
MINUTES

of the

JANUARY 2008 MEETING

of

THE TRUSTEES

of

THE ROTARY FOUNDATION

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DATE AND PLACE

The Trustees of The Rotary Foundation of Rotary International met on 12-13 January 2008 in San Diego, California, USA.

ATTENDANCE

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

The Trustees regretted the inability of Trustee Louis Piconi to attend the meeting.

Also present were RI Director Monty J. Audenart; Rotary Foundation General Manager John Osterlund; Chief Financial Officer Peter DeBerge; Membership Services General Manager Theresa Nissen; Communications Services General Manager Kathy Kessenich; Corporate Services Manager Andrew G. McDonald; Corporate Services Associate Manager Alice Baehler, who served as secretary of the meeting; Fund Development Manager Eric Schmelling; Educational Programs Manager Harvey Newcomb III; Humanitarian Grants Manager James Robinson; Administration and Operations Manager Michael Magusin; PolioPlus Manager Carol Pandak; General Counsel Steven Routburg; Controller Geoff Woie.

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.

71. Minutes of the October 2007 Meeting

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

DECISION: The Trustees

1. correct point 3 of decision 28 as follows:
 3. note that the proposed grant structure for the future is focused on the strategies and vision of The Rotary Foundation to be fully implemented in 2012-~~13~~23;
2. correct point 2 of decision 29 as follows:
 2. note that the proposed alliance/partner model for the future is focused on the strategies strategy and vision of The Rotary Foundation, to be fully implemented in 2012-13;
3. approve the minutes of the October 2007 meeting as corrected and request the chairman to sign the official copy of these minutes.

72. Decisions Taken on Behalf of the Trustees

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

DECISION: The Trustees ratify the decisions as summarized in Appendix A, the complete copy of which is filed only with the official copy of these minutes, taken on their behalf between 15 September and 31 December 2007 by those authorized to do so.

73. Report of the General Secretary

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

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

74. Report of The Rotary Foundation General Manager

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

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

75. Communications from the RI Directors

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

DECISION: The Trustees

1. note the following decisions from the November 2007 meeting of the RI Board of Directors:
 29. Communications from the Trustees
 30. Communications from the Trustees – Future Vision Committee Decisions
 33. Appointment of Foundation Trustees
 37. Joint Committee Report
 39. Priorities and Goals Implementation Plan
 44. Election Complaint Pilot Project
 46. Trustee Chair Input for General Secretary Evaluation
 48. RI Protocol
 49. RI and Religion
 57. Proposed Resolutions 07-71, 07-73, and 07-79: Corporate Projects and Campaigns
 70. Review of Existing and Proposed Cooperative Relationships with Other Organizations
 72. WCS Projects Exchange
 85. 2015 and 2016 RI Convention Site Selection
 99. Club Termination for Overdue Grant Reporting
 126. Modifications to the Administrative Services Agreement between Rotary International and The Rotary Foundation
 128. Possible Amendments to the RI Travel Policy
 130. Potential Bill and Melinda Gates Foundation Grant and Google.org Grant
2. approve the amendments to *Rotary Code of Policies* section 35.010.2. clarifying exclusionary criteria for cooperative relationships and amend accordingly *The Rotary Foundation Code of Policies* section 1.060.1.3.;
3. express their appreciation to the RI Board for agreeing that directors, trustees, and past presidents may, on an exception basis, designate their preferred airline, routing, and specific time of travel when booking through RITS, and note that the Board will review this matter again at its June 2008 meeting;

4. thank the RI Board for accepting the terms of the Bill and Melinda Gates Foundation and the Google.org challenge grants and for endorsing the conceptual plans to raise the matching funds, as previously approved by the Trustees;
5. thank the RI Board for its endorsement of the proposed TRF grant structure and the strategic cooperative relationships model for the future;
6. express their thanks to Director Audenart for his report and for his service as liaison from the RI Board of Directors.

76. Tentative Future Agenda

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

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

77. Updates to The Rotary Foundation Code of Policies

Statement: The Rotary Foundation Code of Policies section 2.040.6. requests the general secretary, at the conclusion of each Trustees' 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*. Accordingly, the general secretary provided suggested amendments to the *Foundation Code* based upon decisions taken at the October 2007 Trustees' meeting.

DECISION: The Trustees, to record the decisions that they have taken previously, amend *The Rotary Foundation Code of Policies* as shown in Appendix B, filed only with the official copy of these minutes.

78. Miscellaneous Communication

Statement: The Trustees reviewed a communication from the Rotary Club of Summerland, British Columbia, Canada (District 5060) requesting the Trustees to minimize the prohibition of Rotarian offspring eligible for program awards.

DECISION: The Trustees request the general secretary to follow through on the miscellaneous communication received at this meeting in accordance with discussion at this meeting.

79. Report of the Joint Committee of Directors and Trustees

Statement: The Joint Committee of Directors and Trustees met on 27 October 2007, in Evanston, Illinois, USA. The committee discussed, among other topics, a presentation from the general secretary on the possibility of transferring the administration of the current TRF programs to RI. Under this model, TRF would provide the necessary funding for such programs on the request of the Board.

DECISION: The Trustees

1. receive the minutes of the Joint Committee of Directors and Trustees and note the decisions made by the committee;
2. request the general secretary to work with the RI president and Trustee chairman to develop a process to review concepts for the future administration of TRF programs as introduced at the Joint Committee meeting, for report to the Trustees at their April 2008 meeting.

80. Selection of 2007-08 Recipients of Distinguished Service Award

Statement: Each year the Trustees recognize up to fifty Rotarians worldwide for their outstanding efforts on behalf of The Rotary Foundation with the Distinguished Service Award. *The Rotary Foundation Code of Policies* section 16.050.5. requires the chairman to annually appoint a committee of trustees to meet during their January/February meeting to review the nominations for the Distinguished Service Award. The committee met on 11 January 2008 in San Diego, California, USA, and selected 42 recipients for the Distinguished Service Award. The committee also recommended revising the eligibility criteria for this award.

DECISION: The Trustees

1. select the individuals shown in Appendix C, filed only with the official copy of these minutes, recommended by the Distinguished Service Award Selection Committee, for receipt of the Distinguished Service Award;
2. revise *The Rotary Foundation Code of Policies* section 16.050.5.4., "Ineligible Rotarians," as follows:

If a person has received the Distinguished Service Award, he or she is not eligible to receive the same award again. Current and incoming Trustees of The Rotary Foundation, current and incoming Directors of RI, current and incoming district governors, and current and incoming Regional Rotary Foundation Coordinators, are not eligible to receive this award.

81. Report of the Global Alumni Service to Humanity Award Selection Committee

Statement: The Rotary Foundation Code of Policies section 13.030.3. describes the procedures for selecting the recipient of the Global Alumni Service to Humanity Award. The process calls for half of the zones to provide the names of the zone-level recipients to the Trustee selection committee, and the Trustee committee to select one worldwide recipient of the award. The committee met on 11 January 2008 in San Diego, California, USA, and reviewed detailed information on each of the candidates. The committee also recommended amending *The Rotary Foundation Code of Policies* to remove inconsistent language in the selection criteria for this award.

DECISION: The Trustees

1. select the individuals recommended by the selection committee as the recipient and alternate recipient of The Rotary Foundation Global Alumni Service to Humanity Award, as shown in Appendix D, filed only with the official copy of these minutes;
2. request the general secretary to notify the award recipient and confirm the recipient's commitment to receive the award at the 2008 (Los Angeles) Convention;
3. authorize the general secretary, on behalf of the Trustees, to designate the alternate as the award recipient if the principal award recipient cannot make the commitment to receive the award at the RI Convention and provided that the alternate confirms his/her commitment to receive the award at the 2008 (Los Angeles) Convention;
4. request the RI Board and RI president to consider presenting the Global Alumni Service to Humanity Award at a convention plenary session at future conventions subsequent to Los Angeles;

5. amend *The Rotary Foundation Code of Policies* as follows to remove inconsistent language in the selection criteria for this award:

13.030. Rotary Foundation Global Alumni Service to Humanity Award

The purpose of The Rotary Foundation Global Alumni Service to Humanity Award is to honor an outstanding former Foundation program participant and to help publicize the social benefits of the Foundation's programs. For the Award, Rotarians should consider individuals whose service activities and professional achievement are of an extraordinary nature. The ideal candidate's service and professional career would go beyond the local community to touch the lives of people at the ~~national~~ or international level.

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

Statement: In decision 21, October 2007, the Trustees reviewed the request to establish a second associate foundation in Germany, referred to as the *Deutsche Rotarische Stiftung* (German Rotary Stiftung – DFS). The Trustee decision “acknowledged the efforts of German Rotarians towards developing a permanent fund through DRS” and took special note that the founders of DRS had reviewed and agreed to adopt TRF's major policies regarding preservation of principal, inter-generational equity, and stability. The Trustees then requested the general secretary and founders to review five questions, for report to the Trustees at this meeting.

DECISION: The Trustees thank the general secretary for his report, and look forward to an updated report at their June 2008 meeting.

83. Report from Permanent Fund Committees

Statement: Permanent Fund Committees for Europe and RIBI, India, Japan, South America, and Taiwan, Macau and Hong Kong met during the first six months of the Rotary year. The Trustees reviewed a summary of the observations and suggestions from these Permanent Fund committees.

DECISION: The Trustees

1. thank the general secretary for the report on the Permanent Fund Committees;

2. request their Fund Development Committee to further review the observations and suggestions of the various Permanent Fund Committees, for report to the Trustees' April 2008 meeting.

84. Review of Foundation Contribution Reporting to Club and District Leaders

Statement: In decision 137, April 2006, the Trustees thanked the general secretary for developing a contribution report to supplement the Club Recognition Summary (CRS) providing club, district and zone leaders with the personal giving history of Rotarian donors in their clubs and districts. The general secretary reported that he was in the process of improving the current CRS report to include last gift date and last gift designation by donor, to be available electronically to authorized club, district and zone leaders by the beginning of 2008-09.

DECISION: The Trustees

1. thank the general secretary for the status report on contribution reporting to club and district leaders;
2. note that the general secretary will be modifying club recognition summaries to provide last gift date and last gift designation information by donor;
3. reaffirm their decision 137, April 2006.

85. Countess Fore Archer Bequest

Statement: In January 2002, The Rotary Foundation received a bequest from the estate of Countess Fore Archer, the widow of a Rotarian in Lubbock, Texas, USA. Twenty percent of Mrs. Archer's final estate was directed to The Rotary Foundation of Rotary International for the use and benefit of the Rotary Club of Lubbock, Texas. Since April 2007, the general secretary had offered several options for properly administering the estate to a committee of the Lubbock Rotary Club, which claimed that TRF had not properly administered the Archer bequest.

DECISION: The Trustees request the general secretary to commence legal proceedings with the appropriate court with jurisdiction over the will of Countess Fore Archer to obtain instructions for the disposition of the bequest of Countess Fore Archer, in accordance with the discussion at this meeting.

86. Foreign Contribution Regulation Act (FCRA) in India

Statement: The Foreign Contribution Regulation Act (FCRA) in India regulates the acceptance and utilization of foreign-source contributions by societies and associations in India. Per the Act, grant recipients such as Rotary clubs and districts that receive funds from outside India must be registered. For the last four years, a waiver of the registration requirements had been obtained by Rotary Foundation (India) on behalf of clubs and districts in India. However, there were ongoing concerns about the impact of administering and reporting on funds transferred to clubs as part of the waiver and as a result of his recent visit to India, Chairman Scott requested this matter be considered by the Trustees at this meeting.

DECISION: The Trustees

1. thank Past RI President Saboo and Past RI Director Agarwal for their efforts to obtain from the Government of India a waiver from the Foreign Contribution Regulation Act (FCRA) registration requirements for Rotary clubs and districts until March 2009;
2. recognize that maintaining compliance with Government of India laws is a critical part of the fiduciary responsibility of TRF and Rotary Foundation (India) (RF[I]) to maintain their charitable tax status in India;
3. request the India National PolioPlus Society to continue to pursue completion of the registration requirements as mandated by FCRA;
4. request the general secretary to report at their April 2008 meeting on a plan for clubs and districts in India to become compliant with the FCRA requirements with the understanding that neither TRF nor RF(I) will have responsibility for completing the application process for clubs and districts.

87. Competitive Matching Grant

Statement: Matching Grant requests of at least US\$25,001 must be reviewed by the Trustees on a competitive basis. In decision 41, October 2007, the Trustees deferred consideration of Matching Grant #64283 to this meeting due to an error regarding the advance site visit. A visit to the site in December 2007 raised new concerns about the project.

DECISION: The Trustees defer consideration of Matching Grant #64283 to the April 2008 Trustees' meeting.

DECISIONS 88-94

International PolioPlus Committee Report

The International PolioPlus Committee met in San Diego, California, USA on 9-10 January 2008 and made several recommendations to the Trustees.

88. Sustaining Motivation in the Global Polio Eradication Initiative

Statement: The Global Polio Eradication Initiative has operated for over 20 years with tremendous progress. However, the length of the initiative also brings challenges in sustaining motivation for polio eradication. The International PolioPlus Committee (IPPC) recommended opportunities to motivate continued support by Rotarians in achieving the goals of the PolioPlus program.

DECISION: The Trustees agree to promote the following opportunities that are designed to motivate the continued interest, support and participation of Rotarians in achieving the objectives of the PolioPlus program as follows:

1. Club Level
 - a. establish each year a Club PolioPlus Committee and provide for its continuity;
 - b. participate in the Gates Foundation challenge grant through a fundraising program involving members, the general public, Interact and Rotaract, and others;
 - c. include PolioPlus in local public relations activities;
2. District Level
 - a. establish a District PolioPlus Committee;
 - b. include a PolioPlus report during the governor's official visit to clubs;
 - c. establish a district-level program recognizing outstanding service to PolioPlus;
 - d. consider contributions to PolioPlus from District Designated Funds (DDF);
 - e. plan a PolioPlus presentation for the district conference and district assembly;
 - f. include PolioPlus in President-elect Training Seminars (PETS);

3. International Level
 - a. include PolioPlus presentations at the International Convention, International Assembly, Past Officers' Reunion, and Rotary Institutes;
 - b. include PolioPlus goals in the RI president's program and the TRF chairman's goals;
4. Activities Especially for Polio-Endemic Countries
 - a. through PolioPlus Partners grants, fund national and district programs to recognize government health workers;
 - b. attract, train, recognize and reward volunteers;
 - c. promote occasional rallies to celebrate progress;
 - d. ensure Rotary involvement in national and local immunization planning and policy groups;
 - e. support incentive programs designed to raise levels of immunization coverage;
5. Communications
 - a. continue regular PolioPlus feature articles in *The Rotarian* and regional magazines;
 - b. update and issue PolioPlus program guides for club and district committees;
 - c. provide annually to each club, in DVD format, a documentary-type report, suitable for use as a district program;
 - d. regularly update PolioPlus-related information on the RI Web site.

89. PolioPlus Partners Update

Statement: PolioPlus Partners continues to receive project requests from National PolioPlus Committees in polio-endemic, importation, and high-risk countries. The PolioPlus Partners Task Force requested the Trustees to emphasize PolioPlus Partners as the highest priority program in the annual appeal to district governors for District Designated Funds (DDF). They also requested a match of US\$0.50 for every US\$1 of DDF contributed to PolioPlus Partners through 2007-08.

In view of the fundraising required to match the US\$100 million Gates Challenge grant, the task force requested a fundraising deferral for PolioPlus Partners for three years beginning 1 July 2008, that the PolioPlus Partners program would be funded from the PolioPlus Fund, and that PolioPlus Partners be deleted as a contribution option from relevant publications and the RI Web site.

DECISION: The Trustees

1. authorize a transfer of US\$500,000 from the World Fund to the PolioPlus Fund for PolioPlus Partners matching funds to match US\$.50 for every US\$1.00 of new cash and District Designated Funds (DDF) contributions, through 2007-08. This is in addition to the current matching opportunity for new cash and DDF contributions, utilizing US\$1.5 million from the PolioPlus Fund and World Fund;
2. request the RI Board to approve the above US\$500,000 transfer from the World Fund to the PolioPlus Fund;
3. authorize an increase in the 2007-08 PolioPlus budget of US\$500,000 based on the above transfer from the World Fund to the PolioPlus Fund for PolioPlus Partners matching funds for 2007-08, and request the RI Board to approve this budget increase;
4. recognize the critical funding needs for the PolioPlus Partners program and agree that PolioPlus Partners shall be listed as the highest priority program to be included in the end-of-year appeal to 2007-08 district governors for DDF;
5. agree to defer fundraising for the PolioPlus Partners program for three years, beginning 1 July 2008, in order to concentrate on matching the US\$100 million Gates Challenge grant;
6. reaffirm that effective 1 July 2008 through 30 June 2011, PolioPlus Partners projects will be funded from the PolioPlus Fund, up to US\$5 million per year, to continue support of the social mobilization and surveillance activities of National PolioPlus Committees in polio-endemic, high-risk and importation countries;
7. agree that any contribution received by the PolioPlus Partners program, effective 1 July 2008, shall be recorded as contributions to the PolioPlus Fund;
8. agree that any 2007-08 funds remaining in the PolioPlus Partners program fund after 30 June 2008, shall be used to fund new projects submitted by National PolioPlus Committees for payment in 2008-09;
9. request the general secretary to delete PolioPlus Partners as a contribution option from relevant publications and the RI Web site, effective 1 July 2008;

10. thank the PolioPlus Partners Task Force for their successful fundraising thus far, and recommend that the International PolioPlus Challenge Committee utilize the PolioPlus Partners Task Force to provide support to the Gates Foundation Challenge grant fundraising effort;
11. agree to evaluate the need to reinstate fundraising for the PolioPlus Partners program following the Gates Challenge grant matching period;
12. request the general secretary to maintain appropriate Secretariat staff to support national and regional PolioPlus committees and PolioPlus Partners project administration.

90. Revised PolioPlus 2007-08 Program Awards Budget

Statement: At their October 2007 meeting, the Trustees requested the general secretary to recommend any necessary changes to the 2007-08 program awards budget upon finalization of the agreement with the Bill and Melinda Gates Foundation.

DECISION: The Trustees agree to revise the PolioPlus 2007-08 program awards budget to US\$92 million, and request the RI Board to approve this increase.

91. 2007-08 Service Awards for a Polio-Free World

Statement: The Rotary Foundation Code of Policies section 16.050.2. provides criteria and guidelines for international and regional service awards to honor Rotarians who have contributed active personal service towards the goal of polio eradication. Nominations for the 2007-08 awards were presented to the International PolioPlus Committee for review. Recipients of the International Service Awards for a Polio-Free World must be approved by the Trustees.

DECISION: The Trustees select the following six Rotarians to receive the International Service Award for a Polio-Free World: Dee C. Boswell, Luis Vicente Giay, Rudolf Hilker, Deepak Kapur, Stan Socha, and Ezra Teshome.

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

Statement: The World Health Organization/African Regional Office (WHO/AFRO) and UNICEF requested grants for operational support in several countries in Africa.

DECISION: The Trustees

1. approve a PolioPlus grant of up to US\$3,650,000 to UNICEF for operational support in Nigeria, this grant to be released in accordance with Trustee policies;
2. approve a PolioPlus grant of up to US\$5,200,000 to WHO for operational support in the following countries:

- Chad US\$2,100,000
- DR Congo US\$1,650,000
- Niger US\$1,450,000

this grant to be released in accordance with Trustee policies;

3. approve a PolioPlus grant of up to US\$10,250,000 to WHO African Regional Office for surveillance activities, 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 which must be fully expended by 31 March 2009, 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:
 - Nigeria from US\$51,387,677 to US\$55,037,677
 - Chad from US\$1,435,977 to US\$3,535,977
 - DR Congo from US\$11,704,842 to US\$13,354,842
 - WHO African Regional Office from US\$89,485,307 to US\$99,735,307
 - Niger from US\$5,085,518 to US\$6,535,518

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

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

DECISION: The Trustees

1. approve a PolioPlus grant of up to US\$5,900,000 to WHO for operational support in the following countries:
 - Somalia US\$1,000,000
 - Sudan US\$1,800,000
 - Pakistan US\$3,100,000

this grant to be released in accordance with Trustee policies;

2. approve a PolioPlus grant of up to US\$3,250,000 to WHO/EMRO for technical support in the region, this grant to be released in accordance with Trustee policies;
3. approve a PolioPlus grant of up to US\$1,600,000 to WHO/EMRO for surveillance activities in the region, this grant to be released in accordance with Trustee policies;
4. approve a PolioPlus grant of up to US\$2,250,000 to UNICEF for operational support in Afghanistan, this grant to be released in accordance with Trustee policies;
5. approve a PolioPlus grant of up to US\$2,250,000 to UNICEF to support social mobilization activities in Pakistan, 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 which must be fully expended by 31 March 2009, 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:

- Somalia from US\$6,923,695 to US\$7,923,695
- Sudan from US\$10,400,210 to US\$12,200,210
- Afghanistan from US\$14,932,027 to US\$17,182,027
- Pakistan from US\$35,752,830 to US\$41,102,830
- WHO Eastern Mediterranean Regional Office from US\$17,230,320 to US\$22,080,320

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

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

DECISION: The Trustees

1. approve a PolioPlus grant of up to US\$3,000,000 to UNICEF for social mobilization activities in India, this grant to be released in accordance with Trustee policies;
2. approve a PolioPlus grant of up to US\$2,650,000 to WHO for operational support in India, this grant to be released in accordance with Trustee policies;
3. authorize the general secretary to execute agreement letters with UNICEF and WHO to convey the funds on a scheduled basis. UNICEF and WHO will apply the funds to appropriate projects under such controls and conditions as the agreement specifies;
4. note that these are one-year grants which must be fully expended by 31 March 2009, or one year after the transfer of funds to the grantee, whichever comes later;
5. note that these grants, if fully expended, will bring the total PolioPlus grants to India from US\$68,678,277 to US\$74,328,277.

95. Report of the Scholarships Fund Pool for Low-Income Countries Selection Committee

Statement: The Rotary Foundation Code of Policies section 8.010.6. provides for the Scholarships Fund Pool for Low-Income Countries as a permanent funding scheme of the Ambassadorial Scholarships Program. The Scholarships Fund Pool for Low Income Countries Selection Committee met 13-15 November 2007 in Evanston, Illinois, USA, and selected 27 scholarship finalists and four alternate candidates. The committee also expressed its concern at the number of awardees who do not return to their home country upon completion of the scholarship.

DECISION: The Trustees

1. thank the Scholarships Fund Pool for Low-Income Countries Selection Committee for its report, including the list of twenty-seven Ambassadorial Scholarship finalists and four alternate candidates;
2. require that the committee be composed of seven members (including one liaison trustee as a full working member of the committee) and two alternate members in the event of cancellations or higher than historical number of applications submitted;
3. require scholarship finalists to sign an "Agreement to Return Home Form" at the commencement of their studies;
4. agree, in those cases when the scholarship recipient's primary study institution assignment preference is not approved, to consider without any prejudice the applicant's field of study and list of other preferred study institution assignments as included in their application form when deciding the scholarship recipient's assigned study institution.

96. Foundation Alumni Events at Future Conventions

Statement: In decision 54, October 2007, the Trustees received the report of the Foundation's first Alumni Advisory Committee and its proposed plans for the inaugural Rotary Alumni Celebration to be held at the 2008 (Los Angeles) RI Convention. Also at their October 2007 meeting, the Trustees reconfirmed plans for a second Rotary Alumni Celebration to be held at the 2009 (Birmingham) RI Convention. The Trustees requested a progress report at this meeting.

DECISION: The Trustees

1. receive the general secretary's report on Foundation alumni events at future conventions;
2. look with favor on the plans for alumni events developed thus far;
3. encourage the chairmen of Rotary alumni celebrations to identify ways in which registrants of International Institutes (2008, 2009, and 2010 conventions) and the Rotary World Peace Symposium (2009) can also be involved in Rotary alumni celebrations;
4. request the general secretary to provide a report on these alumni events at their April 2008 meeting.

97. Improper Conduct by Current or Past Officers

Statement: Section 29.070. of the *Rotary Code of Policies* provides that if an allegation of wrong-doing or claim of improper conduct is received by any officer, member of the Board or the general secretary, it must be referred to the RI president. At the October 2006 Stewardship Committee meeting, the general secretary was requested to identify current or past officers of RI against whom documented allegations or claims of improper conduct with respect to the programs or activities of the Foundation have been received. The Trustees recommended that the general secretary share his bi-annual report with the RI president following their review of such report.

DECISION: The Trustees

1. thank the general secretary for his report regarding improper conduct by current or past officers of RI with respect to the programs and activities of The Rotary Foundation;
2. refer to the RI president the information in the general secretary's report;
3. note the Stewardship Committee's action pursuant to *The Rotary Foundation Code of Policies* section 10.030.6.2., *Sanctions for Failure to Comply with Foundation Reporting Requirements or Stewardship Guidelines or Misuse or Mismanagement of Foundation Grant Funds*.

98. Report of RI/TRF Allocations Committee

Statement: *The Rotary Foundation Code of Policies* section 21.010. provides that each year the president and trustee chairman shall each appoint two members of their respective boards to a joint committee of directors and trustees that will review and recommend to the Board and the Trustees any changes required to RI's methodology and allocation of costs to the Foundation. This annual meeting was held in Evanston, Illinois, USA, on 27 October 2007. At its November 2007 meeting, the Board approved the recommendations of this committee. A trustee suggested that a less frequent review of allocations might help simplify the process.

DECISION: The Trustees

1. modify the Administrative Services Agreement between Rotary International and The Rotary Foundation beginning in 2007-08 as follows:
 - a. allocate the Publications Editorial Department expenses using the Headcount Ratio method;
 - b. allocate the expenses of the Rotary International Administrative Services Office (RIASO), Pune, India, using the Headcount Ratio method;
 - c. allocate the Strategic Planning Division expenses using the count method;
2. approve a budget variance of approximately US\$172,000 from the increase in the allocation for point 1.c., above;
3. request the general secretary to review and consider modifications to the allocation methods used for the Public Relations Division and Information Services expenses beginning in 2008-09;
4. request the general secretary to recommend a procedure for the allocation of expenses between RI and TRF to permit such allocation to be effective for the entire three-year duration of future agreements, for report to the Trustees prior to the implementation of the next agreement.

99. Proposal for a Stand-Alone Audit Committee

Statement: In decision 66, October 2007, the Trustees requested the general secretary to recommend a structure

for a stand-alone audit committee, for report to the Trustees at this meeting.

DECISION: The Trustees

1. receive the general secretary's report regarding a recommended structure for a stand-alone TRF audit committee;
2. authorize the TRF Finance (Audit) Committee to meet for an additional day during its April 2008 meeting to receive an orientation on typical roles and responsibilities of audit committees and to further discuss potential TRF audit committee responsibilities and structure;
3. request the RI Board of Directors to authorize a joint meeting of the TRF Finance (Audit) Committee and RI Audit Committee in advance of the June 2008 meetings of the RI Board and TRF Trustees;
4. authorize a 2007-08 budget variance of US\$13,000 for the members of the TRF Finance Committee to meet jointly with the RI Audit Committee in advance of the June 2008 Board and Trustees' meetings;
5. request the general secretary to report to the Trustees on this matter at their June 2008 meeting.

100. Future Funding Plans for PolioPlus

Statement: During their June 2007 meeting, the Trustees noted that fiscal 2007 investment returns were likely to be significantly higher than budget. In decision 176, point 4, the Trustees requested their Finance Committee to consider the feasibility of allocating a significant amount of the investment earnings to the PolioPlus Fund, for report to the Trustees at their October 2007 meeting. In decision 69, October 2007, the Trustees deferred consideration of decision 176, point 4, to this meeting.

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

101. Budget Modifications

Statement: The Trustees approved several modifications to the 2007-08 budget during the course of this meeting.

DECISION: The Trustees

1. approve modifications to the 2007-08 budget as indicated below:

2007-08 Budget Revenues	US\$181,801,000
89 & 90. Report of the IPPC	<u>108,500,000</u>
Total Revenues	290,301,000

2007-08 Budget Expenses	
Program Awards	104,635,300
90. Report of the IPPC	<u>83,000,000</u>
Total Program Awards	187,635,300

Program Operations	22,022,500
Fund Development	14,986,000
General Administration	<u>6,558,500</u>
Total Expenses	231,197,300

Change in Net Assets	<u>US\$59,103,700</u>
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2. approve budget variances for 2007-08 as indicated below:

April 2007 meeting	19,700
June 2007 meeting	103,500
October 2007 meeting	35,700
January 2008 meeting	
98. Report of the RI/TRF Allocations Committee	172,000
99. Proposal for Stand-Alone Audit Committee	13,000

Total Variances 2007-08	<u>US\$343,900</u>
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3. note items with 2008-09 budget impact as indicated below:

October 2007 meeting	
FVC Report – Associate Foundations (Admin.)	24,000
Rotary Centers Committee Report (Awards)	2,276,500
Allegations and Litigation Report (Operations)	14,900
Humanitarian Grants Technical Coordinators Report (Oper.)	<u>14,100</u>

Total Budget Impact 2008-09	<u>US\$2,329,500</u>
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ADJOURNMENT

The foregoing is a true record of the proceedings of the meeting of the Trustees of The Rotary Foundation of Rotary International held 12-13 January 2008 in San Diego, California, USA.

Robert S. Scott, Chairman
The Rotary Foundation

Alice Baehler
Secretary of the Meeting

ATTEST:

Ed Futa
General Secretary

APPENDIX A

Summary of Decisions Taken on Behalf of the Trustees (Decision 72)

- Exhibit a – Citation for Meritorious Service Awards
Twenty-one recipients in eight countries.
- Exhibit b – PolioPlus Grants Approved by the Trustee chairman
Eight PolioPlus Partners Matching Funds grants and one administrative grant for a total of US\$750,688.02.
- Exhibit c – Ambassadorial Scholarships, Grants for University Teachers Awards, Rotary Centers and Group Study Exchanges.
*Seven hundred seventy-four Ambassadorial Scholarships and Rotary Grants for University Teachers were approved for the 2008-09 program year, for a total of US\$16,298,000.
Thirteen Regional Scholar Seminar grants were approved for a total of US\$93,500.
Sixty Rotary World Peace Fellowships were awarded for the 2008-10 program years.
One Special Initiative Grant of US\$5,202 was awarded.
Five hundred twenty Group Study Exchange awards were approved for a total of US\$5,645,000.
Forty-two Group Study Exchanges (GSE) policy exceptions were approved and two were denied.*
- Exhibit d – District Simplified Grants
Sixty-six grants approved for a total of US\$1,114,372.
- Exhibit e – Matching Grants
Four hundred seventy-nine grants for a total of US\$6,050,432.50.
- Exhibit f – Volunteer Service Grants
Sixty-six grants in 24 countries for a total of US\$342,000.
- Exhibit g – Humanitarian Grants Cadre
Twenty grants reviewed for a total cost of US\$2,660.80.
- Exhibit h – Humanitarian Grants administration
*Three decisions made by the Trustee chairman.
Six decisions made by the general secretary.*

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* Filed only with the official copy of these minutes.