



ARIZONA ROTARY LEADERSHIP ACADEMY

“UNDERSTANDING AND UTILIZING THE ROTARY FOUNDATION”

CHAPTER THREE: Giving to the Rotary Foundation

Many Rotarians are confused about giving to the Foundation. No wonder because we have all these acronyms like EREY, PHS, TRF. And we often hear the lament, “I gave to the Foundation, but my club did not receive proper recognition.”

Our aim in the chapter will be to dispel some of these concerns. We will discuss the three major funds and the characteristics of each fund. The table below identifies these funds:

- Annual Fund
- PolioPlus Fund
- Endowment Fund

We will also discuss how Rotary recognizes clubs and individuals for their donations.

Note: Rotarians can also donate directly to approved Global Grants. Rotarians earn Paul Harris credit for such donations.

Ways to Give to the Rotary Foundation

Fund	When spent	How spent	Goal	PHF credit?	Comment
Annual Fund (Share)	After 3 years	50% - World Fund*(global grants, etc) 50% - To district as District Designated Funds (district determines how to spend)	\$100 per capita per year	Y	3-yr earnings support operations of The Rotary Foundation
PolioPlus Fund	Immediately	Support polio eradication	\$1500 per club per year	Y	Eradication of polio is Rotary’s top priority
Endowment Fund	Never		\$2.025 billion by 2025	N	Earnings support a fund and area specified by donor

*5% of AF contributions are earmarked to support RI operations – IF NEEDED.

Donations promote peace, fight disease, provide clean water, save mothers and children, support education, and grow local economies through grants that:

- Bring peacebuilding seminars to 200 teachers and 1,300 students in Uganda.
- Distribute insecticide-treated mosquito nets and medical services that help prevent malaria in Mali.
- Train teachers who are establishing an early-childhood education center in South Africa.
- Provide water filters, toilet blocks, and hygiene training to prevent fluorosis in a community in India.
- Fund a scholarship for a medical professional to research ways to minimize mortality rates among premature babies in Italy.
- Protect children around the world from polio.

Annual Fund. Rotary asks every Rotarian to give at least \$100 per year to the Annual Fund. Thus the acronym EREY – Every Rotarian Every Year.

Contributions to the Annual Fund provide ongoing support today to humanitarian activities, including local projects in YOUR community and international projects.

Members receive Paul Harris Fellow credit for contributions to the Annual Fund.

Such contributions are extremely important to your club and district. For every dollar contributed, 50 cents is returned to the district as District Designated Funds (DDF). Your district has complete control over expenditures of DDF. For example, the district may choose to use up to half of its DDF for a district grant; these funds can then be given directly to clubs to support qualifying club projects. Your district may also use its DDF to support global grant projects of the clubs. Other potential uses for DDF include support of PolioPlus and support of the Rotary Peace Centers, among others. The graphic below illustrates how the Foundation supports your club projects.

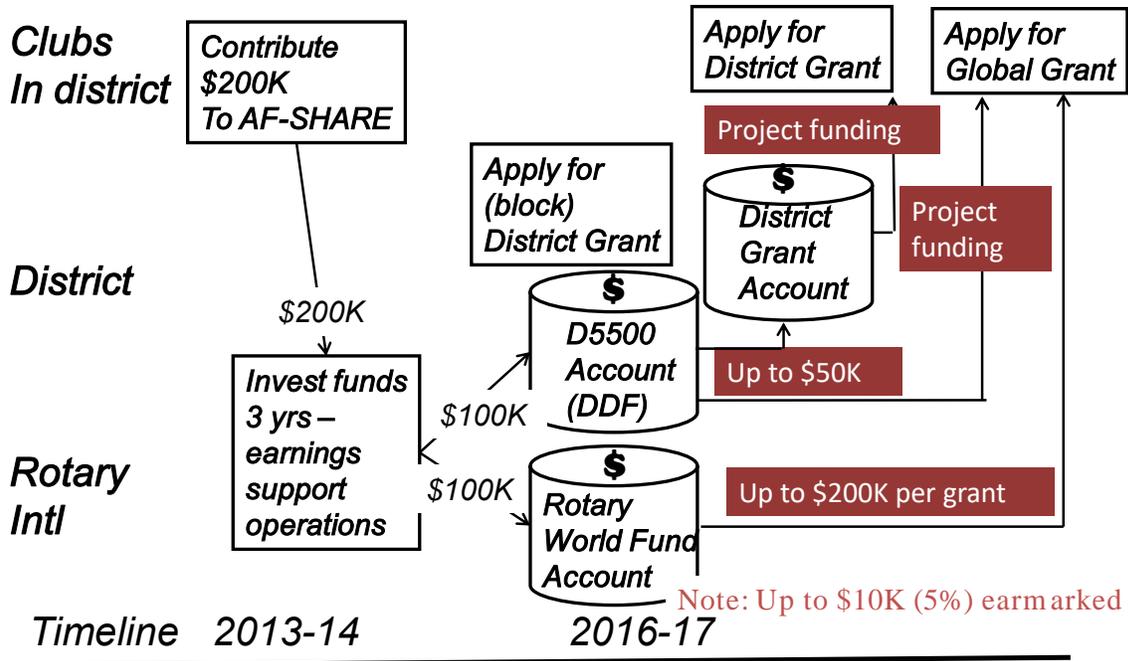
This graphic below illustrates actions by clubs, districts and Rotary International over a three year cycle from 2013-14 to 2016-17. In this example, for illustrative purposes only, we assume clubs in the district contributed a total of \$200,000 to the Annual Fund in 2013-14. The actual amount given by clubs in your district may vary from this amount. Rotary invested these funds for three years and used the earnings to support operations (for example, to pay salaries and meet other expenses).

At the end of three years, Rotary begins to spend these funds. In accordance with SHARE system procedures, half of the funds contributed by the district are returned to the district in the form of District Designated Funds (DDF). In our example, this amounts to \$100,000. The other half (\$100,000) goes into the World Fund.

At this point, the district can apply for a district grant equal to a maximum of half of the amount awarded in DDF. In this example, the maximum amount is \$50,000. Your district may choose to request a smaller amount. Rotary actually writes a check to the district for the requested amount. Clubs in the district can then apply to the district for district grants to support club

projects. Each district sets its own rules and procedures for supporting club requests. The district writes checks to clubs in support of approved district grant requests.

The Rotary Foundation Supports YOUR Club Projects



The remaining DDF is available to the district, but the district does not actually receive a check for these funds. Instead, TRF allocates the funds to qualified recipients as directed by the district. Most districts will use a large portion of the available DDF to support global grant projects sponsored by the clubs. In our example, this amount is \$50,000. Each district determines its rules and procedures for allocating DDF.

But that is not the end of Foundation support of club projects. The World Fund also supports global grant projects.

- The World Fund provides an 80% match for DDF. That is, for every dollar of DDF contributed by the district, the World Fund provides \$0.80. Formerly, the World Fund match was one to one.
- The World Fund formerly provided a one-to-two match for cash contributions from Rotarians and clubs. However, as of 2020-21, because of a lack of World Fund resources, that match is no longer available. Whether or not, the match will be resumed in the future is not known.

In summary, the funds contributed to the Annual Fund directly impact the amount of support available to support projects of your club. Your club can leverage Foundation funds to accomplish projects larger in scope than could be done otherwise. Your club can use DDF to support a project under a District Grant. Your club can use both DDF and the World Fund match to support a Global Grant project.

PolioPlus Fund. Polio eradication is Rotary's top priority. Rotary asks each club to set a goal of contributing \$1500 to PolioPlus each year. Donors earn Paul Harris Fellow credit for donations to the PolioPlus Fund. Further, the Gates Foundation matches all donations (up to \$50 million per year) two to one. So donations to PolioPlus go a long way to support the goal of a polio free world, and donors will soon be able to say they played a part in the eradication of polio from the earth, only the second time in history a human disease has ever been eradicated.

D5500 conducts the annual Ride to End Polio, one of the most successful polio fundraisers in history. This event has raised \$60 million over the past several years (counting the Gates match). D5500 invites your club to participate in this successful event in any one of several ways:

- If you have cyclists in your club, encourage them to ride and raise funds
- Form a team in the Indoor Ride to End Polio
- Donate to support a rider or a team

For details about the Ride to End Polio, see <https://polioride.org>.

Endowment Fund. Contributions to the Endowment Fund help secure Rotary's response to the pressing needs of tomorrow. These contributions are not spent, but are invested permanently. Spendable earnings from the Endowment Fund supplement the Annual Fund and support Rotary's highest priorities in perpetuity. Rotary met its 2017 goal of \$1 billion for the Endowment Fund. The new ambitious goal is \$2.025 billion by 2025.

Donors typically support the Endowment Fund through outright and planned gifts.

Opportunities for US donors include:

- Bequest commitments
- Life insurance
- Marketable securities
- Real estate
- Charitable trusts or annuities

Endowment Fund recognition opportunities include:

- Benefactor
- Bequest Society
- Major Donor

- Arch Klumph Society

INDIVIDUAL RECOGNITION OPPORTUNITIES

The Rotary Foundation shows its appreciation to individuals and clubs for personal outright contributions supporting its humanitarian and educational activities.

Rotary Foundation Sustaining Member

A Rotary Foundation Sustaining Member personally contributes \$100 or more each Rotary year to the Annual Fund. These contributions count toward Paul Harris Fellow, Multiple Paul Harris Fellow, Paul Harris Society, Major Donor, and club recognition banners. Use the Rotary Foundation Sustaining Member stickers to recognize these donors in your club.

Paul Harris Fellow

Paul Harris Fellow recognition is given to anyone who contributes (or in whose name is contributed, using Foundation recognition points) a gift of \$1,000 or more cumulatively to the Annual Fund, the PolioPlus Fund, or an approved global grant. Recognition consists of a certificate and pin. Use the Club Recognition Summary to see your club's Paul Harris Fellows.



Certificate of Appreciation

Certificate of Appreciation recognition is given to honor a business or organization. Since Paul Harris Fellow recognition is only for individuals, a donor may use their Foundation recognition points to award a business or organization a certificate of appreciation.

Multiple Paul Harris Fellow

Multiple Paul Harris Fellow recognition is given at subsequent \$1,000 levels. Recognition consists of a pin set with stones corresponding to the recognition amount.

- \$2,000 to \$2,999.99 — one sapphire
- \$3,000 to \$3,999.99 — two sapphires
- \$4,000 to \$4,999.99 — three sapphires
- \$5,000 to \$5,999.99 — four sapphires
- \$6,000 to \$6,999.99 — five sapphires
- \$7,000 to \$7,999.99 — one ruby
- \$8,000 to \$8,999.99 — two rubies
- \$9,000 to \$9,999.99 — three rubies



Paul Harris Society

The Paul Harris Society recognizes individuals who personally contribute \$1,000 or more each Rotary year to the Annual Fund, PolioPlus, or an approved Foundation grant. Recognition consists of a chevron-style pin banner provided by your district Paul Harris Society coordinator.



Major Donor

The Rotary Foundation recognizes individuals or couples whose combined giving has reached \$10,000, regardless of the gift designation. This recognition level can be achieved



only through personal contributions and not through recognition points. Major Donors may elect to receive a crystal recognition piece and wearable recognition commemorating the gift at each new recognition level.

- \$10,000 to \$24,999.99 — level 1
- \$25,000 to \$49,999.99 — level 2
- \$50,000 to \$99,999.99 — level 3
- \$100,000 to \$249,999.99 — level 4

Arch Klumph Society

Donors who contribute \$250,000 or more become members of the Arch Klumph Society. Portraits, biographies, and, in some cases, video clips are housed in the digital Arch Klumph Gallery on the 17th floor of Rotary International World Headquarters; another digital gallery travels to Rotary events around the world. Members also receive lapel pins and pendants, signed certificates, and invitations to the society's exclusive events, held worldwide. Special induction ceremonies are offered to members. Arch Klumph Society members are listed in the Major Donor, Arch Klumph Society, and Bequest Society Report.

- \$250,000-\$499,999: Trustees Circle
- \$500,000-\$999,999: Chair's Circle
- \$1,000,000-\$2,499,999: Foundation Circle
- \$2,500,000-\$4,999,999: Platinum Trustees Circle
- \$5,000,000-\$9,999,999: Platinum Chair's Circle
- \$10,000,000-: Platinum Foundation Circle



History of the Arch Klumph Society

Arch C. Klumph joined the Rotary Club of Cleveland, Ohio, USA, in 1911 and was the 1916-17 Rotary president. Addressing the 1917 convention in Atlanta, Georgia, he eloquently promoted the idea of "endowments for the purpose of doing good in the world."

That year, the Rotary Club of Kansas City, Missouri, made the first gift, of \$26.50, to the fledgling fund. When the endowment had grown significant enough to require administrators to manage it, The Rotary Foundation was born, and Klumph was selected as one of its first trustees.

The Arch Klumph Society was created in 2004, during Rotary International's centennial celebration, as a meaningful way to recognize the Foundation's highest-level donors. The society's first dinner was held the following year. Today, members' portraits, engraved in glass plaques, hang in the Arch Klumph Society Gallery at Rotary International World Headquarters.

Benefactor

A Benefactor is an individual who notifies The Rotary Foundation of a commitment for future gifts to the Endowment of \$1,000 or more included in their estate plans or who makes an outright gift of \$1,000 or more to the Endowment. Benefactors receive a certificate and insignia to be worn with a Rotary or Paul Harris Fellow pin. They are listed in the Benefactor Report and identified in the Club Recognition Summary.

Bequest Society

Individuals or couples who notify The Rotary Foundation of their commitment to include future gifts to the Foundation of \$10,000 or more in their estate plans are invited to join the Bequest Society. Each level of giving includes the benefits of the preceding levels:

\$10,000 A Bequest Society pin and an exclusive art piece suitable for framing

\$25,000 A Rotary's Promise crystal and a named endowed fund

\$50,000 Separate named endowed funds

\$100,000 A customized Rotary's Promise crystal

\$250,000 Posthumous induction into the Arch Klumph Society

\$500,000 Special seating and registration benefits at the Rotary International Convention.



Legacy Society

Individuals or couples who substantiate future gifts to the Endowment of \$1 million or more are invited to join the Legacy Society. These donors are listed in Rotary's annual report and are invited to exclusive Rotary International and Foundation events. Legacy Society members also receive special tokens of appreciation and all the benefits provided to Bequest Society members.

CLUB RECOGNITION OPPORTUNITIES

100% Paul Harris Fellow Club

For a club to be eligible, every dues-paying member must be a Paul Harris Fellow at the time the district governor requests banner recognition. This recognition is a one-time-only award, but the intent is that the club will maintain its membership at the 100% Paul Harris Fellow level.



To obtain this recognition:

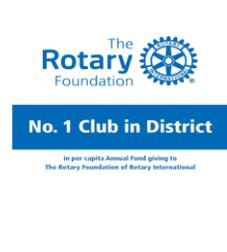
1. A club representative contacts the district governor after determining that all current dues-paying club members are Paul Harris Fellows.
2. The district governor confirms that all members are Paul Harris Fellows by using the Club Recognition Summary, and then notifies The Rotary Foundation by email at rotarysupportcenter@rotary.org.

The top of the Club Recognition Summary indicates whether the club received the 100% Paul Harris Fellow Club banner, along with the date this was achieved.

100% Foundation Giving Club. This banner is awarded to clubs that achieve an average of \$100 in per capita giving and 100 percent participation, with every dues-paying member contributing at least \$25 to any or all of the following during the Rotary year: Annual Fund, PolioPlus Fund, approved global grants, or Endowment Fund..



100% Every Rotarian, Every Year Club. Rotary clubs must achieve a minimum Annual Fund contribution of \$100 per capita during the Rotary year, and every dues-paying member must personally contribute at least \$25 to the Annual Fund during the year.



Top Three Per Capita in Annual Fund Giving Club. Banners are given to the three clubs in each district that give the most per capita to the Annual Fund. To be eligible, clubs must achieve a minimum of \$50 in per capita annual giving.



100% Paul Harris Society Club. This recognition is awarded to clubs in which every dues-paying member has contributed a minimum of \$1,000 to the Annual Fund, the PolioPlus Fund, or an approved global grant during the Rotary year.



100% Rotary’s Promise Club

Rotary clubs with 100% of members supporting the Endowment are eligible to request a Rotary’s Promise Club electronic certificate. Commitments for future gifts to The Rotary Foundation of \$1,000 or more included in an estate plan, or outright gifts of \$1,000 or more to the Endowment, qualify as support.

End Polio Now: Countdown to History Campaign Certificate of Appreciation.

Awarded to clubs that annually contribute \$1,500 or more to Rotary’s PolioPlus Fund