MINUTES

of the

SEPTEMBER 2017

ROTARY FOUNDATION

BOARD OF TRUSTEES MEETING
## Rotary Foundation Trustees 2017–18

### Chairman

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Club</th>
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<tbody>
<tr>
<td>Paul A. Netzel</td>
<td>Los Angeles, CA, USA</td>
<td>(Rotary Club of Los Angeles)</td>
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### Vice Chairman

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<tr>
<th>Name</th>
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<tr>
<td>Kenneth M. Schuppert Jr.</td>
<td>Decatur, AL, USA</td>
<td>(Rotary Club of Decatur)</td>
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### Chairman-elect

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<tr>
<th>Name</th>
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<tr>
<td>Ron D. Burton</td>
<td>Norman, OK, USA</td>
<td>(Rotary Club of Norman)</td>
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<tr>
<td>Örşçelik Balkan</td>
<td>Istanbul, Turkey</td>
<td>(Rotary Club of Istanbul-Karaköy)</td>
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<tr>
<td>Mário César de Camargo</td>
<td>Santo André, Brazil</td>
<td>(Rotary Club of Santo André)</td>
</tr>
<tr>
<td>Mary Beth Growney Selene</td>
<td>Madison, WI, USA</td>
<td>(Rotary Club of Madison West Town–Middleton)</td>
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<tr>
<td>Gary C. K. Huang</td>
<td>Taipei, Taiwan</td>
<td>(Rotary Club of Taipei)</td>
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<tr>
<td>Julia D. Phelps</td>
<td>Greenland, NH, USA</td>
<td>(Rotary Club of Amesbury)</td>
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<tr>
<td>Michael F. Webb</td>
<td>Somerset, England</td>
<td>(Rotary Club of Mendip)</td>
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### General Secretary

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<th>Name</th>
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<tr>
<td>John Hewko</td>
<td>Evanston, IL, USA</td>
<td>(Rotary Club of Kyiv, Ukraine)</td>
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<tr>
<td>William B. Boyd</td>
<td>Auckland, New Zealand</td>
<td>(Rotary Club of Pakuranga)</td>
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<tr>
<td>Brenda M. Cressey</td>
<td>Templeton, CA, USA</td>
<td>(Rotary Club of Paso Robles)</td>
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<tr>
<td>Sushil Gupta</td>
<td>New Delhi, India</td>
<td>(Rotary Club of Delhi Midwest)</td>
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<tr>
<td>Seiji Kita</td>
<td>Saitama, Japan</td>
<td>(Rotary Club of Urawa East)</td>
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<tr>
<td>K.R. Ravindran</td>
<td>Colombo, Sri Lanka</td>
<td>(Rotary Club of Colombo)</td>
</tr>
<tr>
<td>Young Suk Yoon</td>
<td>Seoul, Korea</td>
<td>(Rotary Club of Seoul Hoehyon)</td>
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* Filed only with the official copy of these minutes
MINUTES
of the
SEPTEMBER 2017 MEETING
Rotary Foundation Board of Trustees

The 2017–18 Rotary Foundation Trustees held their second meeting of the year on 18–21 September 2017 in Evanston, Illinois, USA

Present were Chairman Paul A. Netzel, Vice-Chairman Kenneth M. Schuppert, Jr., Chairman-elect Ron D. Burton, other Trustees Örşçelik Balkan, William B. Boyd, Brenda Cressey, Mário C. de Camargo, Mary Beth Growney Selene, Sushil Gupta, Gary C.K. Huang, Seiji Kita, Julia D. Phelps, K.R. Ravindran, Michael F. Webb, Young Suk Yoon, and General Secretary John Hewko. Gregory F. Yank attended as director liaison.

Andrew McDonald served as secretary of the meeting with assistance from Matt Hohmann. Other staff present were David Alexander, Jim Barnes, Victor Barnes, Lori Carlson, Richard Kick, Bernadette Knight, Abby McNear, Carol Pandak, Steven Routburg, Eric Schmelling, and Thomas Thorfinsson. Hyung Jung Lee, Misa Mais, and Eiko Terao served as staff interpreters.

The general secretary 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:

* * * * * *

8. Approval of the June 2017 Meeting Minutes

Statement: The general secretary distributed the June 2017 Trustees meeting minutes to each trustee.

DECISION: The Trustees approve the minutes of their June 2017 meeting and request the chairman to sign the official copy of those minutes.

9. Ratification of Decisions Taken on Behalf of the Trustees

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

DECISION: The Trustees ratify the decisions as shown in Appendix A—the complete copy of which is filed only with the official copy of these minutes—taken on their behalf between 15 May and 2 August 2017 by those authorized to do so.

10. General Secretary’s Report

Statement: The general secretary presented an update on the work at the Secretariat since the June 2017 Trustees meeting.

DECISION: The Trustees receive the general secretary’s report on the activities at the Secretariat since the June 2017 Trustees meeting.

11. Tentative Future Agenda

Statement: At each meeting, the Trustee review a tentative agenda for their next meeting.

DECISION: The Trustees receive the tentative agenda for their January 2018 meeting.

12. Updates to The Rotary Foundation Code of Policies

Statement: Rotary Foundation Code of Policies section 2.010.6. requests the general secretary, at the conclusion of each Trustee meeting, to review the decisions taken by the Trustees at that meeting and prepare a report listing the decisions that might be added to The Rotary Foundation Code of Policies. The general secretary also recommends amendments to the Code to reflect current practices, language, or other factors.

DECISION: The Trustees amend the Rotary Foundation Code of Policies as shown in Appendix B, filed only with the official copy of these minutes.
13. Election of 2018–19 Officers

Statement: Rotary Foundation Bylaws section 5.2 provides that the Trustee chairman-elect and vice chairman shall be annually elected by the Trustees for a one-year term. The Trustees had previously agreed to elect their officers at their fall meeting to allow sufficient time for the officers to prepare for their term of office. At the request of Chairman-elect Burton, the Trustees agreed to defer the election of the vice chairman until their January 2018 meeting.

DECISION: The Trustees

1. elect Trustee Gary C.K. Huang as their chairman-elect to serve during 2018–19 as an officer of The Rotary Foundation of Rotary International, an Illinois not-for-profit corporation;
2. defer the election of their 2018–19 vice chairman until the January 2018 Trustees meeting.

14. Election of Vice Chairman for 2017–18

Statement: With the resignation of their vice chairman Barry Rassin, who was elected 2018–19 RI President, the Trustees needed to elect a new vice chairman.

DECISION: The Trustees elect Trustee Kenneth M. Schuppert Jr. as their vice chairman to serve during the remainder of 2017–18 as an officer of The Rotary Foundation of Rotary International, an Illinois not-for-profit corporation.

15. 2018–19 Meeting Dates

Statement: Rotary Foundation Code of Policies section 2.010.1. provides that the annual Trustees meeting shall be held in October. The Rotary Foundation Bylaws section 4.2 provides that the Trustee chairman shall designate all other Trustee meetings.

DECISION: The Trustees

1. agree that they shall meet during 2018–19 as follows:
   13–15 August 2018, Evanston, IL, USA (trustees only)
   29 October–1 November 2018, Evanston, IL, USA (trustees and spouses)
   9–11 January 2019, Evanston, IL, USA (trustees, incoming trustees, and spouses)
   19–24 April 2019, Evanston, IL, USA (trustees, incoming trustees, and spouses)

2. authorize the 2018–19 chairman to adjust the abovedates and sites if circumstances require.

16. Proposed 2018–19 TRF Committee Structure

Statement: Rotary Foundation Code of Policies section 1.090.1. requests the chairman-elect to submit a proposed committee structure for the following year to the Trustees for review at their October meeting.

DECISION: The Trustees

1. defer consideration of the proposed TRF Committee structure for 2018–19 until their January 2018 meeting;
2. amend Rotary Foundation Code of Policies section 1.090.1. regarding the procedures for Foundation committee appointments as follows:

1.090.1. Procedures for Committee Appointments

   [text omitted]

   If any of the persons approved by the Trustees decline their invitations to serve on the designated committees, the chair-elect may select alternate members to serve as needed by notifying the Trustees of the selected replacements. If there are no concerns or objections received from any of the Trustees within one week, the alternates may be invited to serve on the committees. If there is a concern or objection received from one or more Trustees within the one week period, the chair-elect may choose another alternate and submit his or her name to the trustees, or the chair-elect may proceed with the appointment with the approval of his or her successor as the chair-elect.

17. Approval of Foundation Priorities and Goals

Statement: Rotary Foundation Code of Policies section 1.080. requests the trustee chairman-elect to select up to four priorities to be addressed over a three-year cycle, to be presented at the October Trustees meeting.

DECISION: The Trustees adopt the following priorities for the three years beginning 1 July 2018 and ending 30 June 2021:

- End polio—Countdown to History
• Increase sustainability of our service efforts within the six areas of focus through the use of both district and global grants
• Encourage the full use of District Designated Funds
• Encourage gifts and commitments that establish personal legacies within Rotary’s Endowment

18. Strategic Planning Committee Report

Statement: The Strategic Planning Committee met on 15–17 August 2017 in Evanston, IL, USA, and discussed an update on the Council on Resolutions and the 2019 Council on Legislation, the committee’s involvement with the newly created Governance Committee, the research plan for 2017–18, the next corporate project timeline and guidelines, potential strategic priorities and working groups, and a working group on vision rollout, among other topics. The committee also had a joint session with the Membership Committee to share reports on work of mutual interest and to promote collaboration.

DECISION: The Trustees

1. thank the Strategic Planning Committee for its report;
2. receive the Strategic Planning Committee’s proposed updates to the process and criteria for establishing the next corporate project;
3. request the Strategic Planning Committee to provide recommendations on the criteria, process, and potential timeline (if a new corporate initiative were to be undertaken), for report at the January 2018 Trustees meeting.

19. Council on Resolutions Update

Statement: At the 2016 Council on Legislation, the Council adopted legislation that would provide for an annual online meeting to review and vote on resolutions. The first Council on Resolutions is scheduled for 15 October – 15 November 2017. The general secretary reported on the progress of the Council on Resolutions and the online platform that will be used to conduct the meeting.

DECISION: The Trustees receive the general secretary’s report on the Council on Resolutions.

20. Election of 2017 Council on Resolutions Member

Statement: Rotary International Bylaws section 9.010.6. provides for the Trustees to elect a Trustee representative to the Council on Resolutions as a non-voting member of the Council.

DECISION: The Trustees, pursuant to RI Bylaws section 9.010.6., elect Trustees Mary Beth Growney Selene as a non-voting member of the 2017 Council on Resolutions and Örsçelik Balkan as the alternate member.

21. Fund Development Committee Report

Statement: The Fund Development committee met on 14–15 September 2017 in Evanston, IL, USA, and discussed The Rotary Foundation Centennial efforts, term gift policy clarification, updates on annual fund and online giving, the creation of a benchmarking work group to establish the top key indices for informing fundraising tactics, the report on ongoing investigations in India, the 2018–19 comprehensive fundraising goal, the End Polio Now campaign, the Generational Philanthropy Work Group, a proposal for increasing philanthropy staff at the Secretariat, and the corporate partnerships overview, among other topics. The committee also received a report from the Peace Major Gifts Initiative Committee regarding Rotary Peace Symposiums at Rotary Conventions.

DECISION: The Trustees

1. thank the Fund Development Committee for its report;
2. endorse the proposed 2018–19 worldwide comprehensive fundraising goal as summarized in Appendix C, filed only with the official copy of these minutes;
3. concur with the adjustment of the 2017–18 fundraising goal from US$315 million to US$360 million;
4. agree to consider holding a Rotary Peace Symposium on a triennial basis, beginning with the 2019 Rotary International Convention in Hamburg, Germany;
5. look forward to reviewing a specific proposal to hold a Rotary Peace Symposium at the 2019 Rotary International Convention, including a financial impact statement, at their April 2018 meeting.

22. Term Gift Policy Clarification

Statement: In decision 7, June 2017, the Trustees requested Trustees Burton and Schuppert to work with the general secretary to review the name and use of “term gifts.” To address any potential confusion with this term, Trustees Burton and Schuppert suggested that the
Trustees consider policy clarifications to term gifts, including changing its name. The Trustees also discussed forming a working group to further evaluate any necessary clarifications.

**DECISION:** The Trustees agree

1. to the continued use of the name “term gift”;
2. to continue waiving the minimum international partner contributions for any global grant that includes a term gift;
3. that the expectation be that term gifts be spent in minimum increments of US$15,000 unless the remainder of the gift is less than $15,000;
4. to convene a working group of the Fund Development Committee with a Trustee liaison representing the Programs Committee to further evaluate the clarifications sought by this item, including a definition of “term gift” and any other recommended changes to term gifts, for report at the April 2018 Trustees meeting;
5. request the general secretary to report on the investment income generated by term gifts, the CSR India contributions, and the expenses generated by term gifts, at the January 2018 Trustees meeting.

23. **Report on India Investigations**

**Statement:** In decision 140, June 2017, the Trustees noted the Board’s June 2017 decision regarding Indian investigation reports in Districts 3250 and 3132 and requested the general secretary to further investigate these allegations for report at this meeting. The general secretary and Fund Development committee reviewed the findings of the investigations, and made several recommendations to the Trustees.

**DECISION:** The Trustees

1. agree no further action be taken for District 3132;
2. with regard to the complaint from District 3250:
   a. note with disapproval the manner by which 2014–15 District Governor Khemka chose to credit contributions given to the district to himself and five other individuals of his choice;
   b. rescind the major donor recognition and contribution credit received on 30 June 2015 by the six individuals identified in the report of the inquiry committee;
   c. affirm these contributions will be credited to District 3250;
   d. looks with disappointment at the six individuals, including regional Rotary Foundation coordinator Kamal Sanghvi, who received major donor recognition with funds donated as part of a lottery scheme;
3. request Rotary Foundation (India), in conjunction with the South Asia Office, to develop a plan by 31 December 2017 to increase Indian Rotarians awareness of donor recognition policies and to enhance procedures to safeguard major donor and Arch Klumph Society recognition.

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

24. **Philanthropy Staffing Proposal**

**Statement:** The Fund Development Committee recommended that the Trustees increase staffing levels within the Foundation to service the increase in contributions over the last five years and to be better positioned to address the Foundation’s future fundraising goals.

**DECISION:** The Trustees

1. to achieve the fundraising goals established for polio eradication, for building The Rotary Foundation Endowment to US$2.025 billion by 2025, and for increasing Annual Fund contributions, agree to increase Philanthropy staffing levels;
2. approve a 2017–18 budget variance of US$445,400 for this purpose and request the general secretary to budget accordingly in subsequent years;
3. approve additional contributions budget of $2,450,000 in 2017–18 and request the general secretary to budget accordingly in subsequent years.

25. **Rotary Foundation Centennial Update**

**Statement:** In decision 160, June 2015, the Trustees approved a preliminary budget to celebrate The Rotary Foundation’s centennial in 2017 and requested the Centennial Committee to provide the Trustees with a comprehensive and detailed project plan, including fundraising goals, strategies, and a budget. The
Centennial committee reported on its activities during 2016–17, including the status of its goals approved by the Trustees in October 2015.

**DECISION:** The Trustees

1. thank The Rotary Foundation Centennial Celebration Committee for its report;

2. acknowledge the time, energy, passion, and generosity of Rotarians and clubs in celebrating the history and impact of the Foundation’s programs during its first 100 years.

26. **TRF Centennial History Book Committee Report**

*Statement:* The TRF Centennial History Book Committee met on 11 June 2017 in Atlanta, GA, USA, and discussed promotional efforts for the centennial book *Doing Good in the World: The Inspiring Story of The Rotary Foundation’s First 100 Years.* The committee also noted that it still had many books in various languages in stock.

**DECISION:** The Trustees

1. thank The Rotary Foundation Centennial History Book Committee for its report;

2. note that the TRF Centennial History Book Committee has now completed its work and thank the committee for its work on the book;

3. request the general secretary to develop a plan for distributing the remaining copies of the book and authorize the Trustee chair to approve the distribution plan on their behalf.

27. **Programs Committee Report**

*Statement:* The Programs Committee met on 30–31 August 2017 in Evanston, IL, USA and discussed level III grant requests, global grants and community assessments, the WASH in schools target challenge update, a Habitat for Humanity Service Partnership, the inclusion of traffic injuries in the disease prevention and treatment area of focus, global grants partnering, and the final closing of old 3-H and matching grants, among other topics.

**DECISION:** The Trustees

1. agree that preventing children’s traffic injuries should be a funded activity in disease prevention & treatment global grants and amend The Rotary Foundation Code of Policies as follows:

11.070.2.2. Disease Prevention and Treatment

Rotary supports activities and training that reduce the cause and effect of disease.

[text omitted]

C. Prevention and Control of Noncommunicable Diseases

1. Providing materials and training to prevent physical disability due to disease or injury

2. Community education, intervention programs, and early screening programs with the goal of reducing the incidence and prevalence of chronic diseases

3. Providing mobile technology equipment and vehicles to monitor and treat patients

4. Equipment supported by the local health infrastructure that includes appropriate operational and maintenance plans

5. Lifesaving surgeries and surgeries to address congenital problems provided they are supported by the local health infrastructure and include appropriate follow-up care

6. Treatment of noncommunicable diseases that includes a component to prevent disease, improve training of health service professionals, or provide public health education to improve the long-term health of a community

7. Projects that prevent traffic/vehicle related injuries:

2. recognize the excellent work of the general secretary since April 2017 to clear the backlog of reporting and closure requirements for the remaining four 3-H grants and 128 matching grants.

28. **Level III Grant Requests**

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

**DECISION:** The Trustees agree to award:
1. Global Grant 1748187, a disease prevention and treatment grant sponsored by the Rotary Clubs of Jaipur Royal, India (District 3054) and Rajdhani, Nepal (District 3292) to provide a Fibroscan machine to Bir Hospital in Kathmandu, Nepal in the amount of US$82,000 from the World Fund and $30,000 from a term gift (total project cost of $254,000);

2. Global Grant 1755189, a disease prevention and treatment grant sponsored by the Rotary Clubs of Covington, USA (District 6840) and Agra Grand, India (District 3110) to provide a cardiac catheterization lab to a hospital in Firozabad, Uttar Pradesh, India in the amount of $71,250 from the World Fund and $170,000 from a Corporate Social Responsibility term gift (total project cost of $363,750).

29. Global Grant Partnering

Statement: In decision 110, April 2017, the Trustees requested the Programs Committee to develop a pilot method for fostering global grant partnerships. Noting that global grants have grown eight percent a year for the last two years and increased in size from approximately US$29,000 on average to $67,000, and that there are existing tools to facilitate finding partners, the Programs Committee recommended that a formal pilot program is not necessary at this time.

DECISION: The Trustees agree that global grant partnerships are best created through person-to-person contacts and encourage Rotarians to use existing Rotary resources to facilitate such partnerships.

30. Global Grants and Community Assessments

Statement: In decision 115, April 2017, the Trustees agreed to require grant sponsors, beginning 1 July 2018, to conduct appropriate community assessments for humanitarian and vocational training team global grants and requested the general secretary to report on the proposed implementation of this policy at this meeting. The general secretary reported on development of a plan that would establish a community assessment report form, set standards as to what constitutes an acceptable community assessment, address technology needs, develop training resources and a communications plan for Rotarians, training for regional grants officers, and a long-term plan for updating the online system.

DECISION: The Trustees receive the general secretary’s implementation plan for global grants community assessments and approve a 1 July 2018 start date for these assessments, as stipulated in the plan.

31. Reconsideration of Global Grant 1747314

Statement: In decision 153, June 2017, the Trustees deferred reconsideration of Global Grant 1747314, an application for proper helmet use and road safety initiatives in Thailand, to this meeting and requested the general secretary to provide additional background information on this grant. The general secretary had previously identified a possible conflict of interest in the financing for this grant.

DECISION: The Trustees

1. waive the conflict of interest policy to retain a term gift in the financing of Global Grant 1747314;

2. request the Programs Committee to evaluate whether a change is needed in the Foundation’s conflict of interest policy as it pertains to grants.

Note: Trustees Burton, Growney Selene, Phelps, and Webb requested that their negative notes be recorded.

32. Global Grants Guidelines Simplification

Statement: In decision 77, January 2017, the Trustees requested the Programs Committee to continue to review global grant guidelines with a goal of simplifying the requirements and reducing barriers to application. The Programs Committee reported that global grant processing time had dropped significantly since the August 2016 meeting and noted that since the December 2016 online global grant application redesign the average site and number of global grants awarded has increased.

DECISION: The Trustees

1. thank the Programs Committee and general secretary for examining possible simplifications to the global grants guidelines;

2. noting the dramatic improvement in global grant processing times since last year, agree that the improvements to the online system have greatly simplified the global grant process;

3. agree to continue making improvements as needed while noting the significant improvements that have already taken place.
33. Conflict of Interest Policy Review

Statement: In decision 7, June 2017, the Trustees requested Trustees Burton and Schuppert to work with the general secretary to review the definition of “conflict of interest” in the Rotary Foundation Code of Policies. Trustees Burton and Schuppert noted that Code sections 10.030, (Conflict of Interest Policy for Program Participants) and 11.030.1.3, (Source of Contributions) are used to evaluate potential conflict of interest funding for Foundation grants. In reviewing these sections and applying them to various funding scenarios, Trustees Burton and Schuppert suggested that the current policy is adequate and should not be amended at this time. The Trustees discussed further conflict of interest scenarios that may require amendments to the current policy.

DECISION: The Trustees request the Programs Committee to take under advisement the comments made at this meeting and recommend possible changes to the “Conflict of Interest” policy at the January 2018 Trustees meeting.

34. Habitat for Humanity Service Partner for Low-Cost Shelter Projects

Statement: In decision 43, September 2016, the Trustees requested the general secretary to identify a potential low-cost shelter project partner and develop suitable guidelines for projects that involve this partner as a cooperating organization. In decision 119, April 2017, the Trustees identified Habitat for Humanity as a potential project partner to assist in the design and implementation of global grants supporting low-cost shelters. The general secretary reported that a service partnership memorandum of understanding between Rotary and Habitat for Humanity was signed in July 2017 and that implementation guidelines were being developed.

DECISION: The Trustees

1. receive the general secretary’s report on Habitat for Humanity as a service partner for low-cost shelter projects;

2. note that as a service partner, Habitat for Humanity International is now able to assist Rotarians in the design and implementation of global grants in support of low-cost shelters.

35. WASH in Schools Target Challenge Update

Statement: In decision 37, September 2016, the Trustees agreed to end Rotary’s partnership with World Vision and approved the India WASH in Schools Target Challenge, thereby allowing resources formerly earmarked for the World Vision partnership to be managed by the WASH in Schools Steering Committee to complement global grant activities in WASH in Schools target challenge countries. The general secretary reported on the development of the WASH in Schools competitive grant that is to be conducted in five focal countries and will support community assessments up to US$10,000 in the first phase. With the completion of these assessments, host clubs/districts will be able to apply for larger grants in the second phase between $150,000 and $500,000. The general secretary anticipated three to five projects will be selected.

DECISION: The Trustees receive the general secretary’s report on the WASH in Schools Target Challenge.

DECISIONS 36–39
International PolioPlus Committee Report
Meeting 13–14 September 2017 in Evanston, IL, USA

36. Global Polio Eradication Initiative Financial Accountability

Statement: The Rotary Foundation makes significant grants to WHO and UNICEF as the implementing partners of the Global Polio Eradication Initiative. In decision 149, June 2016, the Trustees requested the PolioPlus Committee to conduct a comprehensive review of the accountability mechanisms and controls in place to support PolioPlus grants. The IPPC reported that WHO and UNICEF presented an overview of their financial accountability controls, including financial resource requirements, a process for determining how grant proposals are developed from the country-level on up, and the tracking of expenditures, among other processes. The committee recommended the Trustees Stewardship Committee review these controls.

DECISION: The Trustees request its Stewardship Committee to provide guidance to the IPPC on stewardship mechanisms at the country-level for PolioPlus grants, for report to the April 2018 Trustees meeting.

37. PolioPlus Partners Report

Statement: PolioPlus Partners provides grants for direct Rotarian engagement in the polio-endemic and high-risk
countries. These grants are primarily used for social mobilization, surveillance, and to encourage Rotarian volunteer efforts on the ground. In decision 29, September 2016, the Trustees agreed to fund the PolioPlus Partners program from up to US$4 million of the PolioPlus Fund, from 1 July 2017 through 30 June 2018. Noting that PolioPlus Partners grants are the primary funding source for Rotarian engagement and that polio eradication activities will continue beyond 2017, the International PolioPlus Committee suggested that the Trustees approve additional funding for PolioPlus Partners grants through 2019.

**DECISION:** The Trustees

1. extend the PolioPlus Partners program through 2018–19;
2. allocate up to US$3.5 million from the PolioPlus Fund for PolioPlus Partners grants in 2018–19.

38. **PolioPlus Grants: Combined World Health Organization African Region (WHO/AFRO) and UNICEF Grant Request**

**Statement:** The World Health Organization African regional office (WHO/AFRO) and UNICEF requested grants for social mobilization support in Nigeria, South Sudan, Chad, Democratic Republic of Congo, and Guinea; operational support in Nigeria and South Sudan; surveillance support for the African region; and technical assistance in Nigeria.

**DECISION:** The Trustees

1. approve a PolioPlus grant of up to US$1,318,669 to UNICEF for social mobilization support for the following countries:
   - Nigeria $307,663
   - South Sudan $1,011,006
   this grant to be released in accordance with Trustee policies;
2. approve a PolioPlus grant of up to $5,096,098 to UNICEF for operational support for the following countries:
   - Nigeria $2,332,348
   - South Sudan $2,763,750
   this grant to be released in accordance with Trustee policies;
3. approve a PolioPlus grant of up to $7,825,781 to WHO for operational support for the following countries:
   - Chad $2,368,341
   - DR Congo $4,496,229
   - Guinea $961,211
   this grant to be released in accordance with Trustee policies;
4. approve a PolioPlus grant of up to $5,743,293 to WHO for surveillance support in the African region, this grant to be released in accordance with Trustee policies;
5. approve a PolioPlus grant of up to $5,071,523 to UNICEF for technical assistance in Nigeria, this grant to be released in accordance with Trustee policies;
6. 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;
7. note that these are one-year grants that must be fully expended by 31 October 2018, or one year after the transfer of funds to the grantee, whichever comes later;
8. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
   - African region from: $188,195,239 to $193,938,532;
   - Chad from: $40,033,897 to $42,402,238;
   - DR Congo from: $48,997,063 to $53,493,292;
   - Guinea from: $2,766,150 to $3,727,361;
   - Nigeria from: $234,114,772 to $241,826,306;
   - South Sudan from: $39,814,085 to $43,588,841
39. PolioPlus Grants: Combined World Health Organization Eastern Mediterranean Region (WHO/EMRO) and UNICEF Grant Request

Statement: The World Health Organization Eastern Mediterranean Regional Office (WHO/EMRO) and UNICEF requested grants for social mobilization support in Afghanistan, Pakistan, and Somalia; for operational support in Afghanistan and Sudan; and for surveillance support in Pakistan and the Eastern Mediterranean region.

DECISION: The Trustees

1. approve a PolioPlus grant of up to $13,513,710 to UNICEF for social mobilization support in the following countries:
   - Afghanistan $4,953,704
   - Pakistan $6,935,185
   - Somalia $1,624,821
   this grant to be released in accordance with Trustee policies;

2. approve a PolioPlus grant of up to $6,931,096 to WHO for operational support in the following countries:
   - Afghanistan $4,370,507
   - Sudan $2,560,589
   this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant of up to $3,999,830 to WHO for surveillance support in the following countries:
   - Eastern Mediterranean region $2,000,000
   - Pakistan $1,999,830
   this grant to be released in accordance with Trustee policies;

4. 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;

5. note that these are one-year grants that must be fully expended by 31 October 2018, or one year after the transfer of funds to the grantee, whichever comes later;

6. note that these grants, if fully expended, will increase total PolioPlus grants as follows:
   - Eastern Mediterranean region from: $57,935,474 to $59,935,474;
   - Afghanistan from: $115,761,433 to $125,085,644;
   - Pakistan from: $155,755,101 to $164,690,116;
   - Somalia from: $41,072,105 to $42,696,926;
   - Sudan from: $38,800,234 to $41,360,823.

*****

40. Selection of 2017–18 Alumni Awards Recipient

Statement: The Trustees annually recognize one outstanding Rotary Foundation alumnus with the Rotary Alumni Global Service Award and one exemplary alumni association with the Rotary Alumni Association of the Year Award. The Trustees reviewed the recommended recipients of these awards submitted by the Joint Young Leaders and Alumni Engagement Committee.

DECISION: The Trustees

1. select the individuals, as shown in Appendix D (filed only with the official copy of these minutes) as the 2017–18 primary recipient and alternate recipient of the Rotary Alumni Global Service Award;

2. request the general secretary to notify the award recipient and confirm the recipient’s commitment to receive the award at the 2018 Rotary Convention in Toronto;

3. authorize the general secretary, on behalf of the Board, to designate the alternate as the award recipient if the primary award recipient cannot receive the award in person at the 2018 RI Convention in Toronto;

4. select the alumni association, as shown in Appendix D (filed only with the official copy of these minutes) as the 2017–18 recipient of the Rotary Alumni Association of the Year Award;

5. request the general secretary to notify the association and confirm its commitment to receive the award at the 2018 Rotary Convention in Toronto.
41. **Distinguished Service Award Recipients**

*Statement:* The Trustees annually recognize up to 50 Rotarians worldwide with the Distinguished Service Award for their outstanding efforts on behalf of The Rotary Foundation.

*DECISION:* The Trustees select the Rotarians as shown in Appendix E, filed only with the official copy of these minutes, to receive The Rotary Foundation Distinguished Service Award in 2017–18.

*Note:* Chairman Netzel and Trustee Yoon abstained from voting on this item.

42. **Report on Review of Regional Leaders**

*Statement:* In decision 60, September 2016, the Board requested the general secretary to study the effectiveness of regional coordinators. In decision 120, January 2017, the Board requested the general secretary to work with a working group of directors and trustees on additional policy clarifications related to director engagement with regional leaders, for report at their next joint meeting. At the June 2017 joint meeting of the Board and Trustees, the chair of the working group reported that this working group needed more time to address issues of strategic importance that were uncovered in the review process. Past Vice President Jennifer Jones presented the working group’s report at this meeting, which included a recommended method and timeline for annually evaluating regional leaders.

*DECISION:* The Trustees

1. receive the report from the ad hoc working group on the regional leader evaluation measures and director engagement strategies;

2. approve the regional leader evaluation methodology, process and timeline, as outlined in Appendix F, filed only with the official copy of these minutes, and requests the general secretary to implement this tool as appropriate;

3. approve in concept the regional leader policy revision guiding principles, as outlined in Appendix G, filed only with the official copy of these minutes, and requests the general secretary to provide policy revisions for regional leaders at the January 2018 Trustees meeting;

4. recommend that this topic be discussed at the January 2018 joint meeting of Directors and Trustees.

43. **Joint Committee on Partnerships Report**

*Statement:* The Joint Committee on Partnerships met on 9–11 August 2017 in Evanston, IL, USA and discussed the status of various potential partnerships, results from recent consultancy research, survey data on partnerships of large clubs, the CSR India pilot, a possible recognition platform for external organizations, an update on research regarding programs of scale, partnership communication tools, Rotarian Action Groups as possible project implementation partners, service partner relationships, and an update on cause marketing and sponsorships, among other topics.

*DECISION:* The Trustees

1. thank the Joint Committee on Partnerships for its report;

2. request the general secretary to institute a recognition platform for external organizations beginning at US$100,000;

3. ask the Board to request the Leadership Development and Training Committee to consider adding partnerships as a topic to the suggested International Assembly program content, beginning in January 2019;

4. request the Trustee chair, in consultation with the RI president, to appoint a working group to review the Criteria for Evaluation (Rotary Foundation Code of Policies section 4.010.1) and Guidelines for Sponsorship (Code section 4.120) and develop recommendations on vetting and evaluation procedures to the Trustees;

5. adopt the amended definitions for Strategic and Resource partners as seen in Appendix H;

6. request the general secretary to explore ways to enable Rotarian Action Groups to more fully partner with The Rotary Foundation.

44. **Resource Partnership Opportunity**

*Statement:* The general secretary reported on a potential resource partnership opportunity with Transforming Education in Cocoa Communities, a UK-based foundation that helps to provide nutrition, education, and parenting support for families in cocoa producing regions of the Ivory Coast.

*DECISION:* The Trustees
1. agree in principle to:
   a. participate in the co-financing, development, and implementation of the National Multi-Sectorial Plan on Nutrition of the Ivory Coast, an early childhood nutritional intervention in the Ivory Coast, commencing 1 January 2018 and ending on 30 June 2023;
   b. a resource partnership with Transforming Education in Cocoa Communities (TRECC) that would leverage US$3,000,000–4,000,000 into The Rotary Foundation as a match to Rotary funds in support of this project;
   c. a potential 2017–18 budget variance of up to $5,000,000 for program awards to support the National Multi-Sectorial Plan on Nutrition of the Ivory Coast, funded by $4,000,000 in temporary restricted funds from TRECC and $1,000,000 in World Fund;
   d. a potential 2017–18 budget variance of $153,000 for volunteer travel, baseline studies, measurement, and administration costs;
2. delegate authority to its Executive Committee to approve this partnership in accordance with point 1. above after receiving the report from a planned October 2017 site visit to the Ivory Coast;
3. request the general secretary to budget accordingly for this resource partnership on an annual basis through 2020 as approved by the Trustees, provided that the Executive Committee approves this partnership;
4. request the RI Board to approve a resource partnership with TRECC, including use of $1,000,000 from unrestricted funds for this purpose with said approval to be conditional on approval of the Executive Committee of the Trustees.

DECISION: The Trustees approve an additional meeting of the Rotary Peace Centers Future Planning Committee to further develop its recommendations to the Trustees, for final report at the January 2018 Trustees meeting and approve a 2017–18 budget variance of US$13,500 for this purpose.

46. Annual Funding Request for the 2018 Rotary Peace Fellowship

Statement: The Rotary Peace Centers Committee annually requests the Trustees to approve funding for the next class of Rotary Peace Fellows.

DECISION: The Trustees allocate up to US$0.8 million from the World Fund for the 2018–19 Rotary Foundation programs budget to supplement district designated fund allocations, restricted gifts, and Rotary Peace Centers endowment fund earnings, and to fund up to 50 masters’ degrees and up to 48 professional development certificate Rotary Peace Fellowships.

47. Report on Allegations

Statement: To facilitate the work of the Stewardship Committee, and in accordance with Rotary Foundation Code of Policies section 14.030.4., the Trustees receive semiannual updates on stewardship allegations, investigations.

DECISION: The Trustees

1. receive the report on the status of District 2982 (India) and affirm their decision 126, April 2017, sanctioning individuals in the district and authorize the general secretary to suspend the district if the audits are not completed by 31 December 2017;
2. acknowledge the steps taken by District 3030 (India) to enhance stewardship processes and request an update at the April 2018 Trustees meeting;
3. notes that the Rotary Club of Nagpur East, India has refused to terminate the membership of Madhusudan Sarda;
4. accepts the offer of the Rotary Club of Nagpur East to terminate its membership from Rotary International, requests that this action be taken by 31 October 2017 and requests the RI Board to terminate the club if this action is not taken by 31 October 2017;
5. request Rotary Foundation (India), in conjunction with the South Asia office, to develop a plan by 31 December 2017 to increase Rotarians’ awareness of
Foundation policy regarding collecting contributions from beneficiaries;

6. request the Rotary Club of Saltillo Cien, Mexico (District 4110) to immediately refund US$37,150, and authorize the general secretary to suspend the club if these funds are not received by 30 September 2017 and notes that the district will be responsible for returning these funds if the club does not do so by the deadline;

7. receive the repayment plan submitted by District 9212 (Kenya, Ethiopia, and South Sudan);

8. request immediate repayment of $32,095 and request the governor, governor-elect, and governor-nominee to confirm in writing that District 9212 will submit an installment payment of $70,000 by 1 October 2018 and an installment payment of $20,570 by 1 October 2019, and authorize the general secretary to suspend District 9212 if these items are not received by 15 October 2017;

9. request District 9212 to take appropriate legal action against the individuals responsible for the misuse of grant funds;

10. receive an update on the status of the Stewardship Assessment in Zones 4, 5, and 6A.

48. Report on TRF Cadre of Technical Advisers

Statement: Rotary Foundation Code of Policies section 14.020.1. requires the general secretary to provide an annual report on the activities of the Rotary Foundation Cadre of Technical Advisors. The general secretary reported on the Cadre’s efforts to support Rotary Grants during 2016–17 and noted that the Cadre completed 212 assignments—including 124 site visits and 88 desk reviews—and evaluated Foundation grants valued at over US$14.7 million in total project funding. The Cadre also reported on planned activity for the 2017–18 Rotary year, including an RI-USAID H2O partnership and training in conjunction with the conventions in Toronto, Canada, and Hamburg, Germany.

DECISION: The Trustees

1. thank the Rotary Foundation Cadre of Technical Advisers for its report;

2. approve a 2017–18 budget variance of US$6,000 to fund cadre training at the 2017 RI (Toronto) Convention.

49. Investment Committee Report

Statement: The Investment Committee met on 15 August 2017 via webinar and discussed an update on portfolio transitions for the annual fund, endowment fund, and the RI portfolio, and an update on investment performance as of 30 June 2017, among other topics.

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

50. Audit Committee Report: Independent Audited Financial Statements

Statement: The Audit Committee met on 12–13 September 2017 in Evanston, IL, USA, and discussed recently completed audits, a review of RI and Foundation draft 2017 audited financial statements, a summary of open management action plans, a status report of the 2017–18 internal audit plan and time expended, a proposed enactment to the 2019 Council on Legislation, and the distribution of auditing services reports, among other topics.

DECISION: The Trustees, subject to review and recommendation by the Audit Committee at its October 2017 meeting,

1. accept the preliminary, draft audited financial statements and report on The Rotary Foundation’s financial results for 2016–17, dated 8 September 2017, as presented to the Trustees in Appendix I, filed only with the official copy of these minutes;

2. request the general secretary to publish an annual report in accordance with the RI Bylaws;

3. reaffirm their decision 160, June 2017, to note the appointment of Deloitte to audit The Rotary Foundation’s financial statements for fiscal year 2017–18;

4. reaffirm their policy on unrestricted major gifts found in Rotary Foundation Code of Policies section 20.050.2.

51. District Designated Fund Use Review Working Group Update

Statement: In decision 134, April 2017, the Trustees requested their chairman to appoint a working group of Rotary leaders to analyze the cause of accumulating, unused district designated fund balances and to determine how to better facilitate district designated
funds use. The Programs Committee evaluated the findings of the working group, and reported on several solutions to reducing district designated fund balances.

**DECISION:** The Trustees

1. note that accumulated, unused district designated funds (DDF) in some districts do not meet donor expectations for spending contributions on Foundation programs;

2. noting that DDF accumulation in some districts has occurred for different reasons, requests the general secretary to
   a. work with individual trustees and directors to customize an outreach plan to those districts with the highest balances, and report on the results of this outreach effort at the April 2018 Trustees meeting;
   b. work with Rotary clubs and districts to use DDF for Foundation programs annually and eliminate any currently existing balances as soon as possible;
   c. provide quarterly figures on DDF rollover to trustees and directors for their zones and ensure that these quarterly reports follow a consistent format;
   d. examine ways in which RI’s international offices can be involved in keeping districts advised of rollover DDF and act as a clearing house for available international projects and partners;
   e. advise governors-elect at the International Assembly that their initial DDF amount based on giving three years prior may be increased by any rollover of previously unspent funds, and that they will be advised of this amount;
   f. include training on DDF rollover to the regional Rotary Foundation coordinators at their annual training and arrange for them to receive quarterly updates for the zones they represent.

52. **Directors Appointments to Rotary Foundation Australia Limited**

**Statement:** The Rotary Foundation is responsible for appointing directors to The Rotary Foundation Australia Limited. Currently, two of the nine directors’ terms expire on 30 June 2018. The Trustees considered recommendations to fill these vacancies.

**DECISION:** The Trustees

1. appoint Rotarian Ronald Gary Geary as a director of Rotary Foundation Australia Limited to serve a three-year term commencing on 1 July 2018 through 30 June 2021;

2. appoint Rotarian Anthony Castley as a director of Rotary Foundation Australia Limited to serve a three-year term commencing on 1 July 2018 through 30 June 2021.

53. **Finance Committee Report**

**Statement:** The Finance Committee met on 18 September 2017 in Evanston, IL, USA, and discussed the five-year forecast update and an update on associate foundations, among other topics.

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

*****

2017–18 Budget Review

- There were no modifications to The Rotary Foundation’s 2017–18 budget.

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<th>Revenue Item</th>
<th>Amount</th>
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<td>Revenues</td>
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<td>Program Awards</td>
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- 2017–18 budget variances:

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<td>September 2017 meeting</td>
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<td>Total 2017–18 Board meeting expense</td>
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<td>Total 2017–18 change in net assets</td>
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<td>Including variances</td>
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• Decisions taken at this meeting, impacting future years:

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<td>5,800,000</td>
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<td><strong>Program Awards</strong></td>
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<tr>
<td>Dec. 44 Resource Part. Opportunity:</td>
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<tr>
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<td><strong>4,800,200</strong></td>
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**Adjournment**

The foregoing is a true record of the proceedings at the second meeting of the 2017–18 Rotary Foundation Trustees held on 18–21 September 2017 in Evanston, IL, USA.

Paul A. Netzel, Chairman
The Rotary Foundation

Andrew McDonald
Secretary of the Meeting

**ATTEST:**

John Hewko
General Secretary
APPENDIX A

SUMMARY OF DECISIONS TAKEN ON BEHALF OF THE TRUSTEES

(Decision 9)

Exhibit A-2-a: Citation for Meritorious Service Awards
- 39 award recipients.

Exhibit 2-b: TRF Cadre of Technical Advisers
- The cadre reviewed 58 grants, including 16 technical reviews, two advance site visits, four random audits, two routine audits, 15 stewardship assessments, and 19 interim monitoring visits.

Exhibit 2-c: PolioPlus Partner Grants
- US$300,000 of PolioPlus Partners funds for the 2016–17 Benin polio social mobilization activities;
- $28,128 of PolioPlus Partners funds for the 2017–18 Nepal polio social mobilization activities;
- Up to $224,936 of PolioPlus Partners funds for the 2017–18 Afghanistan polio social mobilization and administrative activities;
- Up to $150,000 of PolioPlus Partners funds for the 2017–18 India polio social mobilization and administrative activities;
- Up to $503,815 of PolioPlus Partners funds for the 2017–18 Nigeria polio social mobilization and administrative activities;
- Up to $743,620 of PolioPlus Partners funds for the 2017–18 Pakistan polio social mobilization and administrative activities.

Exhibit 2-d: Foundation Programs
- 379 global grants awarded for a total of $20,862,055 in World Fund;
- 127 district grants awarded for a total of $9,036,058 in DDF.

Exhibit 2-e: Waivers
- **Districts/Clubs:** Rotary Clubs of Rotario Madrid Velázquez Prado, Spain (District 2201) and Chicago, Illinois, USA (District 6450)
  - **Decision:** Despite repeated requests from the Foundation and District 2201, the host Rotary club refused to issue Mr. Minnaar’s final scholarship payment, arguing that he had not sufficiently participated in a project in South Africa. The Foundation therefore issued the payment a second time directly to the scholar, using funds from the World Fund and asked the host club to return the payment it received directly to the Foundation. Trustee policy requires the approval of both grant sponsors before increasing an award. Understanding that the host club would not offer its approval, this requirement was waved.

- **District:** 4380, Venezuela
  - **Decision:** In decision 67, September 2016, the Board took a decision in response to the Venezuelan currency crisis to permit the two Venezuelan districts to use their existing district designated funds as a quasi-district grant. The decision specified that the districts had until 30 June to apply for the funds. Both Districts 4370 and 4380 were notified accordingly. Reminders about the application deadline were sent, and District 4380 belatedly expressed interest in applying for the funds but noted that they could not make the deadline. Given the difficulties both districts have had, an extension of the deadline was granted for District 4380 to 31 July 2017, with final reporting due by 31 December 2017. District 4370 did not express interest in applying for the funds.
APPENDIX H

AMENDMENTS TO THE ROTARY FOUNDATION CODE OF POLICIES REGARDING STRATEGIC AND RESOURCE PARTNERS
(Decision 43)

4.020. Strategic Partners
A strategic partnership is a formal relationship between Rotary International and/or The Rotary Foundation and another organization, such as a nongovernmental organization, government agency, charitable foundation corporation, or university, to facilitate Rotary club or district projects. Strategic partnerships are large scale, multiyear programmatic relationships, in support of the strategic plan and for which both entities provide substantial financial resources, technical expertise/resources, advocacy, or a combination thereof.

4.020.1. Strategic Partner Proposals
The general secretary is authorized to solicit potential strategic partners. Proposals must relate specifically to either the areas of focus or the RI Strategic Plan.

4.020.2. Review and Approval of New Strategic Partners
Proposals for new strategic partners must be approved by both the RI Board of Directors and The Rotary Foundation Trustees, or by the executive committees of both Boards acting on their behalf.

4.030. Resource Partners
A resource partnership is a formal relationship between Rotary International and/or The Rotary Foundation and another available as recognition to organizations such as a (nongovernmental organization, government agency, charitable foundation, corporation, or university) that provides a short-term (less than 3 years) allocation of resources, including financial, in-kind, human, and technical resources, to support Rotary club or district projects or events through either Rotary International or The Rotary Foundation projects or events. Organizations may make contributions without seeking status as a resource partner.

4.030.1. Resource Partner Proposals
The general secretary is authorized to solicit other organizations that would have the capacity and interest to be resource partners for either Rotary International or The Rotary Foundation. The general secretary will provide regular updates to the Board and Trustees on these efforts.

4.030.2. Review and Approval of Resource Partners
Proposals for resource partners must be approved by the general secretary where the total value of the contributions by the resource partner is not more than US$1 million. Proposals for resource partners where the total value of contributions is greater than US$1 million may be approved by the general secretary with the additional approval of the Joint Committee on Partnerships. A full report of any approval of a resource partner shall be provided to executive committees of both the RI Board of Directors and The Rotary Foundation Trustees.
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