

ROTARY FINANCE 101



ROTARY CLUB OF SPRINGFIELD SOUTH
LEE MALANY
FOUNDATION CHAIR
July 24, 2014

THE ROTARY FOUNDATION

The Rotary Foundation is a 501(c)(3) corporation and the charitable arm of Rotary International. Rotary International is not a charitable organization.

The Rotary Foundation supports the efforts of Rotary International to achieve world understanding and peace through humanitarian, educational and cultural programs.

DEFINITIONS

FUTURE VISION: The name given to the Foundation's new grant model

FOCUS AREAS: The 6 categories of activities emphasized for Foundation funding, which are: water & sanitation; disease prevention & treatment; economic & and community development; basic education & literacy; maternal & child health; and, peace & conflict prevention/resolution.

MONEY IN

The financial contributions received by the Rotary Foundation go into various funds depending on the source and purpose for which the contribution was given.

The Rotary Foundation is solely supported by voluntary contributions through the many avenues of giving provided by Rotary International.

FUNDS OF THE FOUNDATION

TWO (2) MAJOR FUNDS:

1. The Annual fund
2. The Endowment Fund (Old Permanent Fund)

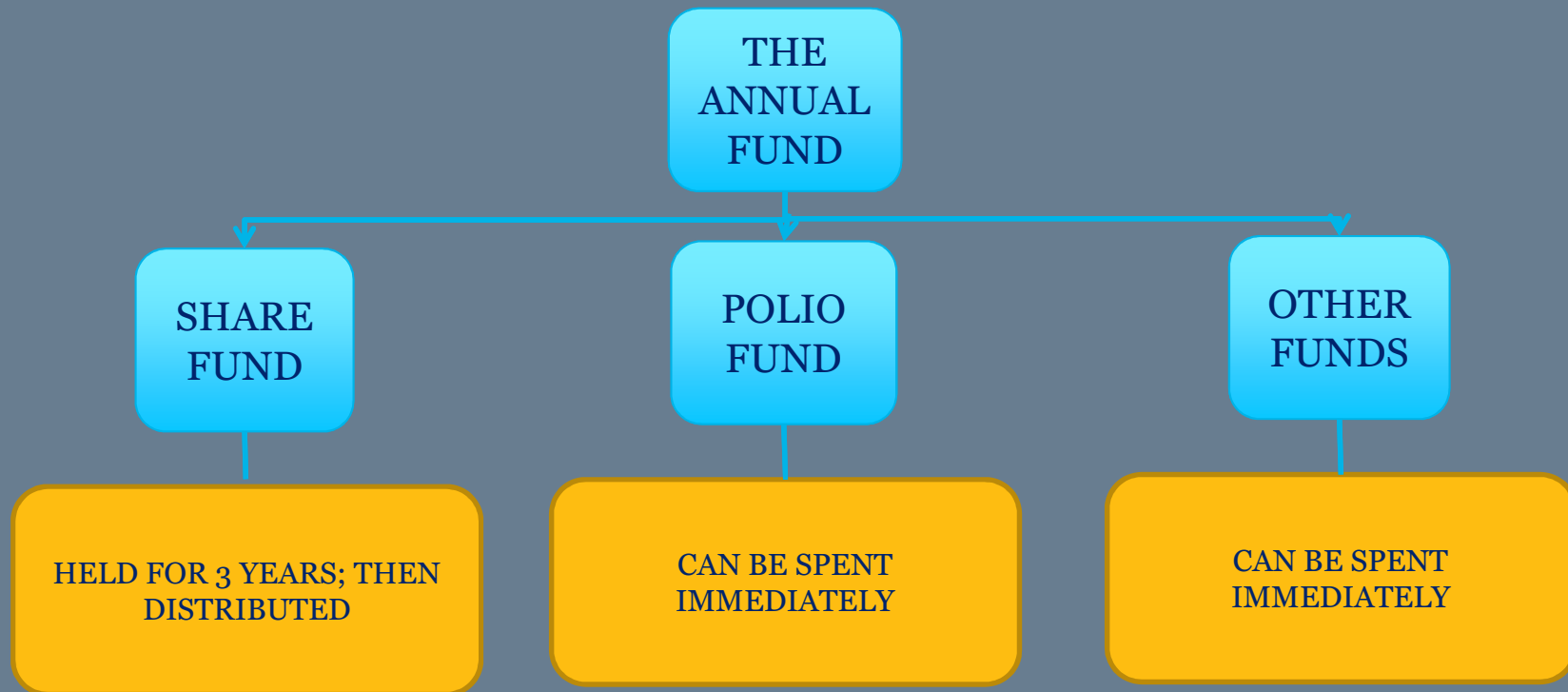
There are a lot of other “Funds”
but we start with these funds first.

ANNUAL FUND - PURPOSE

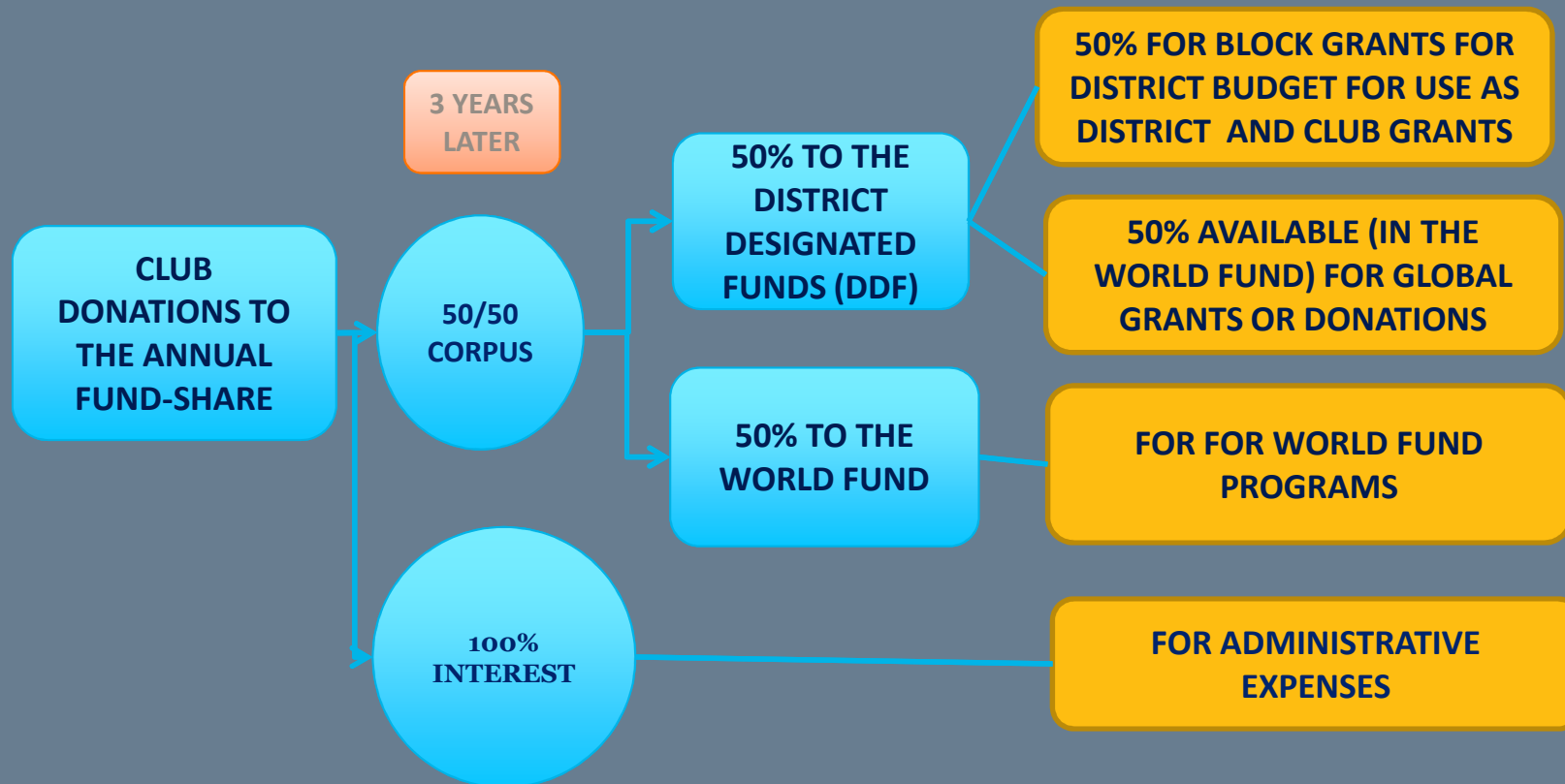
The annual fund is the primary source of funds for the club, district, and international projects and programs of Rotary

The annual fund is funded mostly by every Rotarian every year.

ANNUAL FUND -- STRUCTURE



SHARE FUND DISTRIBUTIONS



DDF ALLOCATIONS

There are 3 ways that the Districts 50% share can be used by the District:

DISTRICT GRANTS

No more than 50% of the District's Share (that is 25% of the original amount given to the Annual fund) can go for district grants.

GLOBAL GRANTS

Any amount of the 50% of the Districts Share can go for Global Grant programs.

DONATIONS

Any amount of the 50% of the district's Share can go to donations, such as giving the money to polio or peace centers or other funds or programs.

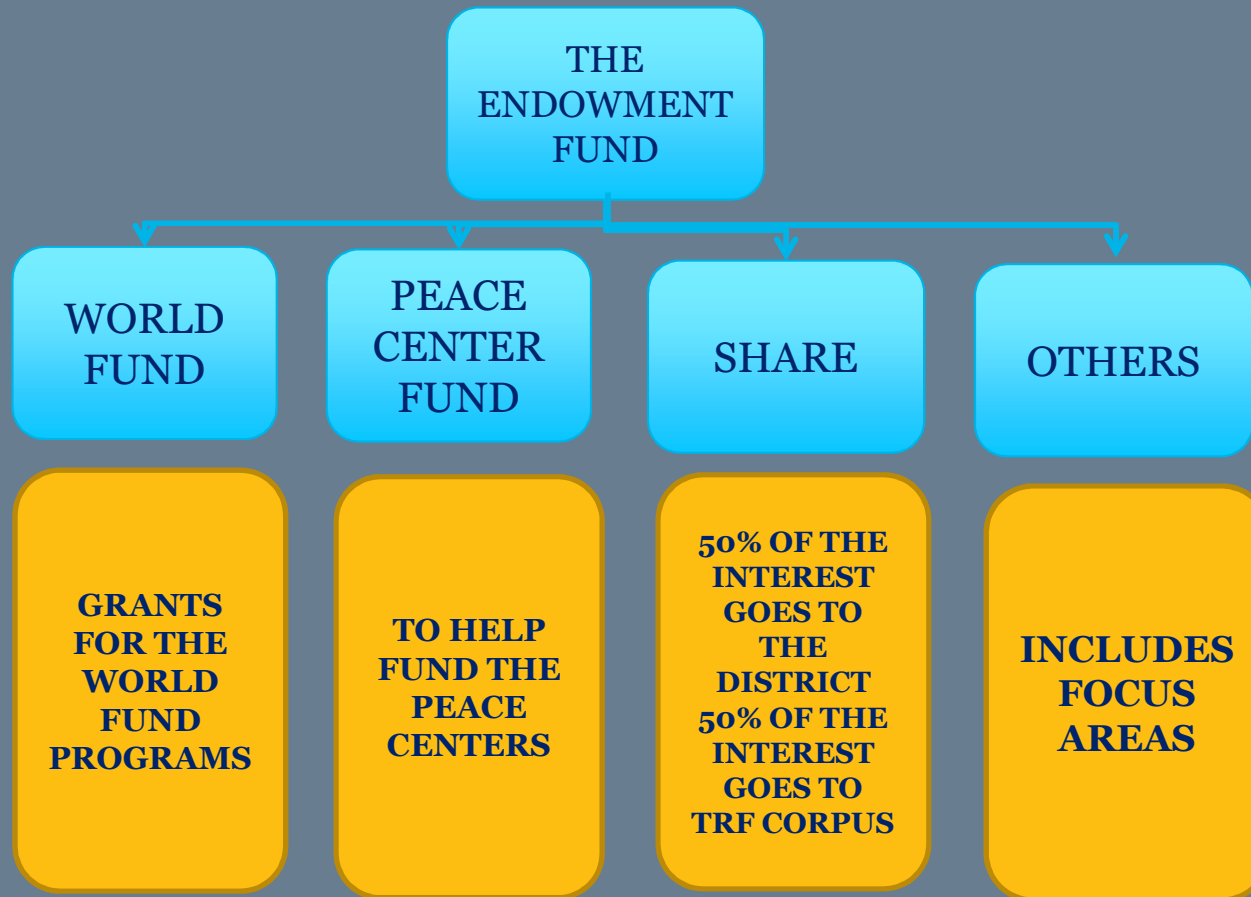
ENDOWMENT FUND - PURPOSE

Assets of the Endowment Fund are invested for perpetuity. The corpus is never spent; only the investment earnings are distributed.

The Endowment Fund supplements the annual fund (grants and programs) and supports Rotary's corporate priorities such as the peace centers.

Rotary hopes to have an Endowment Fund balance of \$1 billion by 2025.

THE ENDOWMENT FUND



SOME OTHER FUNDS

Focus Area Funds

Donor Directed Funds (DDF)

Various Restricted Funds

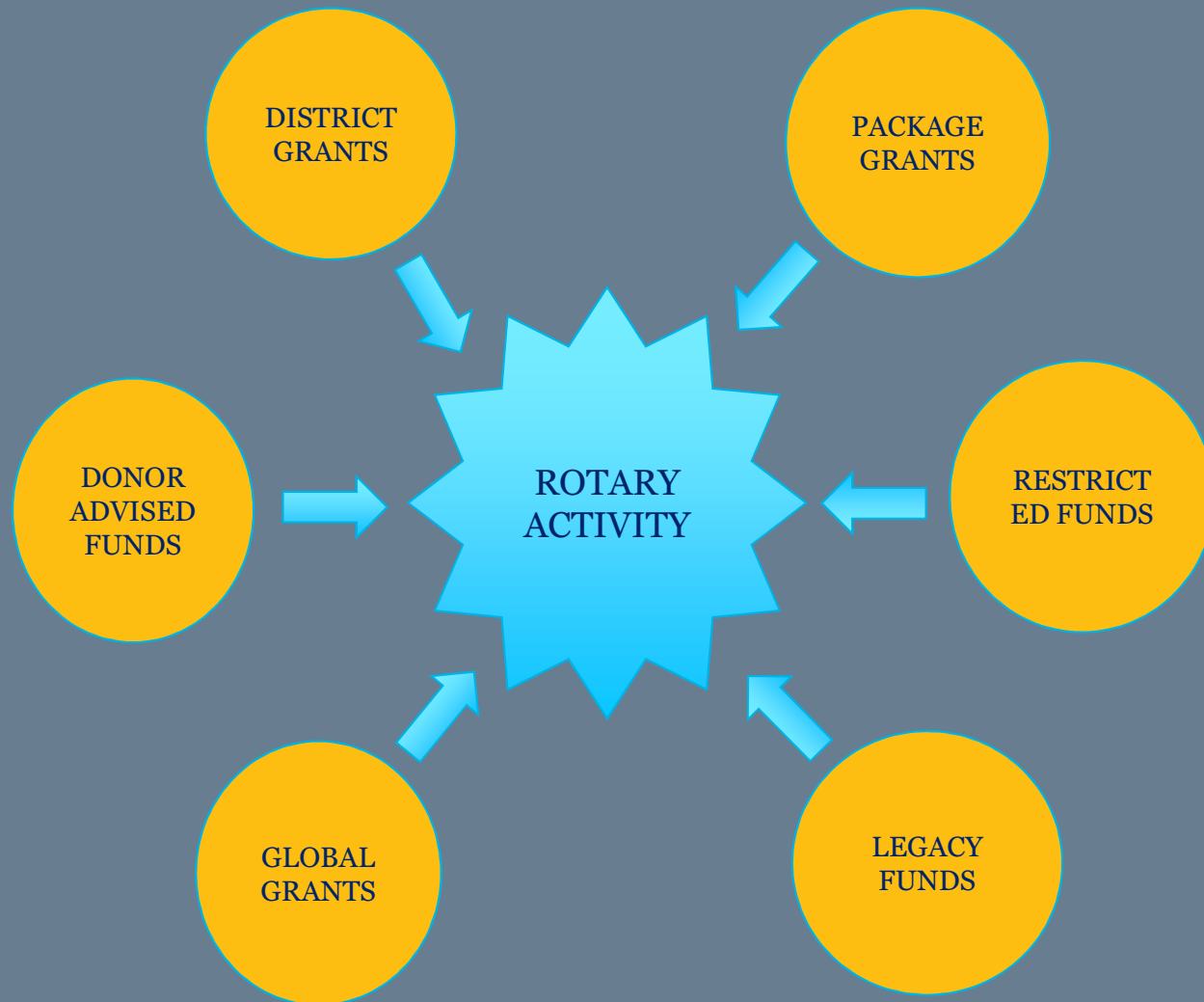
Legacy Accounts

MONEY OUT

Funds go out of the foundation principally through the forms of grants.

SO LET'S LOOK AT GRANTS

MULTIPLE FUNDING



BASIC GRANT CLASSIFICATION

3 Basic grant types:

District Grants

Global Grants

Packaged Grants

DISTRICT GRANTS – FUND SOURCE

Block grants (awarded annually) to the districts to support district and club programs (local, domestic, international).

The funds come from the 50% of the 50% of the district's share funds of the annual fund.

DISTRICT GRANTS - CONDITIONS

The district manages and disburses the funds which are for smaller projects and generally for start-up activities, not on going activities.

The use must align with the mission of rotary.

Generally small size programs (under \$30,000).

DISTRICT GRANTS - USES

Ryla, Rye, Rotaract, Interact

VTT, CE, Scholarships, Grant Management Training

Humanitarian Projects

Construction (Including Low Cost Shelters)

Travel for Staff of Cooperating Organizations

**Activities Implemented by a Non Rotary Organization
(But not for operational expense or salaries)**

GLOBAL GRANTS - FUNDING

DDF contributions are matched 100% by the World Fund.

Cash contributions are matched 50% by the world Fund.

Cash fund could come for any sources (DAF, restricted funds, public donations)

Global Grants can fund VTT, CE, scholarships, humanitarian projects among other activities.

GLOBAL GRANTS - REQUIREMENTS

Large scale, international projects that are strategically focused, high impact activities designed off an assessment based on need.

Must have sustainable, measurable outcomes in one of more of the rotary focus areas.

Budget must be \$30,000 or more (from all sources funding the project).

Must be sponsored by 2 clubs or two districts: a host, the country where the project will take place; and, an international partner out side the host country.

PACKAGED GRANTS

Support predesigned projects developed by the foundation and its strategic partners. Currently there are 4 types.

The foundation and the strategic partner provide 100% of the funding for the project.

Rotarians implement the project.

A strategic partner is an organization that works in one or more of the rotary focus areas



**THANK YOU
FOR INVITING ME TO
SPEAK**

QUESTIONS