

Minutes of June 26, 2007
District 5580 Rotary Foundation Grants Subcommittee

A meeting of District 5580 Rotary Foundation Grants Subcommittee (RFGS) was held **June 26, 2007 at the AmericInn in Walker, MN beginning at 9 am.** Those in attendance were as follows:

Mike Cochran	District RFGS Chair – Duluth Harbortown RC
Terry Holly	Past District RFGS Chair – Walker RC
David Vose	District Governor – Duluth Club 25
Claudette Holly	PDG & TRF Chair – Walker RC
Jim Ozbun	DG Elect – Dickinson RC
Tully Chambers	DG Nominee – Wahpeton RC
Keith Brokke	District RFGS Assistant Chair Fgo/Mhd AM RC
Jerry Larson	Nipigon, ON RC
Janet Green	Detroit Lakes (Noon) RC
Clyde Frank	Dickinson RC
Mel & Lourdes Tangen	Breckenridge RC
Doug Murphy	FM AM RC
Keith Kymala	Duluth Harbortown RC
Jon Helstrom	Duluth Club 25 RC

The agenda for the meeting was discussed and approved.
Chairman Cochran noted that it was a very aggressive agenda and expressed his hopes to finish by 4 pm.

Terry Holly was present only to announce his resignation from the subcommittee and to wish the current members continued success. Terry indicated that he had served six years on the committee and it was time to leave.

Mike noted that John Sagsveen (Bismarck Far-West RC) had submitted his resignation from Rotary and from the RFGS due to a disagreement in policy, which John was not comfortable with.

There were several new faces at the meeting so Chairman Cochran asked everyone to introduce themselves. Mike indicated that later in the meeting this date, the subcommittee would discuss the structure of the committee and determine how members are selected for the District Grants Subcommittee.

Janet Green moved to approve the minutes for the meeting held on April 22, 2007 Clyde Frank seconded the motion and it carried.

Financial Report:

Chairman Mike Cochran noted that he did not have an official report from District Treasurer William (Bill) Gravelle (Duluth Club 25 RC), but the March 31, 2007 balance was \$54,132.73 less \$2,000 for CAP funding to Dickinson tree replacement.

The only grant applications in April were \$3,290 for a school, \$5,100 for stoves and \$600 for books in Guatemala totaling roughly \$9,000. WITH District dues forthcoming of \$33,000, there will be plenty to work with (roughly \$76,000).

Review of Interim & Final Reports:

Chairman Mike Cochran mentioned that there is one unresolved project from Larry Riley's year (2004/2005) . . . that being **05.2.09 – Jamestown Soccer Field** (Jamestown RC) a **Community Assistance Project (CAP)** – an **Interim Report was submitted on November 6, 2006.**

Jerry Larson moved to repay the \$2,000 to TRF and that District 5580 collect from Jamestown as numerous conversations with President Warren Tobin of the Jamestown RC have not yielded a Final Report. Jerry Larson's motion included repayment of funds from the WCS purse. Keith Brokke seconded the motion and it carried.

Mike Cochran then discussed projects of **Paula Timmin's year (2005/2006) as District Governor.** The projects to be finalized are:

06.1.04 – A Final Report was submitted for the water project at Santo Tomas Purahub, Guatemala (sponsored by FM AM RC - \$4,500). Keith Brokke explained that there was \$1,250 of the project budget (\$1,378.20 actual expense) used for roof tops for the community center and the women's weaving center, which did not follow the original budget set forth for the water project.

Dave Vose warned that the subcommittee must be very careful to not deviate from grant funding on what is originally proposed.

Claudette Holly gave a brief overview of the funding purses available for the benefit of the new people at the meeting:

WCS Funds – used when DSG is not available (always used for schools).

DSG Funds – District 5580 applies for and receives \$24,000 each year to be spent as District sees fit. These funds have rolled over to DDF the past two years due to Jamestown RC not filing a Final Report for their CAP funding.

DDF Funds – monies held by TRF that is later paid back to Districts in proportion to each District's giving to TRF.

Jon Helstrom (former RFGS Chairman) noted that DSG Funds should be used cautiously as well . . . basically no flexibility . . . use of funds should parallel TRF guidelines.

When Final Reports are finalized, TRF gives a \$200 leeway (plus or minus) whereby there is no return of funds or additional funds given. This is why it is so important to stay on budget.

Dave Vose moved to accept the Final Report for 06.1.04, Janet Green seconded the motion and it carried (Keith Brokke abstained).

06.1.05 – Funds were received on October 25, 2006 for the water project at Izamal, Mexico (sponsored by Duluth 25 RC - \$6,000). DG Dave Vose said that other than DSG funds, the balance was held at TRF . . . he questioned whether R.I. just sent one check or one from DDF and one from the World Fund. DG Vose suggested that future balance sheets will reflect WCS funds versus District 5580 general account information.

The Rotary Clubs contribution with District 5580 match and R.I. match was matched by municipality money and the Yucatan government in funding this project.

An accounting error was made within District 5580 books to straighten out the misappropriation of funds between the two accounts and it is now correct.

06.1.06 – A Final Report was submitted for the literacy and nutrition project at Liphining, Lesotho (sponsored by Bismarck RC - \$16,100). The poultry egg project didn't have invoices submitted. Dave Vose **suggested that the Bismarck RC submit invoices for the chicken feed (all other invoices may be impossible to produce as they may have been bartered with such small amounts . . . after all it was only a \$369/year poultry business)!**

06.2.01 – A Final Report was submitted for the WCS school project at El Escarbado, Guatemala (sponsored by Thunder Bay Port Arthur RC - \$8,827). Chairman Mike excused himself as he had inadvertently forgotten to send the

report to the Subcommittee members. Claudette Holly recommended the Final Report be sent out for review. Janet Green suggested a discussion phase be noted prior to an actual vote taken by email.

06.2.02 – A New Interim Report was submitted for the scholarship project in Antigua, Guatemala (sponsored by the Nipigon RC - \$5,870). Jerry Larson stated that the Interim Report was also provided to the District website on Clubrunner/5580.

05.2.01 – A Final Report was submitted for the scholarship project in Antigua, Guatemala (sponsored by the Nipigon RC - \$5,870). **Dave Vose moved to close 05.2.01, Janet Green seconded the motion, which carried (Jerry Larson abstained).**

06.2.03 – An Interim Report and Final Report was submitted for the WCS eye clinic and care project at Port Antonio, Jamaica (sponsored by the Detroit Lakes Noon RC - \$14,000). Janet Green explained that the project is complete and said bank statements and other information has been sent to TRF. TRF approval is pending resolution of a few questions.

06.2.05 – The irrigation reservoir water project at Choquechampi, Bolivia (sponsored by Duluth Harbortown RC - \$189,000) will start in September 2007 by Mano Mano. It was delayed due to District suspension (Bolivia) and past due reports of partnering Bolivian RC.

06.1.09 – Brainerd literacy project WCS Funds (Brainerd RC) is a Community Assistance Project (CAP) – the project should have been completed in May 2007. Chairman Mike has asked twice for a Final Report and will follow up. Claudette Holly warned that it MUST be Finaled by November 26, 2007 or District 5580 will be in arrears as we are with Jamestown RC.

DG Dave Vose suggested that future problems in obtaining Interim & Final Reports should first go to the District Foundation Chair for contact of the lead person from the RC that made application. After one month, the District Governor should contact the lead person and if the Final Report has not been submitted by the end of one additional month, the monies are to be repaid to the District.

Tully Chambers suggested that the lead person be identified on the project application and spreadsheet.

06.1.10 – The Final Report was submitted for the Fargo Moorhead Centennial Rotary playground project in Lindenwood Park to furnish a

Rotary cast bronze drinking fountain – water project WCS Funds (the four FM area RCs) is a **Community Assistance Project (CAP)**. The \$3,950 in District 5580 matching funds has been released and the fountain has been purchased. It was installed in May 2007 and the playground dedication was held on May 17, 2007. **Dave Vose moved approval of the Final Report, Clyde Frank seconded and it carried (Keith Brokke abstained).**

Mike Cochran then discussed projects of **David Vose's year (2006/2007) as District Governor**. The projects to be finalized are:

07.1.11 – The **Final Report** was submitted to **provide desks and 2 computers for the newly constructed trade school in Sansare, Guatemala** by the FM AM RC & Partners. Total cost is projected to be \$5,000 and the matching funds requested are \$2,500. **Dave Vose moved to approve the Final Report, Jerry Larson seconded and the motion carried. (Keith Brokke abstained).**

07.1.18 – Chairman Mike noted that he has the **Final Report** and the invoices, but has not yet tied out with the **Final Report for Tree replacement in Dickinson** as a result of a huge storm in 2005 (Dickinson RC) is a **Community Assistance Project (CAP)** – Mike Cochran said he will tie out the invoices and send a copy of the Final Report to RFGS members prior to our next meeting.

07.2.07 & 07.2.08 – CAP projects tabled at the April 22, 2007 meeting will be addressed after Policy & Procedure later in the meeting.

Consideration of Project Applications:

Chairman Mike Cochran presented the WCSGS with the list of **applications for consideration for Rotary year 2006/2007:**

Project 07.3.01 is a **malaria prevention project in Tanzania** proposed by the Nipigon RC at a total cost of \$534,500. The Nipigon RC is asking District 5580 for a commitment of \$3,000. The TRF application deadline is August 01, 2007. Jerry Larson explained that 23 Canadian Districts are making application. **Keith Brokke moved to commit provided it meets TRF guidelines and the Canadian RC's raise the required funds needed to move forward and receive DDF and TRF funding. Clyde Frank seconded the motion and asked how the mosquito nets were to be distributed.** Jerry Larson responded through hospitals and orphanages. Jim Ozbun expressed concern that the nets could be confiscated and resold.

Dave Vose amended the motion to state, “we do not intend to approve future projects without seeing the full scope of the project” as this is outside the standards of the subcommittee. Claudette Holly seconded the amended motion and it carried. A vote on the original motion carried as well.

Project 07.3.02 is a project to build a medical clinic in Icla Dept of Chuquisaca, Bolivia (partnering with Mano Mano) by the Duluth Skyline RC. Total cost is \$55,777 and the matching funds requested are \$9,000. It was noted that the original request for a mini-hospital in April 2007 was withdrawn. Clyde Frank moved to grant this request and Jerry Larson seconded the motion, which carried.

Project 07.3.03 is a project to provide school desks and other school furnishings for a high school in Rajapalayam, India by the Fargo Moorhead RC's. Total cost is projected to be \$19,512 and the District 5580 matching funds requested are \$2,400. Clyde Frank moved to approve, Claudette Holly seconded the motion. A question was raised as to how long the school had been in existence and whether it was owned by the Rajapalayam RC. Keith responded that the school was owned by a trust. The motion carried (Keith Brokke abstained).

Project 07.3.04 is a “packaged” project to construct a water project and provide English as a second language in the school of el Escarbado, Guatemala proposed by the Thunder Bay Port Arthur RC. Total cost is projected to be \$7,301 and the matching funds requested are \$3,300. Claudette Holly moved to approve pending paperwork changing the packaged application into two separate projects, Claudette stated that the original application could be attached to each of the separate (remade) proposals. Clyde Frank seconded and the motion carried.

The Subcommittee took a 15 minute break at 11:30 to order from the menu and refill coffee cups.

Policy and Procedure:

District Foundation Chair Claudette Holly took a few minutes to explain basic TRF requirements and guidelines:

DDF (Share Funds) – comes back (at 50%) to the District from period of giving 3 years previous to be used for:

Educational
Ambassadorial Scholarships
Humanitarian
Donations to other Districts
Peace Scholars
Group Study Exchange (GSE)
Polio Plus, etc.

Claudette explained that the amount budgeted for Tully Chambers' year (2008/2009) is \$157,000 but no commitment until the application is sent to TRF for Humanitarian and Educational grants. This is an instrument of budgeting.

DSG (District Simplified Grants) – District 5580 applies for less than \$25,000 each year due to the financial reporting requirements if requesting more than \$25,000 – a District can only apply for 25% of the DDF amount received anyway, so it would not serve the District's purpose to do so.

Mike Cochran noted here that he had requested feedback as to ideas for Policy and Procedure, but the only email response was from Jerry Larson.

Claudette Holly said stewardship requirements for the District should be the same as a TRF. Claudette recommended discontinuing the WCS Application Form and modifying the DSG form application form to allow for construction with the added criteria identified earlier such as:

Maps
Floor Plans
The issue of Land Ownership to be settled prior to application
A Project Budget
Pictures
Applications to be made electronically (no more hand written and must be made in English).

Tully Chambers suggested that this might be the right time to appoint new members to the subcommittee. Mike Cochran agreed and mentioned that succession of new members must follow RI guidelines – DG Dave Vose interjected that was fine but "superseded by District bylaws".

The terms of RFGS members according to the bylaws shall be five (5) year terms. The District Foundation Chair is required to serve on the RFGS as well as 1 past DG and 6 other members. In District 5580, the DG, DGE and DGN are asked to serve.

Mike Cochran suggested taking some administrative burden away from the Chair by appointing committee members to assist clubs with applications and reporting.

Clyde Frank suggested that Diane Collins also be asked to assist in any manner possible.

The number of committee members (other than DFC, DG, DGE & DGN) was discussed. Tully felt 6 or 7 members would be good. Dave Vose felt a good District wide representation is necessary. Tully suggested WCSGS should recommend bylaw changes to accommodate.

Dave Vose stated that District Governor (DG), DGE & DGN are ex-officio and therefore have voting rights on the RFGS.

Jim Ozbun moved that seven (7) to ten (10) members (exclusive of the DFC, DG, DGE & DGN) with good representation from across the district serve on the WCSGS. Tully Chambers seconded the motion. Jerry Larson amended the motion to include a Canadian be added at least one year prior to an existing Canadian RFGS member rolling off the committee to insure that there is at least one Canadian on the RFGS at all times. Janet Green seconded the motion and it carried as did the original motion.

Jim Ozbun moved to appoint Mel Tangen, Doug Murphy and Keith Kylmala to the RFGS (aka WCSGS) effective July 01, 2007. Tully Chambers seconded the motion and it carried. Jon Helstrom indicated that though he was now eligible to serve on the committee again (after a three (3) year wait) he was not interested in serving again at this time.

Chairman Mike Cochran will remain on the RFGS for an additional year (through June 30, 2008) to assist Keith Brokke (as Chair) and to finish projects through Dave Vose's year. Keith Brokke will serve as Chair for two years beginning July 01, 2007 and will serve one additional year to help and mentor the incoming RFGS Chair beginning July 01, 2009.

A letter will be sent to the new appointees by District Foundation Chair Claudette Holly with wordage that terms of service shall not exceed five (5) years (except to complete a two (2) year service as Chair of the RFGS plus one (1) year follow up).

Jerry Larson volunteered to take on the Vice Chair position for one (1) year and will be responsible for minutes beginning July 01, 2007.

Dave Vose was asked and accepted a job to draft a document of Policy Procedure and to archive the minutes. Mike Cochran suggested monthly teleconferencing stating that the mechanism is the question . . . Diane Collins could be instrumental in setting this up.

Jim Ozbun stated that the RFGS Chair should send all RFGS members an agenda via email and warned that the DG (Jim Ozbun) may not be available as this is the beginning of the road trips for annual club visits. **A quorum of 50% of the eight (8) members (4 members not including the DFC, DG, DGE & DGN will be required).** **The third Wednesday of each month at 7 pm CST was agreed upon** . . . the first meeting is to occur on July 18th, 2007. On July 1, 2007 the RFGS will include Ajoy Chatterjee as the incoming DGN . . . Dave Vose will serve until he has completed the draft of a document of Policy Procedure and to archive the minutes.

Jerry Larson suggested the RFGS adopt a diary date system, whereby the date money is paid out for various applications is kept and reported by District Treasurer William Gravelle.

Jerry Larson spoke on grant assistance to those RC's needing assistance. Jim Ozbun & Tully Chambers suggested that the RFGS Chair and Vice Chair should assist rather than other committee members.

Policy & Procedure regarding CAP Criteria:

Janet Green moved to take the two CAP Projects tabled on April 22, 2007 off the table for discussion, Keith Brokke seconded the motion and it carried.

07.2.07 was a CAP request from **Bismarck Far-West RC for a City Park Project in their community.** **Clyde Frank moved to deny and Janet Greene seconded** the motion of denial. Upon discussion, it was generally agreed that the RFGS has done too many projects with government agencies, where the funding doesn't occur in a timely manner and thus the Final Reports are typically late. Also the amount requested from District 5580 was a minor part of the total project, so not much credit would be given to Rotary. The CAP Guidelines state ***Projects must not fund existing projects or activities sponsored by another organization.*** Upon a vote, it was unanimous to deny the request. **Motion carried to deny the request.**

07.2.08 was a CAP request from **East Range RC for Hockey uniforms** for their local high school. **Jerry Larson moved to approve and Jim Ozbun**

seconded the motion. Upon discussion, it was generally agreed that not all Rotary Clubs in the district should be paying for hockey uniforms for one specific community and school. Every locality has a sports team and this is not a humanitarian project . . . CAP Projects are to benefit the under privileged. The amount requested from District 5580 (like the previous CAP request) was a minor part of the total project, so not much credit would be given to Rotary. The CAP Guidelines state ***Projects must not fund existing projects or activities sponsored by another organization.*** Upon a vote, the yea vote was one and the nay votes were four. **Motion failed.**

Jerry Larson moved to abandon the CAP Program, Keith Brokke seconded (for sake of discussion). Jerry stated that the CAP is too cumbersome to manage and stated that his Nipigon RC is not giving to TRF to support US Flagpoles (Staples RC). Dave Vose spoke on behalf of the CAP Program as did Claudette . . . both of whom stated the initial idea of CAP was good, but the RFGS had deterred from the qualifications for those projects that deserved grant monies. Both felt the program was needed and the criteria needed to be followed more closely.

Clyde Frank questioned whether disasters qualify for CAP. The answer was that it would depend on what was considered a disaster, but a true disaster would qualify.

Claudette Holly suggested providing CAP criteria to East Range RC and the Bismarck Far-West RC. Mike Cochran expressed his feelings that CAP funds should be for people of lesser means (as those in third world countries or homeless or disabled). **With a call to vote of Jerry Larson's motion to abandon the CAP Program the vote was one aye and four nays . . . motion failed.**

Jim Ozbun said the key to world peace is education to promote understanding.

Dave Vose stated that he will revise the CAP Criteria rules as produced in 2001/2002 to bring it up to date. DG Vose then asked for input as to how District 5580 can be more proactive in securing applications.

Jerry Larson stated that Claudette's suggestion to modify the DSG Application form to allow for construction was very good.

Claudette reminded the subcommittee that **WCS and DSG funds are matched by TRF at \$0.50 on the \$1.00.** Claudette will look over the DSG Application form to see if there are any glitches in adopting the form. She noted Humanitarian Grants eligibility guidelines – using these guidelines, the RFGS will always be current with TRF.

Chairman Mike Cochran noted that an extra page on the DSG Application will include guidelines for construction (bricks and mortar type projects).

Jerry Larson suggested placing Project Activity Report with status of projects report. Another suggestion was that letters should go out to applicants upon RFGS action with a yea or nay to their project applications.

Mel Tangen reiterated that applications must follow all the new guideline criteria (i.e. the land ownership question must be resolved, maps of the area, mandatory usage of English language, plans and a budget).

Dave Vose and Tully Chambers suggested applications be posted on the District website, so other clubs can see how the application process works.

Claudette Holly noted that District 5580 is no longer funding Discovery Grants. In the TRF world, Discovery Grants are now called Individual Grants and applications to TRF must be made three (3) months prior to trip departure and tickets must be booked eight (8) weeks prior and the stay must be for a certain amount of day, etc.

Jerry Larson suggested that the RFGS consider grants as they come in so as to meet TRF deadlines (DDF Funding) as well. Tully Chambers agreed with Jerry and commented that this would encourage clubs to get their grant applications in early.

Keith Brokke moved to consider ALL Grant Applications (CAP, WCS, DSG & DDF) made by the end of the preceding month on the third Wednesday of the following month (i.e. applications made by June 30, 2007 would be considered via teleconferencing on July 18, 2007). Jerry Larson seconded the motion and it carried. This practice will not go into effect until September's teleconference meeting however.

Review Goals & Objectives:

Minutes will be posted on Clubrunner/5580 . . . Vice-Chair is to send minutes to Bob Tomlinson and Diane Collins upon completion for the District Website.

Provide a place on the District Website to advertise International Projects with contact information (for Rotarians looking to serve abroad during the coming year).

Continue discussion with Jerry Meigs of District 5550 regarding a joint venture project in 2008. Working jointly with a neighboring District can only be a win-win for all concerned!

Assign follow up on Interim and Final Reports to RFGS members to see that projects are completed in a timely manner.

Project Audits – continue discussion as to how projects will be selected to receive a formal visit and audit from a RFGS member.

Meeting **adjourned** at 4:05 pm.

Minutes by Keith Brokke, Vice-Chair RFGS