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**MINUTES**  
**of the**  
**APRIL 2014 MEETING**  
**of**  
**THE ROTARY FOUNDATION**  
**TRUSTEES**

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**DATE AND PLACE**

The Rotary Foundation Trustees met on 7–11 April 2014 in Evanston, IL, USA.

**ATTENDANCE**

Present were Chairman Dong Kurn (D.K.) Lee, Chairman-elect John Kenny, Vice-Chairman Michael K. McGovern, other Trustees Monty J. Audenart, Noel A. Bajat, Kalyan Banerjee, Stephen R. Brown, Antonio Hallage, Jackson San-Lien Hsieh, Ray Klingensmith, Samuel F. Owori, Kazuhiko Ozawa, Ian H.S. Riseley, Julio Sorjús, Stephanie A. Urchick, and General Secretary John Hewko. Anne L. Matthews attended as director liaison.

Andrew McDonald serviced as secretary of the meeting with assistance from Laura Tell and Matt Hohmann. Other staff present were David Alexander, Michele Berg, Joseph Brownlee, Lori Carlson, Abby McNear, John Osterlund, Carol Pandak, James Robinson, Steve Routburg Eric Schmelling, and Jennifer Willbanks. Nobuko Andrews, Taka Hoshino, Hyun-Jung Lee, and Eiko Terao served as staff interpreters.

**AGENDA**

The general secretary had prepared a memorandum of items for consideration at this meeting. Items from that memorandum, as well as other items considered during the meeting that were acted upon, constituted the meeting's agenda as follows:

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

### 81. Minutes of the January 2014 Meeting

*Statement:* The general secretary distributed the January 2014 Trustee meeting minutes to each trustee.

**DECISION:** The Trustees approve the minutes of the January 2014 meeting and request the chairman to sign the official copy of those minutes.

### 82. Decisions Taken on Behalf of the Trustees

*Statement:* Rotary Foundation Bylaws section 5.10 states that any officer acting on behalf of the Trustees shall report such action to the Trustees at their next scheduled meeting.

**DECISION:** The Trustees ratify the decisions as summarized in Appendix A, the complete copy of which is filed only with the official copy of these minutes, taken on their behalf between 6 December 2013 and 21 February 2014 by those authorized to do so.

### 83. Report of the General Secretary

*Statement:* The general secretary presented an update on the work at the Secretariat since the January 2014 Trustees meeting.

**DECISION:** The Trustees receive the general secretary's report on the activities at the Secretariat since the January 2014 Trustees meeting.

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

*Statement:* The Foundation general manager and the chief programs and member services officer presented a report to the Trustees on Rotary Foundation activities since the January 2014 Trustees meeting. They reported on the status of PolioPlus, Fund Development matters, 2013–14 Rotary Grants, and the project enhancement process, among other Foundation-related topics.

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

### 85. Communications from the RI Board

*Statement:* At its January 2014 meeting, the Board took several decisions of interest to the Trustees.

### **DECISION:** The Trustees

1. note the following decisions from the January 2014 RI Board meeting:
  76. Communications from the Trustees
  77. Deputy General Secretary
  83. Rotary Protocol
  89. Joint Committee on Alumni Relations
  92. Removal of Afghani Clubs from District 3272 (Afghanistan, Pakistan)
  93. Coordinator Training
  99. Report on Expo Milano
  100. PolioPlus Communications
  101. Joint Cost Allocation Committee Report
  102. Rotary Retirement Benefits
2. request their 2014–15 (and future) Trustee chairman to appoint a Joint Committee on Alumni Relations;
3. adopt the following definition of Rotary alumni as approved by the Board at its January 2014 meeting:

Rotary alumni are valued members of the Rotary family. They are distinguished by their shared Rotary values and past participation in Rotary programs. Rotary alumni are individuals who have experienced Rotary through various programs, including, but not limited to:

- Interact
- Rotaract
- Rotary Youth Exchange
- Rotary Youth Leadership Awards (RYLA)
- Rotary Peace Fellowships
- Global Grant Scholarships
- Vocational training teams (members and leaders)
- District Grant scholarships
- New Generations Service Exchange
- Rotary Foundation awards to individuals in former TRF programs, such as:
  - Ambassadorial Scholarships
  - Grants for University Teachers
  - Group Study Exchange
  - Rotary Volunteers

4. agree to allow clubs in Afghanistan to participate in Rotary Foundation programs and grant opportunities, similar to other non-districted clubs designated with special Foundation participation status.

## 86. Tentative Future Agenda

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

**DECISION:** The Trustees receive the tentative agenda for their June 2014 meeting.

## 87. Review of Delegation of Authority

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

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

## 88. Selection of Assistant Moderator for the Regional Rotary Foundation Coordinator Training

*Statement:* Rotary Foundation Code of Policies section 5.060.1. requires the Trustees to annually approve a moderator for future Regional Rotary Foundation Coordinator Training Institutes at their April meeting.

**DECISION:** The Trustees agree to the selection of Past District Governor Vinay Kulkarni to serve as the assistant moderator for the regional Rotary Foundation coordinator portion of the 2015 Coordinators and Advisers Institute and to also serve as moderator for the regional Rotary Foundation coordinator portion of the 2016 Coordinators and Advisers Institute.

## 89. Regional Rotary Foundation Coordinator Training

*Statement:* The Joint Working Group of Directors and Trustees was appointed to consider how best to further develop plans for greater collaboration of resources and volunteers between Rotary International and The Rotary Foundation. The committee met in September by conference call and in October and January in person. One of the items discussed was the current training model for coordinator training, and in particular the joint training.

**DECISION:** The Trustees agree to revise the annual training beginning in 2014–15 for regional Rotary Foundation coordinators to include only the new appointees, rather than the full team of coordinators and further agrees to a shorter training program.

## 90. Annual Update on Associate Foundations

*Statement:* Rotary Foundation Code of Policies section 5.060.1. requires the general secretary to provide an annual update on the activities and financial status of each associate foundation at the April Trustees meeting. The update included a review of contributions handled by each associate foundation, management structure, tax benefits, and the Foundation programs supported, among other issues.

**DECISION:** The Trustees

1. receive the general secretary's annual update on associate foundations;
2. agree that Associação Brasileira da The Rotary Foundation shall be the next associate foundation to have a legal compliance review beginning in 2014–15 with funding provided by The Rotary Foundation.

## 91. Appointments to Associate Foundations

*Statement:* The associate foundations have differing requirements for their trustee appointments. At this meeting, the Trustees considered associate foundation appointments in accordance with each foundation's requirements.

**DECISION:** The Trustees

1. appoint Past District Governor John Barnes to serve as a TARFT Trustee for a three-year term to commence on 1 July 2014;
2. agree to re-appoint Rotarians Lou Johnson, Peter Ochota, and James Studebaker to serve as TARFT Trustees for their second three-year term to commence on 1 July 2014;
3. appoint Past RI President Carl-Wilhelm Stenhammar as advisory council member of Rotary Deutschland Gemeindienst and Deutsche Rotarische Stiftung for a one-year term that will commence on 1 July 2014 and end 30 June 2015;
4. thank Trustee Stephanie Urchick for her dedicated service as a director of The Rotary Foundation (Canada);
5. express their sadness over the death of regional Rotary Foundation coordinator Bernie Carriere and recognize him for his dedicated service as a director of The Rotary Foundation (Canada);

6. appoint Trustee-elect Paul Netzel to serve as a director of The Rotary Foundation (Canada) through the end of his term as a Rotary Foundation trustee on 30 June 2018;
7. appoint Trustee-elect Sakuji Tanaka to serve as the Rotary Foundation Trustee liaison to The Public Interest Incorporated Foundation – Rotary Foundation Japan, through the end of his term as a Rotary Foundation trustee on 30 June 2018;
8. express their sadness over the death of regional Rotary Foundation coordinator Bob Higgins and recognize him for his dedicated service as a director of Rotary Foundation of the United Kingdom’s Committee of Management;
9. appoint regional Rotary Foundation coordinator Allan MacLaughlan to serve as a director of Rotary Foundation of the United Kingdom’s Committee of Management through the end of RRFC Bob Higgins’ term on 30 June 2014, and for a three-year term to commence on 1 July 2014 through 30 June 2017;
10. express their sadness over the death of Past RI Director O.P. Vaish and recognize him for his dedicated service as a member of Rotary Foundation India.

## 92. Update on Centennial History of TRF Book

*Statement:* In decision 131, April 2008, the Trustees requested an annual update on the Centennial History of The Rotary Foundation project.

**DECISION:** The Trustees thank the Centennial History of The Rotary Foundation Book Committee for its report.

## DECISIONS 93-100

### Future Vision Committee Report

The Future Vision Committee met on 11-14 February 2014 in Evanston, Illinois, USA and made several recommendations to the Trustees.

## 93. Final Report and Pilot Evaluation

*Statement:* The Future Vision Committee provided the Trustees with a final report and evaluation of the Future Vision pilot. The report included final data and analysis on trends based on the pilot that related to the Future Vision Plan’s five priorities of: 1) simplifying all

programs; 2) aligning programs and outcomes with the Future Vision Plan; 3) increasing participation and sense of ownership at the club/district level; 4) providing sufficient resources to achieve the program goals; and 5) developing a business model that supports the Future Vision plan.

**DECISION:** The Trustees

1. thank the Future Vision Committee for its final report, as shown in Appendix C, filed only with the official copy of these minutes;
2. thank the Future Vision Committee for its report on the Future Vision pilot evaluation as provided in Appendix D, filed only with the official copy of these minutes ;
3. request the general secretary to provide a summary of outcomes from the Future Vision pilot evaluation to current and incoming trustees, current and incoming directors, and to regional Rotary Foundation coordinators;
4. request the general secretary to provide letters of thanks and a summary of pilot outcomes to all governors and district Rotary Foundation committee chairs that served during the pilot, with a copy also sent to the current governor and district Foundation committee chairs;
5. request the general secretary to provide an evaluation of the current areas of focus policy statements, the grant model, and sustainability assessments at their April 2016 meeting and to provide future evaluations as summarized in Appendix E, filed only with the official copy of these minutes.

## 94. Cost Benefit Analysis

*Statement:* The Future Vision Committee presented the Trustees with a cost-benefit analysis of total investment in the Future Vision Plan and new grants operations expenses.

**DECISION:** The Trustees

1. receive the update on the Future Vision Plan’s cost-benefit analysis as provided in Appendix F, filed only with the official copy of these minutes;
2. amend their decision 122, April 2008, as follows:

**122. Cost Benefit Analysis and Program Operations Budget Impact**

**DECISION:** The Trustees

[text omitted]

4. request the general secretary to provide an ~~semi-~~ annual updates to the cost benefit analysis for report to the Trustees at their ~~October and~~ April meetings in 2015, 2016, and 2017 in consultation with the Finance ~~Future Vision~~ Committee.

[text omitted]

**95. Project Enhancement Process and RI/USAID H<sub>2</sub>O Collaboration**

*Statement:* In decision 37, October 2013, the Trustees requested the Future Vision Committee to recommend modifications to the proposed packaged grant with USAID. In decision 154, June 2013, the Trustees agreed to extend the Project Enhancement Process pilot for a second year, and requested an evaluation and implementation plan to be presented at this meeting. The general secretary noted that project planning and performance teams assigned to implement the Project Enhancement Process in the field are still providing data, which will require more time to analyze. The general secretary also reported on strategic and financial opportunities that can arise from the RI/USAID collaboration, and further noted three program elements in phase two of the collaboration: 1) water, sanitation, and hygiene (WASH) project design, implementation, monitoring and evaluation; 2) WASH leadership/advocacy; 3) WASH innovation.

**DECISION:** The Trustees

1. thank the Future Vision Committee for its report on the Project Enhancement Process pilot;
2. to allow sufficient time to document lessons learned from the Project Enhancement Process pilot, request the general secretary to provide a final evaluation of the pilot at the Trustees' October 2014 meeting;
3. agree to move forward with Phase 2 of the RI/USAID International H<sub>2</sub>O Collaboration with the following modifications to the grant concept:
  - a. Rotary involvement in RI/USAID International H<sub>2</sub>O Collaboration projects will include both host and international sponsoring Rotary clubs;

- b. total amount necessary to finance RI/USAID International H<sub>2</sub>O Collaboration projects will not exceed US\$6 million over a three-year period, including the value of volunteer and staff time and other in-kind contributions;

- c. the host and international sponsoring clubs shall provide 10 percent of the Rotary cash project budget, comprising district designated fund allocations and grant contributions;

- d. phase 2 of the RI/USAID International H<sub>2</sub>O Collaboration grant activity will not be considered a packaged grant;

4. request the 2014–15 Trustee chairman and the 2014–15 RI president to jointly appoint a steering committee to oversee the USAID partnership.

**96. Evaluating Funding for Low-Cost Shelters and Flexibility in District Grants**

*Statement:* In decision 38, October 2013, the Trustees requested the Future Vision Committee to evaluate the restrictions in district grants and report to the Trustees at this meeting whether the administrative and program requirements are still relevant after the first year of the global-launch. In decision 39, October 2013, the Trustees requested the general secretary to convene a working group to evaluate the advisability of funding low-cost shelter projects and to report their findings to the Future Vision Committee for its consideration.

**DECISION:** The Trustees

1. eliminate the following funding restrictions from district grants:

- a. Rotary Youth Exchange, RYLA, Rotaract, or Interact
- b. Construction
- c. Travel for staff of cooperating organization
- d. Activities primarily implemented by an organization other than Rotary

2. amend Rotary Foundation Code of Policies section 11.060.2. as follows:

II. District grant funds cannot fund

[text omitted]

- i) ~~projects already in progress or completed activities for which the expense has already been incurred~~

[text omitted]

- 3. agree that Rotary events focused on educational and humanitarian training (such as scholar orientation seminars and grant management training seminars) shall be an eligible expense within district grants;
- 4. note that removing the restriction on construction from the grants criteria will allow low-cost shelters to be an eligible activity within district grants, as requested by the Low-Cost Shelter Ad Hoc Committee;
- 5. request the general secretary to amend the Rotary Foundation Code of Policies and the Terms & Conditions for District Grants and Global Grants to reflect these changes to district grants eligibility.

#### 97. Areas of Focus Challenge Target in Water & Sanitation

*Statement:* The Future Vision Committee recommended that the Trustees establish challenge targets to further engage clubs and districts in developing projects with measurable impact.

*DECISION:* The Trustees, to demonstrate the capacity of the Rotary Foundation grant model,

- 1. look with favor upon the establishment of a challenge target\* within one or more of the areas of focus;
- 2. acknowledge that the development of infrastructure and education projects for Water, Sanitation, and Hygiene (WASH) in Schools is an activity that falls within the areas of focus and aligns well with the strengths of Rotary;
- 3. request the general secretary to develop a proposed strategy and anticipated measurable outcomes, in collaboration with partners to be identified in the field of WASH in Schools, for report to the Trustees at their April 2015 meeting;
- 4. request the general secretary to propose the necessary resources in the 2014–15 budget to develop such a strategy and detailed challenge target implementation plan;

- 5. request the 2014–15 Trustees chairman to appoint a working group of three to five Rotarians to consult with the general secretary in the development of the proposed strategy, measurable outcomes, and implementation plan for this challenge target;

- 6. request the general secretary to provide interim reports at the October 2014 and January 2015 Trustee meetings.

\* *a target in one or more areas of focus that would challenge clubs and districts and test the ability to have a measurable impact in the areas of focus.*

#### 98. Income Generation Definition in Economic and Community Development Area of Focus

*Statement:* The Future Vision Committee recommended that the Trustees amend the Economic & Community Development Area of Focus Policy to ensure that the projects within this area of focus are measurable and sustainable.

*DECISION:* The Trustees amend the Economic & Community Development component of the Area of Focus Policy Statements as shown below:

11.070.2.6. Economic and Community Development

[text omitted]

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

- 1. Community infrastructure projects, ~~if they are not part of a larger income generating activity~~ unless they result in a significant increase in the ability of community members to produce and distribute goods and services that create personal resources

[text omitted]

#### 99. Strategic Partnerships and Packaged Grants

*Statement:* The Future Vision Committee reviewed the value of the Foundation's strategic partnerships and recommended that the Trustees allow current agreements with the Foundation's strategic partners to expire, in order to restructure future partnerships. The



committee also noted that Rotarian participation in packaged grants is low and that most projects funded by packaged grants could have been pursued with the global grants structure. The committee recommended phasing out this grant type.

**DECISION:** The Trustees

1. agree to allow the current agreements for packaged grant options with the Foundation's strategic partners to expire at the end of their current terms, thus ending the packaged grant type in the Foundations grant model when all active grants are closed;
2. request the general secretary to develop a plan to phase out packaged grants and the strategic partner relationships;
3. look with favor on restructuring the Foundation's future relationship with non-Rotary partners and on designing grants awarded in conjunction with such potential partners;
4. request the general secretary to work with the Joint Committee on Partnerships to develop a proposal for such restructuring.

#### **100. To Adopt the United Nations' Definition of Sustainable Development**

*Statement:* The Rotary Club of Majorstuen (Oslo) Norway submitted a resolution requesting the Board to consider adopting the United Nation's definition of sustainable development as a goal. The Trustees, in decision 132, April 2013, referred this matter to the Future Vision Committee.

1. thank the Rotary Club of Majorstuen (Oslo), Norway for its proposal to adopt the United Nations' definition of sustainable development;
2. note that the United Nations' definition of sustainable development focuses primarily on environmental sustainability;
3. note that the Foundation's definition of sustainability means providing long-term solutions to community needs that the benefitting community can maintain after the grant funding ends;
4. recognize that environmental sustainability is a component of the Foundation's approach to sustainability.

\* \* \* \* \*

#### **101. Rotary Foundation Strategic Planning Committee**

*Statement:* The Executive Committee requested the Trustees consider establishing a Rotary Foundation Strategic Planning Committee.

**DECISION:** The Trustees

1. request the general secretary to review the desirability of establishing a Rotary Foundation Strategic Planning Committee, or other options for its strategic planning, for report at the October 2014 Trustees meeting;
2. thank the Joint Working Group of Directors and Trustees for bringing this issue to the Trustees.

#### **102. Endowment Modification**

*Statement:* In preparation for the Future Vision global launch, the general secretary continued to review current and testamentary endowed funds to identify which funds will require modifications due to Future Vision program changes.

**DECISION:** The Trustees

1. acknowledge the modification of the following endowments by the donor or the donor's representative as shown in Appendix G;
2. approve the modification to the endowments shown in Appendix G;
3. request the general secretary to provide an update on the endowment modification project and modifications during their October 2014 meeting.

#### **103. Estate Gifts**

*Statement:* Rotary Foundation Code of Policies section 20.050.2. requests the general secretary to inform the Trustees of all unrestricted estate gifts of US\$250,000 or more at the next meeting of the Trustees occurring after the receipt of such a gift. The Rotary Foundation recently received two estate gifts that fall within this reporting requirement.

**DECISION:** The Trustees

1. receive with appreciation the estate distribution totaling US\$282,100 from the estate of William J. Ward, Sonoma, California, USA;

2. confirm that this and future distributions from the William J. Ward estate shall be designated to the Endowment Fund with spendable earnings directed to the World Fund;
3. receive with appreciation the estate distributions totaling US\$3,650,000 from the estate of Vera Bozzola, Novara, Italy;
4. affirm their decision 169, June 2013, to allocate the proceeds from the Vera Bozzola estate to the Endowment Fund;
5. confirm that this and future distributions from the Vera Bozzola estate shall be designated to the Endowment Fund with spendable earnings directed to the Rotary Peace Centers.

#### 104. Fund Development Committee

*Statement:* The Fund Development Committee met on 2–3 April 2014 in Evanston, Illinois, USA. The committee discussed the Arch Klumph Society, United Nations theme days, the Paul Harris Society, the term of endowment/major gift advisers, and contribution activity, among other topics.

**DECISION:** The Trustees

1. thank the Fund Development Committee for its report;
2. request the general secretary to
  - a. develop the following additional recognition levels for both the Arch Klumph and Bequest Societies, for report at the October 2014 Trustees meeting:  
  
US\$1,000,000 to \$2,499,999  
US\$2,500,000 to \$4,999,999  
US\$5,000,000 to \$9,999,999  
US\$10,000,000 million and above;
  - b. continue using events such as UN theme days as donor acquisition and fundraising tools;
  - c. prepare the appropriate communication to an unnamed past district governor regarding the proposed Arch Klumph Circle;
  - d. amend the Rotary Foundation Code of Policies to provide three-year staggered terms for and an annual review of the endowment/major gift

advisers, for report at the June 2014 Trustees meeting;

- e. proceed with revising and expanding the Arch Klumph Society gallery, with the understanding that this will be a capital expense beginning in fiscal year 2014;
3. defer consideration of whether to adopt a 100% Paul Harris Society club banner;
4. amend their decision 22, October 2012 as follows:

#### 22. Fund Development Volunteer Structure

1. agree to appoint 41 endowment/major gifts advisers effective 1 July 2013 for a three-year pilot period as a position in the Foundation's volunteer structure:

[text omitted]

5. respectfully request the Board to
  - a. dedicate time at zone institutes for endowment/major gift advisers, regional Rotary Foundation Coordinators, Rotary public image coordinators, and Rotary coordinators to convene;
  - b. dedicate time for endowment/major gift adviser presentations at GETS and other appropriate training outlets;
6. agree to limit the annual training of endowment/major gift advisers and regional Rotary Foundation coordinators in 2014–15 to just new appointees;
7. request training institute moderators to utilize experienced endowment/major gift advisers and regional Rotary Foundation coordinators as facilitators in their training.

#### 105. Donor Demographic Overlay

*Statement:* In decision 23, October 2013, the Trustees approved funding to implement its donor demographic overlay project and date of birth special project. An update was requested at this meeting. The general secretary reported that the project identified 43,000 US Rotarians with the greatest likelihood to make a major or planned gift and that a multi-year implementation plan was developed to address this giving potential for the Foundation.

**DECISION:** The Trustees receive the general secretary's report on the donor demographic overlay.

### 106. Paul Harris Society Update

*Statement:* In decision 21, October 2012, the Trustees formally adopted the Paul Harris Society as an official recognition program of the Rotary Foundation, effective 1 July 2013. Since October 2012, the general secretary has focused on developing new resources and formalizing and administrative structure to manage the Paul Harris Society.

**DECISION:** The Trustees receive the general secretary's update on the Paul Harris Society.

### 107. Joint Committee on Partnerships Report

*Statement:* The Joint Committee on Partnerships met on 13–14 March 2014 in Evanston, Illinois, USA. The committee discussed various issues related to partnerships within the six Areas of Focus including Service Partnerships, Packaged Grants, partnerships with Rotarian Action Groups, attributes of desired partnerships, funding models, and amendments to the Code of Policies, among other topics.

**DECISION:** The Trustees

1. thank the Joint Committee on Partnerships for its report;
2. agree to discontinue Service Partnerships while allowing existing Service Partnerships to continue until they expire as outlined in the executed agreements;
3. amend the Rotary Foundation Code of Policies as follows:
  - a. amends section 4.010., regarding the general guidelines for partnerships, as shown in Appendix H;
  - b. deletes section 4.040. Service Partners;
4. request the RI Board to make corresponding changes to the Rotary Code of Policies;
5. look favorably upon a restructured UNESCO-IHE relationship as outlined in Appendix I, filed only with the official copy of these minutes;

6. requests the general secretary to:

- a. refer clubs and districts seeking such service partnerships to organizations worthy of Rotary's involvement;
- b. maintain the existing project partnership with ShelterBox as a recognized mechanism for Rotarians to respond to disasters;
- c. define the process by which a religious organization will enter into a strategic partnership with Rotary, for review at the October 2014 Board and Trustee meetings.

### 108. Memorandum of Understanding with World Vision

*Statement:* In decision 109, April 2013, the Trustees recognized the potential for a mutually beneficial and collaborative relationship with World Vision if the appropriate framework for cooperative activity could be developed. The general secretary presented a standardized memorandum of understanding that could be used for global grants involving World Vision as a cooperating organization. A trustee noted that allowing global grants to fund administrative fees may help to ensure a global grant's success.

**DECISION:** The Trustees

1. agree to a modified memorandum of understanding for global grants that involve World Vision as a cooperating organization as shown in Appendix J;
2. request the general secretary to review the prohibition to use global grant funds for administrative fees of cooperating organizations, for report to the Trustees at their October 2014 meeting.

### 109. Level III Grant Review, Water and Sanitation Project with World Vision

*Statement:* The Rotary Foundation Code of Policies requires global grant requests of greater than US\$100,000 to be approved by the Trustees. The Rotary Clubs of Santa Rosa de Copán, Honduras (District 4250) and St. Louis Park, MN, USA (District 5950) applied for a grant greater than that amount that would provide nine alternative water systems, latrines, household connections with water storage, and water storage for 51 schools in western Honduras.

**DECISION:** The Trustees agree to award Global Grant 1414182, a water and sanitation project carried out with World Vision, in the amount of US\$183,475 from the World Fund (total project cost of \$800,000).

#### 110. Level III Grant Review, Global Grant 1412387

*Statement:* The Rotary Foundation received a Level III global grant request for funds of US\$137,301 to develop literacy, textbook, and technology educational programs for schools in Guatemala.

**DECISION:** The Trustees agree to award Global Grant 1412387, a basic education and literacy project carried out with Cooperative for Education, in the amount of US\$137,301 from the World Fund (total project cost of \$339,191).

Note: Trustee McGovern did not participate in the discussion or vote on this item.

#### 111. Rotary Grants in Non-Rotary Countries

*Statement:* Trustee Riseley requested the Trustees to consider allowing global grants to take place in non-Rotary countries in order to develop stronger Rotary networks and to encourage international partnerships between clubs and districts.

**DECISION:** The Trustees

1. look favorably upon the concept of conducting Global Grants in non-Rotary countries where the RI Board is actively pursuing extension;
2. request the general secretary to develop additional guidelines for grants in non-Rotary countries, for report to the Trustees at their October 2014 meeting.

#### 112. Alumni Relations Activities

*Statement:* Rotary Foundation Code of Policies section 13.020.2. requires the general secretary to provide an annual report on the Foundation's alumni relations activities.

**DECISION:** The Trustees

1. receive the general secretary's report on The Rotary Foundation's alumni relations activities;
2. amend Rotary Foundation Code of Policies section 16.020.2. as follows:

#### 16.020.2. Report on Rotary Foundation Alumni Relations Activities

The general secretary is requested to provide an annual report on TRF's alumni relations activities at the Trustees' April meeting each year.

#### 113. Report on Allegations

*Statement:* To facilitate the work of the Stewardship Committee, and in accordance with Rotary Foundation Code of Policies section 14.030.4., the Trustees receive semiannual updates on allegations, investigations, and litigation at their October and April meetings.

**DECISION:** The Trustees

1. extend the suspension of District 3272 until the district has 1) conducted a stewardship training seminar approved by the general secretary and 2) implemented the stewardship plan approved by the Stewardship Committee, and authorize the general secretary to lift this suspension upon the district's completion of the training seminar and confirmation from the special advisers that the district has implemented the stewardship plan;
2. extend the suspension of the Rotary Club of Vihiga, Kenya (District 9212) from participation in Rotary grants until 30 April 2018 for failure to comply with stewardship guidelines, and request that the necessary grant funds be returned;
3. receive the general secretary's report on District 4150 (Mexico), including the requests from district and zone leaders, and agree that no further audits would be beneficial; however, requests RI president, in consultation with the Trustee chairman, to appoint a special adviser as soon as possible to ensure that the district successfully adheres to the approved District 4150 stewardship plan and complies with all Rotary International policies;
4. reaffirm points 8 and 11 of their decision 41, October 2013, involving the suspension of certain Rotarians.

#### 114. Annual Stewardship Plan

*Statement:* Rotary Foundation Code of Policies section 14.010. requests the general secretary to prepare an annual stewardship plan for review at the April Trustees meeting. The general secretary reported on the status of the stewardship plan's 2013-14 priorities and proposed priorities for 2014-15.

**DECISION:** The Trustees approve the stewardship plan for 2014–15 as discussed at this meeting.

**115. World Reporting Analysis for Rotary Grants**

*Statement:* Rotary Foundation Code of Policies section 9.010.5.2. requires Rotary clubs and districts to be 100 percent current and compliant with grant reporting requirements. The general secretary provides a comprehensive report on the status of such grant reporting compliance at the October and April Trustees meetings.

**DECISION:** The Trustees note that the general secretary will suspend Districts 1660 (France) and 5840 (USA), effective 1 May 2014, for failure to meet reporting compliance of 70 percent for four consecutive quarters and for having more than one grant overdue in each analysis.

**116. Investment Committee Report**

*Statement:* The Rotary Foundation Investment Committee met on 11–12 March 2014 in Evanston, Illinois, USA and recommended several changes to investment policy statements.

**DECISION:** The Trustees

1. thank the Investment Committee for its report;
2. amend the Endowment Fund investment policy statement as shown in Appendix K;
3. amend the Annual Fund investment policy statement as shown in Appendix L.

**117. Audit Committee Report**

*Statement:* The Audit Committee met on 5–7 March 2014 in Evanston, Illinois, USA and discussed a proposed enactment to the 2016 Council on Legislation regarding the composition of the Audit Committee, additions to the 2014 internal audit plan, recently completed audits, and an Audit Committee self-assessment, among other topics.

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

**118. Endowment Fund Spending Rate**

*Statement:* In decision 141, April 2013, the Trustees approved Endowment Fund spending rates and

allocations for 2013–14. In accordance with the Endowment Fund’s Investment Policy Statement, the Trustees annually approve spending rates for each market value tier.

**DECISION:** The Trustees

1. approve the following Endowment Fund spending rates and allocations for fiscal year 2014–15:

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

2. approve Endowment Fund spendable earnings of US\$11,920,000 for the 2014–15 budget, of which \$9,754,000 is allocated to program awards, \$948,000 is allocated to program operations, \$731,000 is allocated to fund development, and \$487,000 is allocated to general administration expenses.

**119. Operating Reserve Fund Policy**

*Statement:* At their October 2013 meeting, the Trustees approved a new Operating Reserve Policy and Foundation funding model. Minor amendments were proposed to the policy to simplify it at this meeting.

**DECISION:** The Trustees amend the Operating Reserve Fund Policy as shown in Appendix M.

**120. Foundation Funds for Expo Milano 2015**

*Statement:* Past RI Director Allan Jagger presented a report to the Trustees concerning funding for Expo Milano 2015.

**DECISION:** The Trustees thank Past RI Director Allan Jagger for providing background information on Expo Milano 2015.

**121. Budget for 2014–15 Contributions and Program Awards**

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

**DECISION:** The Trustees

1. approve the contributions budget for 2014–15 totaling US\$255,615,000;
2. approve the total program awards expenditures budget to be made in 2014–15 totaling \$229,257,000;
  - a. approve the budget of \$3,364,000 for program awards expenditures to be made in 2014–15 from Other Funds in accordance with temporary restricted contributions received, and endowment spendable earnings with authorization to the general secretary to exceed or under spend these amounts, in accordance with Trustee policy;
  - b. approve the budget of \$98,393,000 for program award expenditures to be made in 2014–15 from the Annual Fund;
  - c. approve the budget of \$125,000,000 for program award expenditures to be made in 2014–15 from the PolioPlus Fund in accordance with temporary restricted contributions received and in accordance with Trustee policy;
  - d. approve the budget of \$2,500,000 for program expenditures to be made in 2014–15 from Other Funds with authorization to the general secretary to exceed or under spend these amounts in accordance with Trustee policy, and subject to the approval of the RI Board of Directors;
3. request the RI Board to approve the above 2014–15 budget for program award expenditures of \$89,023,000 from unrestricted contributions in the Annual Fund (District Designated Fund \$55,713,000; World Fund \$30,810,000; and Donor Advised Fund \$2,500,000).

**122. Modification to the Budget**

*Statement:* At the conclusion of each meeting, the Trustees review all actions taken during that meeting affecting the Rotary Foundation’s budget.

**DECISION:** The Trustees

1. note no modifications to the 2013–14 budget:

	<u>2013–14</u>
Revenues:	\$276,138,000
Program awards:	241,144,000
Program operations:	21,090,000
Operating expenses: fund development & general and administration:	<u>22,472,000</u>
Total expenses:	284,706,000
Change in net assets:	\$(8,568,000)

2. note budget variances for 2013–14:

October 2013 meeting:	137,000
January 2014 meeting:	16,000
April 2014 meeting:	
A-13-c Future Vision Committee Report: RI/USAID H2O Collaboration – Phase II Plan	6,000,000
Total 2013–14 variances:	6,153,000

3. note items with future budget impact as indicated below:

	<u>2014–15</u>	<u>2015–16</u>	<u>2016–17</u>
October 2013 meeting:	\$74,000	\$76,000	\$78,000
January 2014 meeting:	20,000		
April 2014 meeting:			
Dec. 79 Challenge Target for Area of Focus – Water, Sanitation & Hygiene In Schools	\$37,500		
<b>Total:</b>	<u>\$131,500</u>	<u>\$76,000</u>	<u>\$78,000</u>

**Adjournment**

The foregoing is a true record of the proceedings at The Rotary Foundation Trustees meeting held on 7–11 April 2014 in Evanston, Illinois, USA.

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Dong-Kurn Lee, Chairman  
The Rotary Foundation

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Andrew McDonald  
Secretary of the Meeting

**ATTEST:**

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John Hewko  
General Secretary

## APPENDIX A

### SUMMARY OF DECISIONS TAKEN ON BEHALF OF THE TRUSTEES (Decision 82)

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

- There were 38 award recipients.

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

- The cadre reviewed 45 grants, including
  - 13 technical reviews
  - 11 interim monitoring visits
  - 3 post-project site visits
  - 10 stewardship assessments
  - 3 advance site visits
  - 5 random audits

#### Exhibit A-2-c: PolioPlus Partner Grants

- US\$20,000 for 2014 Turkey National Immunization Days (NIDs) to fund the committee's social mobilization needs in this priority C country.
- \$47,386 for 2013 Palestine NIDs to fund social mobilization items, refrigeration equipment, and surveillance materials needed during the December and January immunization rounds.
- \$9,620 for 2013–14 Lebanon NIDs to fund social mobilization needs in this priority C country.

#### Exhibit A-2-d: Foundation Programs

- 169 global grants awarded for a total of \$4,325,559 in World Fund
- 69 district grants awarded for a total of \$2,861,492 in DDF
- One Mercy Ships Packaged Grant awarded for a total of \$36,030 in World Fund
- One waiver on behalf of the Trustees for Global Grant 15040—an ECD vocational training team from District 7980 to Sierra Leone—regarding policy prohibiting the reimbursement of grant expenses that are incurred before approval.

#### Exhibit A-2-e: Legacy Programs

- **Districts/Clubs:** Rotary Club of Glendale Sunrise, USA (District 5280) and the Rotary Club of Rajdhani, Nepal (District 3292)  
**Nature of Request:** Recommendation to waive the Rotary Club of Glendale Sunrise of any additional reporting responsibility for the final report for Matching Grant 74738 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Rajdhani will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.
- **Districts/Clubs:** Rotary Club of Duxbury, USA (District 7950) and the Rotary Club of Kabul, Afghanistan (District 3272 )  
**Nature of Request:** Recommendation to waive the Rotary Club of Duxbury of any additional reporting responsibility for the final report for Matching Grant 75130 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Kabul will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.
- **Districts/Clubs:** Rotary Club of Peoria-Sunrise, USA (District 6460) and the Rotary Club of Zgharta-Zawié, Lebanon (District 2452)  
**Nature of Request:** Recommendation to waive the Rotary Club of Peoria-Sunrise of any additional reporting responsibility for the final report for Matching Grant 77070 because of their good faith effort in communicating with the host sponsor to complete the reporting requirements. The Rotary Club of Zgharta-Zawié will have sole responsibility for submitting information on how the grant funds were spent, Rotarian active participation, and submittal of bank statements in order to close the project file.



**APPENDIX G**

**ENDOWMENT MODIFICATIONS  
(Decision 102)**

**Endowments Recently Modified (by the donor or donor's representative)**

<b>Endowment</b>	<b>Pre-modification spending designation</b>	<b>Post-modification spending designation</b>	<b>31 December 2013 Gift Value</b>	<b>31 December 2013 Market Value</b>
Rotary Club of Kowloon North Endowed Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$500,000	\$621,599
Kyong-Mo Chong and Ki-Soon Choi Endowed Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$208,500	\$221,242
Jin Won Chung Endowed Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$150,000	\$184,374
Chong Dae Kim Endowed Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$210,000	\$293,005
Cha Too Koo Endowed Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$263,000	\$373,046

Although the gift value of three of the endowed funds listed above are below the current naming opportunity for a global grant endowed fund, grandfathering in these endowed funds is the best option to stay consistent with the donors' original intent.

**Endowments Requiring Trustee Approval**

<b>Endowment</b>	<b>Pre-modification spending designation</b>	<b>Post-modification spending designation</b>	<b>31 December 2013 Gift Value</b>	<b>31 December 2013 Market Value</b>
Mabelle L. Fullerton Endowed Fund	District simplified Grants (pre May 2013) SHARE (post May 2013)	DDF	\$300,000	\$413,758
Karen Kline District 6440 Endowed Ambassadorial Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$207,646	\$257,658
Naoaki and Keiko Kansaku Endowed Ambassadorial Scholarship	Academic-Year Ambassadorial Scholarship	Endowed Global Grants - Scholarships	\$200,000	\$305,995

## **APPENDIX H**

### **AMENDMENTS TO THE ROTARY FOUNDATION CODE OF POLICIES REGARDING PARTNERSHIP GUIDELINES (Decision 107)**

#### **4.010. General Guidelines**

Rotary International and The Rotary Foundation develop partnerships with other organizations that will increase our capacity to provide service. There are four types of partnerships: Strategic, Funding, Service, and Project. All potential partnerships must at a minimum do one or more of the following:

- a) align with the strategic plan
- b) address one or more areas of focus
- c) provide opportunities for positive public image
- d) attract new members, contributions, or project volunteers

Given the extreme variety among potential partners, these guidelines are not exhaustive. All potential partners shall enter into an agreement with RI/TRF, and the nature of each agreement may be different.

While Rotary and/or The Rotary Foundation may, from time to time, partner with organizations whose mission states or implies a religious orientation, results of such partnerships must not promote any particular religious entity, activity, or viewpoint. Additionally, all proposed partnerships will be carefully researched by staff (including financial considerations and accountability), vetted by a Foundation Committee, voted on by a full meeting of Trustees and endorsed by the RI Board to ensure the proposed partnership is appropriate. Any partnership is open to review and possible termination if analysis determines the collaboration to no longer be appropriate.

The general secretary shall provide an annual report on all partnerships to the Board and the Trustees at their second meetings each year.

## APPENDIX J

### MEMORANDUM OF UNDERSTANDING WITH WORLD VISION (Decision 108)

Between  
[HOST PARTNER]  
and  
[INTERNATIONAL PARTNER]  
and  
WORLD VISION

WHEREAS, The Rotary Foundation (TRF), various Rotary clubs and/or Rotary districts, and World Vision, Inc. (WVUS) and World Vision National Offices (jointly referred to as WV), desire to collaborate on various projects in common areas of focus in various countries with additional funding from World Vision US donors as might be offered. The common areas of focus include peace and conflict prevention/ resolution; disease prevention and treatment; water and sanitation; maternal and child health; basic education and literacy; economic and community development and the host of associated projects therein.

WHEREAS, WV understands the importance of involvement by host and international Rotary clubs and/or TRF, and WV and TRF understand the value of leveraging the expertise of WV professional staff to increase project impact, sustainability, improve reporting and accounting, and benefit from WV's local staff presence and its positive impact on government relations.

WHEREAS, any project applied for may only be successful when Rotary clubs and WV have a common desire to work in the same area and sector and have the resources and infrastructure that can support the jointly desired successful outcomes.

WHEREAS, it is understood that projects funded with Rotary grant funds may not be used to promote a particular religious viewpoint.

This document is intended to serve as a template and a guide for World Vision and Rotary clubs and districts as they collaborate together, particularly on larger projects. It is the preference of both World Vision and Rotary to work together on significant scale and scope projects which would normally have a total budget (from all sources) of \$500,000 or greater contributed by grant sponsors. Understanding that project budgets generally at or exceeding \$500,000 require strong internal controls and financial management for the proper use of funds, the grant sponsors and WV acknowledge the following principles for payment and financial management.

The parties agree as follows:

#### 1. Purpose

This MOU serves to establish a framework of cooperation and agreement between the aforementioned parties as it pertains to the implementation of various projects financed in whole or in part by a Rotary Foundation Global Grant/Project Grant and World Vision US. This MOU only applies to WVUS and other WV National offices who might be involved in each project.

2. Each project grant application will provide Project Primary Contacts as follows:

	Host Rotary Club/District	International Rotary Club/District	World Vision, Inc. (WVUS)	World Vision National Office
NAME	TBD	TBD	<u>Approved Signatory</u>	<u>Approved Signatory</u>
ADDRESS	Club/District Location	Club/District Location	Mail Stop 412 P.O. Box 9716 Federal Way, WA 98063-9716 USA	National Office location
PHONE				
E-MAIL				

3. Understandings

- A. All parties affirm that Global Grant [or Project Grant] XXXXX (the Project) when initiated, will be jointly managed by the Rotary clubs and/or districts involved in the project in collaboration with local WV National Office staff. Funds will be disbursed to WVUS through the international Rotary club/district with host Rotary club/district approval. A local Project Committee shall be formed consisting of a minimum of three members of the host Rotary club/district and three members of the WV National Office staff.
- B. WVUS and WV National Office in the project country affirm that they are reputable and responsible and act within all governing laws of the project country.
- C. All parties acknowledge that the Project, if approved, will be awarded to the Rotary clubs/districts who together will manage funds distributed to WVUS and all Rotary funds will be expensed in strict accordance to the approved budget. Rotary will work to ensure all funds are provided in a timely manner according to the project budget plan. Any delays in funding will be communicated and reviewed in accordance with the project issue escalation process referenced in section 9 of this MOU. Funds directed to WVUS may be matched as agreed by WVUS and per the project budget.
- D. Funds distributed by TRF to the international Rotary club will be disbursed through a payment plan specified and controlled by Rotary at the time of grant approval and contingent upon timely and complete interim reporting. The spending plan for projects is to be provided as part of the TRF approval process.
- E. Any significant change in the MOU or the project budget which impacts Rotary funding will need the approval of TRF. Minor line item budget changes (less than 5% of overall budget) may be made by the Project Committee. The budget for Rotary funds cannot be increased unless this agreement is formally amended and signed by all parties.
- F. Both WVUS and WV National Office must abide by TRF grant terms and conditions, except to the extent as amended by this agreement. (For example such amendments approved in this agreement include: sections 3.A. on flow of funds where funds will be disbursed to WVUS through the international Rotary club/district with host Rotary club/district approval; and section 5.C. on administrative and project oversight permissible costs.) Both host and international Rotary clubs/districts understand that they are ultimately responsible for the use of all grant funds.
- G. WV and its involvement in this project may be subject to financial and operational review/audit by TRF at any time during or after project completion.

4. The Rotary Club/District Responsibilities.

It is expected that Rotary host club and international club participation will be a critical and important component leading to project success. Specific responsibilities will vary depending on the details of the project but normally, it is expected that Rotarians in the host or international club will be involved in activities, including but not limited to:

Participate in project management committee and related government coordination meetings, visit village and project work sites, participate in community training sessions, coordinate appropriate signage and publicity for the project, and assist with project monitoring and reporting.

Specifically, they shall:

- a) Form a committee of at least three members who shall agree to be involved in all aspects of the project including: planning, site selection, overall project scope, working in collaboration with local WV staff in the project area.
- b) Be involved in selection of all contractors that will carry out work with Rotary Funds. Be involved in all government meetings regarding the Project as can be reasonably expected.
- c) Participate in the monthly meetings (or greater frequency as agreed and needed at particular stages of the project) between all parties associated with the Project. All Project details are to be shared and communicated at these meetings including any available budget updates and progress reported against the overall project goals.
- d) Conduct regular village, community and project site visits as can be reasonably expected depending on logistics to monitor progress and evaluate and check up on all aspects of the project and goals. Understand background checks conducted by WV are required for all Rotarian visitors and guests to WV sites in accordance with WV child protection policies, protocols and standards.
- e) Participate in ongoing community training sessions as possible which may include hygiene for water projects, other training as may be required for health, education, economic development, or other related projects. Host Rotary clubs/districts are encouraged to find any additional ways to learn from the local WV staff and be involved in the project.
- f) Maintain communications with WV National Office staff and address any issues that might have an effect on the success of the project.
- g) Ensure proper signage, which emphasizes community involvement and ownership, at all project sites and make sure signs are affixed permanently in a prominent place near any specific project locations (such as water wells, water reservoirs, water points if applicable).
- h) Create and submit to TRF all grant applications and reports.
- i) Complete progress reports which will include details of all project aspects to date as well as current budget status of project funds spent.
- j) Conduct and encourage site visits by its members and other Rotarians as might be involved or interested.
- k) Publicize the project in the district, at the RI level and other venues as appropriate. The Rotary clubs/districts will also work with both WV National Office staff and WVUS staff to assist in publicizing the activity and success.
- l) Follow through on all project goals and the details of the data collection process to evaluate success and sustainability of the project. It will monitor the results and will encourage those on site to maintain accurate records for this purpose. Detailed budget and all project aspects are to be reported at minimum 6 months intervals on the project including budget status.

Additionally, the Rotarian partner shall:

- A.
- B.
- C.

5. WVUS Responsibilities:

- A. Provide match funding if agreed in the Project Funding Section below and disburse funds in strict accordance with the agreed TRF-approved budget for any funds directed to WVUS.
- B. Ensure WV National Office receives appropriate technical and financial support as might be required for the particular project and sector.
- C. Conduct appropriate project review, report writing and coordinating for all Rotary partners including detailed budget updates. As much as possible, WVUS will use existing standard reporting and project management practices for our Rotary engagements. It is understood a maximum 10% percent of the Rotary Funds can be applied towards administrative costs of report writing, accounting and WVUS project oversight.

- D. Provide appropriate technical and expert oversight for all Project activities as required. The WVUS technical expert shall work directly with WV National Office staff and may also work in conjunction with the host Rotary club/district or TRF staff and TRF assigned cadre members as might be involved from time to time.
- E. Hold and maintain fiduciary responsibility and report on all Rotary funds sent to WVUS for this Project. Once WV receives funds from the international club, funds will be provided to WV National Office for distribution as per approved budgets.
- F. All parties understand the amounts provided by TRF are fixed and cannot be subject to cost and currency exchange uncertainties. Any project overruns if applicable will result in either a reduction of project scope to remain in budget or WVUS agreeing to fund additional expenses. Project savings may be returned to TRF or be used to increase the impact of the project as approved by the host and international clubs/districts and TRF and may only be spent in direct application to the project and not be used for another purpose.

6. Project Funding

Sponsor and Host Club and District DDF funding including TRF match total:	\$XXX,XXX
World Vision US donor match:	\$XXX,XXX
Total funding:	\$XXX,XXX

7. World Vision National Office Responsibilities:

- A. Provide project contractor and implementation oversight, management and coordination, reporting and overall management of the Project in coordination with host Rotary club/district.
- B. Work closely with the host Rotary club/district in the selection of qualified, approved contractors and all aspects of the Project plans. Ensure the host Rotary club/district appoints a minimum of three representatives who shall participate in the site selections and, as appropriate, procurement proceedings. WV National Office procurement policy shall be the guide in the process. Just as WV must adhere to TRF terms and conditions, no part of the project shall cause WV to deviate from their approved operating procedures.
- C. Work with the host Rotary club/district and as appropriate regional and local government ministries to decide upon final Project sites.
- D. Approve disbursement and payment of all Rotary and WV funds from WVUS, and directly engage with contractors, staff or other workers to accomplish Project results with approval of the Project Committee in strict accordance with the approved budget.
- E. Collaborate with the host Rotary club/district using diligent communication and effort in order to maintain the parties' trust and conclude the Project successfully.
- F. Recognize and acknowledge that any activities (well drilling, net distribution, community education and development activities) conducted under this Project will provide use to any and all persons within the immediate vicinity without benefitting only a select few parties. No part of this project may be instituted for the benefit of private parties.
- G. When possible, look for other ways to engage and involve the host Rotary club/district in ways that will advance the members knowledge of and ability to conduct future projects with greater sustainability and success. Assist and ensure all project locations and sites have proper signage highlighting the community involved, the local and international Rotary involvement and the local WV involvement.

8. Conflict of Interest

Any real or perceived conflicts of interest must be disclosed to TRF, including any Rotarians serving as paid staff or board of directors for WV, WVUS and/or any other WV National office or local staff or Rotarians who directly or indirectly benefit as suppliers of services or products pertaining to this Project.

9. Project Issue Escalation process

Any Project Committee 'issue' not resolved to the satisfaction of either Rotary club/district or WV local or National Office staff will be escalated as follows;

- A. If Rotary related issue, escalate to Rotary club/district project lead who will work with WV staff and or TRF to obtain resolution

- B. If WV local or National office issue, escalate to WVUS Rotary Liaison or appropriate staff leading the WVUS staff on this project or TRF who will work with the Rotary club/district and or WV National Office to resolve the issue.
- C. As a last resort, both TRF legal and WVUS legal staff may be engaged for issue resolution as deemed appropriate.

10. Signatures

By signing below, the aforementioned parties agree to the terms of this memorandum of understanding.

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Host Rotary Club President/ DATE  
District Governor

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International Rotary Club President/ DATE  
District Governor

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World Vision, Inc. (WVUS) S.V.P. or authorized signatory per WVUS policy DATE

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World Vision National Office Director or authorized designate DATE

**APPENDIX K****AMENDMENTS TO THE ENDOWMENT FUND INVESTMENT POLICY STATEMENT  
(Decision 116)****Endowment Fund Investment Policy Statement****Strategic Asset Allocation**

Over the long-term, the asset allocation policy will be the key determinant of the returns generated by the Fund and the associated volatility of returns. Based on the Fund's objectives, circumstances, and spending policy, the Trustees have developed the following asset mix guidelines:

	<b>Percent of Total Fund</b>		
	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
<b>Equity</b>	<del>30%</del> <b>25%</b>	<del>36%</del> <b>35%</b>	<del>42%</del> <b>45%</b>
U.S. Equities	6%	9%	12%
Non-U.S. Equities	5%	<del>9%</del> <b>8%</b>	12%
Global Equities	14%	18%	22%
<b>Fixed Income</b>	<b>5%</b>	<b>10%</b>	<b>18%</b>
Core Bonds	3%	4%	8%
Non-Core Bonds	3%	6%	10%
<b>Global Asset Allocation</b>	<b>14%</b>	<b>18%</b>	<b>22%</b>
<b>Alternative Assets</b>	<b>32%</b>	<del>36%</del> <b>37%</b>	<b>42%</b>
Hedge Funds	<del>7%</del> <b>5%</b>	<del>10%</del> <b>7%</b>	<del>13%</del> <b>10%</b>
Private Equity	7%	<del>10%</del> <b>13%</b>	<del>12%</del> <b>18%</b>
Real Assets	<del>12%</del> <b>5%</b>	<del>16%</del> <b>10%</b>	<del>18%</del> <b>15%</b>
<i>Private Real Assets</i>	<u>0%</u>	<u>4%</u>	<u>5%</u>
<i>Real Estate (core)</i>	0%	<del>4%</del> <b>7%</b>	<del>5%</del> <b>12%</b>
<i>Real Assets (liquid)</i>	<u>5%</u>	<u>8%</u>	<u>12%</u>
<b>Opportunistic</b>	<b>0%</b>	<b>0%</b>	<b>10%</b>



## APPENDIX L

### AMENDMENTS TO THE ANNUAL FUND INVESTMENT POLICY STATEMENT (Decision 116)

#### Annual Fund Investment Policy Statement

##### Strategic Asset Allocation

Over the long-term, the asset allocation policy will be the key determinant of the returns generated by the Fund and the associated volatility of returns. Based on the Fund’s objectives, circumstances, and spending policy, the Trustees have developed the following asset mix guidelines:

	Programs Fund			Operating Reserve		
	Min	Target	Max	Min	Target	Max
<b>Equity</b>	<del>31%</del> <u>26%</u>	<del>39%</del> <u>36%</u>	<del>47%</del> <u>46%</u>		<b>0%</b>	
U.S. Equities	6%	9%	12%		0%	
Non-U.S.	6%	9%	12%		0%	
Global	<del>16%</del> <u>14%</u>	<del>21%</del> <u>18%</u>	<del>26%</del> <u>22%</u>		0%	
<b>Fixed Income</b>	<b>12%</b>	<b>16%</b>	<b>20%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>
Core Bonds	4%	6%	10%	0%	<del>34%</del> <u>33%</u>	40%
Non-Core Bonds	6%	10%	12%	0%	33%	40%
Short Duration	0%	0%	10%	0%	33%	100%
<b>Global Asset Allocation</b>	<b>12%</b>	<b>15%</b>	<b>18%</b>			
<b>Alternatives</b>	<b>25%</b>	<del>30%</del> <u>33%</u>	<del>35%</del> <u>40%</u>		<b>0%</b>	
Hedge Funds	<del>7%</del> <u>6%</u>	<del>10%</del> <u>8%</u>	<del>13%</del> <u>10%</u>		0%	
Real Assets	<del>16%</del> <u>6%</u>	<del>20%</del> <u>8%</u>	<del>24%</del> <u>10%</u>		<u>0%</u>	
<i>Real Estate (core)</i>	<del>8%</del> <u>8%</u>	<del>10%</del> <u>10%</u>	<del>12%</del> <u>12%</u>		0%	
<i>Real Assets (liquid)</i>	<del>8%</del> <u>12%</u>	<del>12%</del> <u>15%</u>	<del>16%</del> <u>18%</u>		0%	
<b>Opportunistic</b>	<b>0%</b>	<b>0%</b>	<b>10%</b>		<b>0%</b>	

The Operating Reserve will be built by first funding the target short duration cash/STIF allocation up to one year’s worth of fund development and G&A expenses, then core bonds and non-core bonds in equal increments thereafter.

## APPENDIX M

### AMENDMENTS TO THE OPERATING RESERVE FUND POLICY STATEMENT (Decision 119)

#### Article 24. Operating Reserve Fund Policy

##### 24.010. Purpose

The purpose of the Operating Reserve Fund policy is to ensure the stability of the mission, programs, and ongoing operations of The Rotary Foundation by providing a source of funds to pay for the Foundation's Operating Expenses in the event current year earnings from Funding Model sources is inadequate.

##### 24.020. Definitions

The Operating Reserve Fund ("Reserve") is defined as the designated fund set aside by action of the Board of Trustees.

Operating Expenses are the Foundation's fund development and general administration expenses, excluding all PolioPlus activity.

Funding Model Earnings include Annual Fund investment earnings, Endowment Fund Spendable Earnings allocated to Operating Expenses, up to ten percent of contributions received from corporations, and other Earned Income transfers. The definition of Funding Model earnings will be updated to include any future sources of earnings approved by the Trustees as of the effective date of their inclusion.

The Earned Income balance is the accumulation of Funding Model Earnings less Operating Expenses.

World Fund Surplus is the amount, at the end of each fiscal year, above the sum of 50% of the current and prior two years' worth of contributions to the Annual Fund SHARE. ~~that were designated to the World Fund.~~

##### 24.030. Goals

The minimum Reserve balance at the beginning of each fiscal year must be the budgeted Operating Expenses for that fiscal year.

~~The target Reserve balance at the beginning of each fiscal year is 2.5 times the current year budget for Operating Expenses~~

The maximum Reserve balance at the beginning of each fiscal year is 3.0 times the current year budget for Operating Expenses.

##### 24.040 Accounting for and Investment of Reserve

The Reserve will be recorded in the financial records as a Trustee-designated Operating Reserve Fund. The Reserve will be maintained in a separately managed investment account and invested in accordance with the investment policy statement for the Annual Fund.

##### 24.050 Funding of Reserve

Annual Fund investments will be sold and reinvested in the Reserve investment portfolio when the Annual Fund's Earned Income balance is positive at 30 June of any fiscal year, provided that the World Fund balance equals the sum of 50% of the current year and prior two years of contributions to the Annual Fund SHARE. ~~that were designated to the World Fund.~~ An amount of funds equal to the Earned Income balance will be transferred from the Annual Fund's investment portfolio to the Reserve's investment portfolio.

In the event the Reserve's balance is below the minimum balance at the end of the fiscal year, an amount from the World Fund will be transferred to the Reserve sufficient to bring the Reserve balance to minimum.

World Fund Surpluses, net of the Earned Income balance, in excess of \$5 million at the end of each fiscal year will be transferred to the Reserve investment portfolio until the Reserve reaches its maximum target. Once the maximum Reserve level is reached, World Fund Surpluses in excess of \$5 million will be transferred to the Endowment Fund.

**24.060**     Use of Reserve

When current year Funding Model Earnings are insufficient to pay for Operating Expenses, an amount equal to total Operating Expenses charged to Earned Income which are not covered by Funding Model Earnings will be transferred from the Reserve to the Annual Fund. ~~the difference between Operating Expenses charged to Earned Income and current year Funding Model Earnings will be transferred from the Reserve investment portfolio to the Annual Fund investment portfolio.~~ This transfer will occur after any required World Fund transfers have been made in accordance with this policy.

If the Reserve is above its maximum balance at the end of a fiscal year, the funds in excess of the maximum balance will be transferred to the World Fund in an amount sufficient to bring the World Fund balance, net of any negative Earned Income balance, to \$5 million plus the sum of 50% of current year contributions and contributions from the prior two years to the Annual Fund SHARE. ~~that were designated to the World Fund.~~ If there are additional funds in excess of the maximum following the transfer to the World Fund, the remaining excess funds will be transferred to the Endowment Fund. Any other use of Reserve assets is not permitted.

**24.070.** Reporting and Monitoring

The Chief Financial Officer is responsible for assuring that the Reserve funds are maintained and used only as described in this Policy. The CFO will provide regular reports to the Finance Committee on the status of the Reserve, and will advise the Finance Committee of any use or funding of the Reserve.

**24.080.** Review of Policy

The Policy will be reviewed once every three years, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Trustees.

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