



THE ROTARY FOUNDATION

Zone 27 Communication

Districts 5650, 5950, 5960, 5970, 6000, 6220, 6250, 6270, 6420, 6440, 6450 & Welcoming District 5580

Foundation News for Rotary Districts and Rotary Clubs
May 2009 Special Update

Decisions of TRF Board of Trustees April, 2009 Meeting

2009-2010 Budget Allocations

Per a message from Trustee Chair, Past RI President Jonathan Majiyagbe wrote: “At their April meeting, The Rotary Foundation Trustees examined how the current global economic crisis has affected The Foundation’s ability to support Rotarians good work worldwide. Like all foundations, we have experienced substantial unrealized investment losses, forcing us to suspend Matching Grant applications in March of this year. These losses will also have an impact on the amount of money available for program awards in the coming year (2009-2010).

“In determining our program and operations budgets for 2009-2010, the Trustees made some very difficult decisions. We were fortunate to have the Future Vision Plan to help us focus strategically on what we believe will be best for our Foundation, next year and beyond.”

MATCHING GRANT REDUCED ALLOCATION

The World Fund allocation for Matching Grants has been reduced to \$9.5 million for 2009-2010. (This total represents an approximately 70% reduction in the original budget for 2008-2009.) It is anticipated that the allocation for 2009-2010 Matching Grants will be spent by September of 2009. Please note that the Trustees are “encouraging Districts to use their District Designated Fund (DDF) to help carry out their humanitarian service grants.” *(Editorial note: Since the use of DDF without a World Fund match [other than District Simplified Grants] is not our typical course of action for Matching Grants, I have requested specific clarification of this message. I don’t want to send a message to our Clubs that is incorrect.)*

The following considerations will be made for Matching Grants submitted prior to the March 2009 suspension:

Matching Grants returned to Districts for resubmission on July 1, 2009:

- ◆ Verify that the grant has been approved by TRF and are “complete and pending”. If so, there is no requirement for new signatures. Resubmit ON July 1 and they will be processed in the order in which they are received. These grants will be awarded World Fund matches. Please work with the Humanitarian Grants staff to which you have been assigned for review to verify the grant status.
- ◆ If the grant was deemed “incomplete”, the grant application would not have been entered into the cue for processing and therefore would need new signatures on July 1. Again, please communication with the assigned Humanitarian Grants staff assigned to the grant(s) in question.

ELIMINATION OF PROGRAMS ACCELERATED

Effective July 1, 2009, The Foundation will no longer fund the following programs:

- ◆ **Rotary Grants for University Teachers, except for grants already awarded**
- ◆ **Volunteer Service Grants**
- ◆ **Cultural & Multi-Year Ambassadorial Scholarships, except for grants already awarded**

Also, please note that DDF cannot be used to fund program activities that have been eliminated.

Health, Hunger & Humanity (3-H) Grants Update

3-H Grants have also been greatly reduced and will only support new projects that are part of our alliance with USAID to improve water and sanitation in the Dominican Republic, Ghana and the Philippines.

Group Study Exchange (GSE) Update

The Trustees agreed that World Fund Group Study Exchange (GSE) partner Districts will spread their exchanges over two years in fiscal years 2010-2011 and 2011-2012, with one team being funded in each of the years. GSE funding determination for 2012-2013, the final year of the program before the Future Vision Plan is implanted across The Foundation, will be made in April 2010.

FURTHER SUSPENSION OF PROGRAMS FOR 2009-2010

The following programs will be suspended for the 2009-2010 Rotary year:

- ◆ Scholarships Fund for Low-Income Countries
- ◆ Regional Scholar Seminars Grants
- ◆ The Rotary Alumni Celebration for the 2010 RI Convention
- ◆ Training for Rotary Foundation Alumni Coordinators (RFAC)

Financial Data

The Trustees understand that many Rotarians will be disappointed by one or more of these cutbacks. Given the current economic situation, it was essential to reduce The Foundation's 2009-2010 budget to \$153.3 million, which is slightly less than the projected actual for 2008-2009 and \$27.1 million less than the original budget for 2008-2009. The 2009-2010 budget, including staffing for the Future Vision Pilot, is \$43.1 million, about \$1.6 million under last year's budget. Thanks to cost cutting measures this year, however, the Trustees anticipate the 2008-2009 projected operations expenses to come in about \$4.6 million under budget.

For More Information

For more information about the impact that budget decisions will have on grant application processing for Educational Programs and the Humanitarian Grants Program is available at www.rotary.org.

2008-2009 Trustee Chair, Jonathan Majiyagbe, ended his remarks with the following:

“As we work through this economic crisis together, I urge every Rotarian to make a contribution to our Annual Programs Fund by June 30. Your gifts will strengthen our long-term ability to respond to urgent humanitarian needs and work for a world at peace. I promise you that The Rotary Foundation Trustees and our staff endeavor to protect, maximize and leverage our Foundation assets as much as we possibly can in today's volatile economic climate.”