\$8,311,498.50.*
- Exhibit f – Volunteer Service Grants  
*Forty grants in 24 countries for a total of US\$213,000.*
- Exhibit g – Humanitarian Grants Cadre  
*Fifty-six grants reviewed for a total cost of US\$106,960.15.*
- Exhibit h – Humanitarian Grants administration  
*One decision made by the Trustee chairman.*  
*Eleven decisions made by the general secretary.*

## **APPENDIX B**

### **The Rotary Foundation Board of Trustees Conflict of Interest Policy (Decision 26)**

#### ***The Rotary Foundation Code of Policies section 2.060.***

#### **I. Statement of Policy**

A. No member of the Board of Trustees of The Rotary Foundation shall use his or her position, or the knowledge gained therefrom, in such a manner that a conflict between the interest of The Rotary Foundation and his or her personal interest arises.

B. Each Trustee has a duty to place the interest of The Rotary Foundation foremost in any dealings with the organization and has a continuing responsibility to comply with the requirements of this policy.

C. The conduct of personal business between a member of the Trustees or of a committee and The Rotary Foundation is prohibited.

D. Loans or indirect extensions of credit by The Rotary Foundation to a member of the Trustees or of a committee are prohibited.

E. If a Trustee has an interest in a proposed transaction with The Rotary Foundation in the form of any personal financial interest in the transaction or in any organization involved in the transaction, or holds a position of trustee, director, or officer in any such organization, he or she must make full disclosure of such interest to the Trustee Chairman (or in the case of the Trustee Chairman, to the Vice Chairman) before any discussion or negotiation of such transaction. If a Trustee is aware that another Trustee has an undisclosed potential conflict of interest in a proposed transaction with The Rotary Foundation he or she must inform the Chairman (or if the other Trustee is the Chairman, to the Vice Chairman) as soon as possible.

F. Any member of the Trustees or of a committee who is aware of a potential conflict of interest with respect to any matter coming before the Trustees or a committee shall not be present for any discussion of or vote in connection with the matter. The existence and nature of the potential conflict of interest shall be recorded in the minutes of the meeting.

G. A proposed transaction covered by this conflicts of interest policy shall include any proposed decision of the Trustees, including the proposed adoption or amendment of a policy, which, if adopted, would affect a financial interest of or would result in a financial gain or benefit for a Trustee, a member of the Trustee's family, or an organization in which the Trustee is a trustee, director, or officer. Nevertheless, all Trustees may be present for any discussion of and may vote in connection with any such matter if the proposed decision would affect a majority of the Trustees, such as a proposed decision to amend the policy for reimbursement of expenses.

H. Each member of the Trustees must disclose any family or business relationship that he or she has with another Trustee, Member of the Board of Directors of Rotary International, key employees or highest compensated independent contractors of The Rotary Foundation as those individuals or firms are identified annually by the general secretary.

#### **II. Disclosure**

To implement this policy, Trustees will submit annual reports on the attached form entitled "Potential Conflict of Interest Statement" and, if not previously disclosed, will make disclosure of all potential conflicts of interest prior to any relevant Trustee or committee action. These reports will be reviewed by the Executive Committee, which will attempt to resolve

any actual or potential conflicts and, in the absence of resolution, refer the matter to the Board of Trustees. A potential conflict of interest will be deemed to exist upon an affirmative vote of a majority of the Trustees voting in the decision. The Trustee with the potential conflict of interest shall not be present for the vote.

**Potential Conflict of Interest Statement**

I have read the statement of policy regarding conflicts of interest.

To the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal or business relationship is engaged in any transaction or activity or has any interest that may represent a potential competing or conflicting interest, as defined in the statement of policy.

Further, to the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal, business, or compensated professional relationship intends to engage in any transaction, to acquire any interest in any organization or entity, or to become the recipient of any substantial gifts or favors that might be covered by the statement of policy regarding the conflicts of interest.

Further, having reviewed the list of key employees and highest compensated independent contractors identified by the General Secretary, to the best of my knowledge and belief, except as disclosed herewith, I do not have any family or business relationship with another Trustee, Member of the Board of Directors of Rotary International, key employees or highest compensated independent contractors of The Rotary Foundation.

(A) Without exception \_\_\_\_\_

(B) Except as described in the attached statement \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**APPENDIX E**

**TRF FUTURE VISION COMMITTEE  
History of Trustee Items  
June 2005- June 2007  
(Decision 35)**

**Summary of Items<sup>1</sup>:**

- Number of items: **76**
- Number of Trustee Decisions: **21**
- Number of items fulfilled: **21**
- Number of informational items: **8**
- Number of items addressed in the Oct. 2007 report: **19**
- Number of items pending: **7**
  
- Number of COL items: **4**
- Number of COL items fulfilled: **1**
- Number of COL items addressed in the Oct. 2007 report: **2**
- Number of COL items pending: **1**

<b>ITEMS PENDING</b>		
<b>TRUSTEE MEETING DECISION #</b>	<b>TITLE</b>	<b>DECISION</b>
October 2005 68	Possible Stewardship Award	Defer consideration of a possible stewardship award until their April 2007 meeting, when the FVC has completed its work and a strategic vision for TRF has been adopted.
February 2006 110.9	Report of the Rotary Centers Committee	Request the TRF FVC to consider how the steady annual increase in the cost of higher education will impact the future of the Rotary Centers.
April 2006 146.3	Review of policy on construction and renovation	Agree to review the policy on renovation as a part of the program evaluation for the Future Vision plan.
October 2006 27.2	Recognition for 100 Percent Paul Harris Fellow Clubs	Request the recognition review subcommittee of the FVC to consider the concept of annual recognition for 100 Percent Paul Harris Fellow Clubs.
June 2007 165.4	Report of the FVC	Agree to the concept of evaluating TRF's stewardship processes to identify options for streamlining and decentralizing, and toward this end <ul style="list-style-type: none"> <li>a. request the general secretary, in consultation with TRF Stewardship Committee, to solicit information regarding best stewardship practices from other grant-making organizations and experts and to provide recommendations at their April 2008 meeting;</li> <li>b. authorize a 2007-08 budget variance of US\$25,000 for the purpose of soliciting information regarding best stewardship practices.</li> </ul>

<sup>1</sup> Items listed are action items presented by or referred to the Future Vision Committee. Trustee Decisions are broken down into separate items. Items such as “The Trustees thank the Future Vision Committee for its report” have *not* been included.

June 2007 165.5	Report of the FVC	Agree in concept to a policy statement on organizational risk tolerance, including risks related to stewardship, and request the Stewardship Committee to study this issue for report to the Trustees at their April 2008 meeting.
June 2007 165.8	Report of the FVC	Request the general secretary to include Future Vision Plan monitoring in each October and April Trustee meeting agenda through review of performance metrics and success indicators.

## **APPENDIX F**

### **Meeting the Challenge of the Gates Grant of US\$100 Million (Decision 44)**

As a result of its examination of the forecasted donor requirements for the Global Polio Eradication Initiative, the International PolioPlus Committee recommends the following activities to raise funds to match the Bill & Melinda Gates Foundation challenge grant:

- Challenge Rotary clubs to organize a public fundraising event, activity, or function and commit to a goal of at least US\$1,000 per year for the three year period of the challenge.
- Rotaract and Interact clubs will be encouraged to participate in the challenge grant through participation in their sponsor club fundraising activities.
- Bolster TRF's on-line fundraising capacity for PolioPlus.
- In addition to the club fundraising activities, all Rotarians will be invited to participate in the challenge grant, with a special targeted approach to new Rotarians and new clubs that have joined or been chartered since June 2005.
- Leadership of Rotary International Fellowships and Rotarian Action Groups will be approached concerning their organizations' capacity to support the Gates challenge.
- With respect to PolioPlus Partners, that the activities be funded from the PolioPlus fund up to US\$5 million per year for the period of the challenge as a means to continue support of the National PolioPlus Committees in polio endemic, high risk and importation countries.
- A special appeal will be made to the 110,000 Foundation alumni.
- The Challenge will accept both cash and District Designated Funds.
- There will be no new forms of recognition.
- It is planned that the cost of the challenge will not exceed 5% of funds raised.
- That the Trustee Chairman, in consultation with the RI President will appoint a steering committee of 5-7 Rotarians to serve for the duration of the challenge.

## **APPENDIX G**

### **Meeting the Challenge of the Google.org Grant of US\$5.5 million (Decision 45)**

As a result of its examination of the forecasted donor requirements for the Global Polio Eradication Initiative, the International PolioPlus Committee recommends the following activities to raise funds to match the Google.org challenge grant:

- Challenge Rotary clubs to organize a public fundraising event, activity, or function and commit to a goal of at least US\$1,000 per year for the three year period of the challenge.
- Rotaract and Interact clubs will be encouraged to participate in the challenge grant through participation in their sponsor club fundraising activities.
- Bolster TRF's on-line fundraising capacity for PolioPlus.
- In addition to the club fundraising activities, all Rotarians will be invited to participate in the challenge grant, with a special targeted approach to new Rotarians and new clubs that have joined or been chartered since June 2005.
- Leadership of Rotary International Fellowships and Rotarian Action Groups will be approached concerning their organizations' capacity to support the Google challenge.
- With respect to PolioPlus Partners, that the activities be funded from the PolioPlus fund up to US\$5 million per year for the period of the challenge as a means to continue support of the National PolioPlus Committees in polio endemic, high risk and importation countries.
- A special appeal will be made to the 110,000 Foundation alumni.
- The Challenge will accept both cash and District Designated Funds.
- There will be no new forms of recognition.
- It is planned that the cost of the challenge will not exceed 5% of funds raised.
- That the Trustee Chairman, in consultation with the RI President will appoint a steering committee of 5-7 Rotarians to serve for the duration of the challenge.

## **APPENDIX H**

### **Rotary Foundation Alumni Network (Decision 54)**

**Mission:** To engage and connect the awardees, alumni, and volunteers of The Rotary Foundation and to celebrate their experiences and achievements.

**Vision:** To establish and enhance a mutually beneficial and enduring relationship between the Foundation and its awardees, alumni, volunteers, and friends.

**Priorities:**

1. To connect with the awardees, alumni, and volunteers by facilitating communications between all interested parties; by sponsoring meetings, programs, and other benefits for awardees, alumni, and volunteers; and by offering opportunities to awardees, alumni, and volunteers for continuing Rotary service.
2. To assist the Foundation by encouraging support for its programs and by promoting interest and involvement in Rotary activities by awardees, alumni, volunteers, and friends.

**Goals:**

1. To promote opportunities for awardees, alumni, and volunteers to participate in Rotary activities and to offer opportunities for them to be involved in the Family of Rotary.
2. To help the Foundation to stay connected with alumni and volunteers and to reconnect with any alumni or volunteers who are not currently active in the Family of Rotary.
3. To provide leadership for annual meetings of awardees, alumni, volunteers, and friends in conjunction with the international conventions for several purposes:
  - a. To meet Rotary leaders;
  - b. To keep up to date about Rotary;
  - c. To facilitate networking;
  - d. To engage and energize awardees, alumni and volunteers, particularly those who live in the vicinity of the conventions;
  - e. To encourage alumni to revisit their host areas in the vicinity of the conventions;
  - f. To promote the formation of district and other alumni associations; and
  - g. To celebrate the success of Rotary programs.
4. To assist in the assembling and streamlining of directory information for alumni and volunteers at both the international and district levels.
5. To assist the Foundation in gathering quantitative and qualitative outcomes from the alumni that can be used to promote Rotary programs both internally and externally.

## APPENDIX I

### Stewardship Plan for District 3260 (India) (Decision 55)

1. Mandatory Stewardship Training
  - a. Time and location. Stewardship training will take place in RI District 3260 during Spring 2008.
  - b. Grant management. One component of the stewardship training will discuss appropriate grants management. Additionally, the district needs to ensure that each and every club understands the TRF policies regarding grants management and the oversight of grant funds.
  - c. Audit results. The second component of the stewardship training will review the common themes from the audits which include: transparency, conflict of interest, grant accounting, proper handling of funds, fraud and other related topics.
2. District Leadership and Appointment of TRF Special Advisors
  - a. District 3260 must work with its member clubs to develop a process for improving communications, accountability and transparency to ensure that Foundation information is shared with all clubs in a consistent manner so that they can fulfill all TRF requirements and participate in the Foundation's grant programs.
  - b. The Trustee Chairman is requested to appoint a TRF Special Advisor and Assistant Advisor to assist the District 3260 leadership team in formulating an action plan that addresses ongoing club training, reporting compliance and full transparency to ensure that the issues addressed in the stewardship training are implemented during a three-year probationary period. This action plan will be submitted to the TRF Stewardship Committee for consideration at the October 2008 meeting of the Trustees.
  - c. The Humanitarian Grants Cadre Chairman is requested to assign specialized auditors to assist the Advisors as necessary.
  - d. The general secretary is requested to provide staff resources from World Headquarters and the South Asia Office to support the Stewardship Plan as necessary.
3. Return of Funds – The Rotary Foundation is requesting US\$230,108 to be returned. This amount can be paid in installments by the sponsoring clubs if necessary. Failure to return these funds will result in the termination of the clubs involved.
4. The suspension of District 3260 will be lifted after each of the following requirements has been fulfilled, but no earlier than 1 July 2008:
  - a. Representation of all member clubs at TRF Stewardship Training in the spring of 2008.
  - b. Participation of member clubs in grant management training by the district.
  - c. Reporting is current and compliant at 90 percent for open grants from the time of suspension.
5. Upon lifting the suspension on District 3260, their participation in the humanitarian grants program will be limited according to the following terms of a three-year probationary period:
  - a. District 3260 and each of its member clubs will be limited to one open Matching Grant or one open Volunteer Service Grant at a time.
  - b. All grants will be paid in installments (unless payment in one installment is justified). Subsequent installments will not be paid unless satisfactory reporting is completed.
  - c. Each Matching Grant will need to include an independent financial review in the final report.
  - d. Competitive Matching Grants (requests over US\$25,001), 3-H and District Simplified Grants will not be awarded to District 3260 nor its member clubs until the three-year probationary period has expired.
  - e. Additional final reporting requirements will be required that include providing pictures of the completed projects with beneficiaries and a statement from the beneficiaries verifying the receipt of the reported assets.
  - f. At the end of the second year, a random audit will take place to assess the situation in the district. Favorable results will allow the probationary period to be lifted by the Trustees.

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