

24 March, 2020

Dear Fellow Trustees,

This morning the Executive Committee, acting on behalf of the Trustees, took the decision shown below to increase options for Rotarians to utilize Rotary Foundations grants—including district, global, and disaster response—to support Rotary’s response to Covid-19. With this letter we are also sending you the background information considered by the Executive Committee before taking its decision.

In addition, Chair Gary would like to call a virtual meeting of all Trustees (and incoming Trustees) on Thursday, 2 April, at 0800-1000, Chicago time, to update you on this decision, other Covid-19 issues, and Foundation administrative matters. Andrew will provide you with information on how to access this meeting, but in the meantime, please let either of us know if you have any questions about the Executive Committee’s decision or topics you would like to discuss on 2 April.



Gary C.K. Huang  
Chair, The Rotary Foundation, 2019-20



Kenneth M. Schuppert Jr.  
Vice Chair, The Rotary Foundation, 2019-20

**DECISION:** The Executive Committee, acting on behalf of the Trustees,

1. approves a special, one-time exception be given for these unprecedented circumstances to allow Covid-19 related expenses incurred since 15 March 2020 to be reimbursed through the 2020-21 district grants;
2. agrees to a waiver of the 30% foreign financing requirement for any new global grant that addresses Covid-19;
3. agrees to allow districts to designate that their DDF contributions to the Disaster Response Fund be held exclusively for Covid-19 grant activities; (This does not apply to cash contributions.)
4. effective immediately, agrees to a transfer of \$1 million from the World Fund to the Disaster Response Fund with stipulation that it be used for Covid-19 response efforts;
5. limit the number of Disaster Response grants any one district can receive for Covid-19 response to one;
6. requests the general secretary to promote this decision while encouraging contributions and transfer of DDF to the Disaster Response Fund;
7. requests the general secretary to provide the Trustees with an update on how district, disaster response, and global grants are being used for Covid-19 response at their next meeting.

## **Request for Exceptions to Grant Policy to Allow Quick Response to Covid-19**

### *Background:*

The World Health Organization has declared the Covid-19 virus to be a pandemic. Rotary provides several options through which Rotarians can demonstrate their care and concern for their own communities and those around the world. Below is a range of grant options available to Rotarians to address this pandemic, including two decisions that allow flexibility to current policy.

### **District Grants**

Districts can use district grant funds to support activities like the purchase of thermometers, masks, etc. Districts can use contingency funds from an open district grant, or repurpose previously planned activities for a Covid-19 response. Regional grant officers will be ready to answer questions to help districts with this option.

As of 12 March, US\$30.3 million still remains unreported in district grant funding for 2019-20, indicating districts may have a substantial amount to immediately apply to Covid-19 projects if so desired.

As districts prepare to submit new district grant applications for 2020-21, we encourage them to designate funds for a Covid-19 response.

For those districts that may have exhausted their 2019-20 district grant funds, the decision below allows them to be reimbursed for Covid-19 related expenses dated back to 15 March 2020 out of their 2020-21 district grant funding.

### **Global Grants**

[Global grants](#) are an excellent way to respond effectively to Covid-19. For example, if your community needs medical equipment, global grants offer a way to pay for these expensive items. The Rotary Foundation is expediting any applications for these types of Covid-19-related projects. [Regional grant officers](#) can be contacted to help.

In global grants, at least 30% of the financing must come from outside of the country where the project takes place. If the Trustees agree to waive this requirement for Covid-19 projects, it would greatly expedite the speed at which these grants can be developed.

### **Disaster Response Fund & Grant**

Rotary's [Disaster Response Grants](#) provide a fast and effective way to respond to local disasters. Districts can apply for up to \$25,000 at a time, depending upon the availability funds.

The [Rotary Disaster Response Fund](#) makes funds available through Disaster Response Grants to help districts around the world respond to disasters. The fund accepts online and offline cash contributions and DDF. While the Foundation anticipates an increase in grant requests for Covid-19, this fund remains general and contributions of both cash and DDF will be used where Rotarians stand ready to respond to the disasters they are confronting.

The Philanthropy team will coordinate an announcement on Rotary.org alerting the Rotary world that Rotary supports districts in their efforts to address immediate coronavirus pandemic needs using Disaster Response Grants. This story can highlight Disaster Response Grants as a flexible resource in need of support by donors to encourage giving to supply funding for disasters around the globe. Philanthropy can also circulate a Covid-19 specific email appeal to generate giving towards this general fund.

We have seen some success with this approach over the past year; however, given recent economic turbulence and donor uncertainty surrounding Covid-19, an emphasis on gifts of DDF with secondary focus on giving from individuals is prudent.

Trustees may consider allowing districts to designate that their DDF contribution to the Disaster Response Fund is to be held exclusively for Covid-19 activities. This would not apply to cash contributions because at this time our system is not configured to direct cash contributions to a separate fund, and we want to provide options Rotarians can act on immediately.

### **Request to transfer \$1 million from World Fund to Disaster Response Fund**

#### *Background:*

The executive committee is giving consideration of steps to increase options for Rotarians to utilize The Rotary Foundations grants – including district, global and disaster recovery – to support Rotary’s response to COVID-19. Unfortunately, at this time, the disaster response fund has a balance of less than \$10,000.

The general secretary recommends transferring \$1 million from World Fund to the Disaster Response Fund. This decision offers the following benefits:

- a) demonstrates the Foundation’s ability to be nimble and responsive;
- b) expedites the Foundation’s processing of disaster recovery funds and grant requests;
- c) will inspire districts and individuals to contribute to the disaster response fund which will increase the financial resources available.

The impact on global grants budget and other budgetary implications are hard to quantify at this time. If global grant activity mirrors what occurred in FY19, global grants would require approximately \$36 million (FY19PA) of the \$42 million FY19 World Fund budget. As of last week, global grant World Fund commitments were on the same trajectory as last year. Although directing \$1 million from the World Fund reserved for global grants seems like a safe reduction, if global grant activity accelerates, perhaps to provide medical equipment in response to Covid-19, the Foundation may not be able to keep up with demand. However, the \$1 million being considered is likely to be used for Covid-19 response in either case and the Disaster Response Fund would allow grants to be made more quickly and help secure additional contributions.