

# Rotary International

## Facts

Preferred Acronym:	Rotary
Area(s) of Focus:	Philanthropy, Voluntarism, Grant Making
Number of Full-time Employees:	625
Total Expenses:	\$72,300,000; \$128,282,000 (Foundation)
Year Established:	1905
Corporate Partnerships Since:	1988
Total Partnerships in Past Three Years:	---
Ongoing Partnerships:	---

## Main Headquarters

Rotary International World Headquarters  
1560 Sherman Avenue  
Evanston, IL 60201  
United States

## History & Mission

Founded in 1905, Rotary International is an international humanitarian organization with 1.2 million members in more than 200 countries and geographical areas. Rotary initiates humanitarian programs that address challenging issues such as hunger, poverty, and illiteracy. Rotary club members are business and professional leaders who volunteer their time, expertise, and funds to help others and to promote understanding among cultures. Rotary's flagship program, PolioPlus, is an initiative to eradicate polio worldwide.

## Contact: Corporate Partnerships

Mr. Edwin H. Futa | General Secretary: Rotary International  
Tel. +1 847-866-3000  
ed.futa@rotary.org  
Academic Background: MA Social Work  
Professional Background: International Business  
Years of Professional Experience: 30+

## Contact: General

Tel. +1 847-866-3000 | Fax +1 847-866-8237  
ers@rotary.org | www.rotary.org

## Known Partnership Type(s)

Philanthropy and Social Investment  
Advocacy and Awareness  
Core Business



	Scores (1-5)
Accountability	4.6
Adaptability	4.4
Communication	4.3
Execution	4.4

### **Partnership Capabilities**

#### **Accountability (4.6)**

Corporate partners reported that Rotary was remarkably committed to the established milestones and maintained its integrity outstandingly throughout the partnership. Partners lauded Rotary's enthusiastic engagement throughout the process and appreciated that impediments were discussed honestly and practically. Partners also described Rotary as excelling in "setting and following ethical standards."

#### **Adaptability (4.4)**

Corporate partners vigorously stated that their aims and capabilities were respected and engaged by Rotary as applicable to the partnership. Partners described the partnerships as highly successful and noted that Rotary effectively leveraged their industry expertise.

#### **Communication (4.3)**

As reported by corporate partners, Rotary was remarkably able to rapidly and effectively communicate information, and the organization reacted positively when such updates were requested. To partners, this signaled strong commitment from Rotary to the partnership.

#### **Execution (4.4)**

Corporate partners were impressed by what they described as Rotary's "well-planned" process in operating and executing the partnership. Partners stated that Rotary excelled in "setting the pace" and reported that it was all "done with class". Rotary scored high marks with regard to its flexibility in enhancing the outcome and thoroughly met partners' expectations.

### **Top Three Partnering Needs**

1. Worldwide Polio Eradication.
2. Fight against HIV/AIDS.
3. Eradication of Disease and Poverty.

# 1. General Programs

## 1.1 Functional Expertise

### Health

With its vast international grassroots network, Rotary initiates global and community-based projects to address a wide range of health risks that threaten the well-being of those without access to adequate health care. Rotary's flagship public health project, PolioPlus, aims to immunize children against the poliovirus and eradicate polio from the world. In 2002, Rotary received the William and Melinda Gates Foundation Award for Global Health for its major and lasting efforts to improve public health worldwide.

Since 1988, the Global Polio Eradication Initiative—spearheaded by the World Health Organization (WHO), Rotary, the U.S. Centers for Disease Control and Prevention (CDC), and the United Nations Children's Fund (UNICEF)—has reduced the incidence of polio by more than 99 percent. Examples of health projects undertaken by Rotary clubs include the following:

- Working with other nongovernmental organizations, Rotary clubs in Africa are implementing community-led responses to help children of AIDS victims and vulnerable children in Côte d'Ivoire, Botswana, Kenya, Mozambique, Nigeria, South Africa, and Zambia.
- In Gumaca, Quezon, Philippines, a Rotary project provided free tuberculosis screening and treatment to children.
- The Gift of Life project, initiated by Rotary clubs around the world, offers free heart surgeries to children who have potentially fatal heart conditions.

## **Education**

Rotary strives to promote peace through education. Since 1947, The Rotary Foundation has awarded more than \$1.1 billion in humanitarian and educational grants and is one of the world's largest privately funded sources of international scholarships.

- Rotary Centers for International Studies in Peace and Conflict Resolution is a two-year master's-level program that trains future diplomats and leaders in the art of peace building and conflict resolution. The program selects and sends up to 60 Rotary World Peace Fellows annually to study at seven participating universities worldwide.
- Rotary awards approximately 1,000 Ambassadorial Scholarships yearly to university students around the globe to study in another country for three months to two years. These students serve as ambassadors of goodwill.
- Some 8,000 teenage students around the world participate in Rotary's Youth Exchange program each year. Participants study in another country and learn about its history, language, and culture.
- Rotary's Group Study Exchange (GSE) is a unique four to six week cultural and vocational exchange opportunity for young professionals ages 25 to 40.

## **1.2 Geographic Presence**

### **Programs**

Worldwide

### **Offices**

United States, Switzerland, India, Japan, Brazil, Australia, Argentina

## 2. Corporate Partnership Experience

### 2.1 Industries & Regional Activity

#### Corporate Industries

Healthcare Equipment & Services; Pharmaceuticals, Biotechnology & Life Sciences; Food, Beverage & Tobacco

#### Location of Partnerships

122 countries

### 2.2 Selected Corporate Partnership Programs

**Global Polio Eradication Initiative | Worldwide:** Rotary's flagship public health project, PolioPlus, aims to immunize children against the poliovirus and eradicate polio from the world. With its official partners in the Global Polio Eradication Initiative—WHO, CDC, and UNICEF—Rotary has contributed more than \$616 million and countless volunteer hours to help immunize more than two billion children against the crippling and often fatal disease.

**AIDS | Africa:** Since the 2003 formation of the Rotary Action Group Rotarians For Fighting AIDS (RFFA), the group has garnered support from three collaborator organizations, including Coca-Cola's operations in Africa and the company's Africa Foundation. Founder Marion Bunch of the Rotary Club of Dunwoody, Georgia initiated this groundbreaking collaboration to honor the son she lost to AIDS. Bunch created RFFA to unite Rotary club members interested in working on an AIDS project with Hope Worldwide, a global charity with expertise in working with AIDS victims. Hope Worldwide's African operations carry out relief on the ground and train Rotary club volunteers to assist their efforts. The Emory University School of Nursing then monitors and evaluates the results. After Bunch obtained a grant from the U.S. Agency for International Development (USAID), the Coca-Cola Africa Foundation agreed to provide \$50,000 to get the project off the ground, and the company's Africa division continued to support the project with its marketing expertise and connections. The funds helped get Rotary club members to Africa for strategic-planning sessions, operations discussions, and training.

**River blindness | Tanzania & Worldwide:** The Rotary Club of Bonds Meadow, Maryland, undertook an initiative to fight river blindness (onchocerciasis), a disease spread by filarial worms that often causes vision loss in the developing world. The club secured Mectizan (ivermectin), the drug that prevents river blindness, from Merck at no charge. Through a 3-H Grant from The Rotary Foundation, the club developed a program to distribute the medicine in the affected regions with two Rotary clubs in Dar es Salaam, Tanzania, and volunteers from Interchurch Medical Assistance.

### 2.3 Selected List of Corporate Partnerships

Corporation	Industry	Area	Duration
Coca-Cola Africa	Food, Beverage, & Tobacco	Marketing and operations	Since 2003 (ongoing)
Merck & Company	Pharmaceuticals	Medication: River Blindness	Since 1998 (ongoing)
McDonald's	Food, Beverage, & Tobacco	Housing and Shelter	Since 2005 (ongoing)
Wal-Mart	Food, Beverage, & Tobacco	Community Food Drive	< 1 month

## 3. Disclosure, Awards, and Governance

### 3.1 Corporate Partnerships

Information	Disclosed
Example(s) of Corporate Partners	---
List of Corporate Partners	---
Guide to Collaboration	Yes
Contact Person for Partnerships	(Yes)

Rotary does not publicly disclose information regarding its partnerships with the private sector. Rotary does publish a Guide to Working with Rotary that outlines possibilities for collaboration—corporate or public. Publications about previous cooperative relationships with organizations such as the UN Population Fund are available on the website, but the contact person for such endeavors is only available upon request.

### 3.2 Awards and Assessment by Charity Overseers

Name	Assessment
Charity Navigator	****
Forbes Magazine (Fundraising Efficiency)	91%
2002 Bill and Melinda Gates Foundation Award for Global Health	Winner
2006 World Food Program Award for Exemplary Humanitarian Leadership	Winner
2006 Associations Make a Better World Award	Winner among U.S. associations
2006 American Association of Blood Banks Outstanding Achievement Award	Winner
Sitara-e-Eisaar (Star of Sacrifice)	Winner

Charity Navigator, a leading U.S. watchdog group, has awarded Rotary four stars—the highest possible rating—based on its efficiency. Forbes magazine’s fundraising-efficiency assessment awarded Rotary a 91% in 2004. The American Society of Association Executives and the Center of Association Leadership distinguished Rotary as the top association among U.S. organizations. In recognition of the ongoing effort by Rotary

clubs to increase the world’s blood supply through voluntary donations, the American Association of Blood Banks (AABB) presented Rotary with its Outstanding Achievement Award. The Sitara-e-Eisaar (Star of Sacrifice) was presented by Pakistani President Pervez Musharraf to Rotary International President-elect Wilfrid J. Wilkinson in recognition of the timely relief efforts of local and international Rotary club members in response to the devastating October 2005 earthquake in Kashmir.

### 3.3 Governance Documentation

Document	Disclosed
Vision & Mission Statement	Yes
Articles of Association	Yes
Corporate Governance Guidelines	Yes
Most Recent Publication on Website	Yes
Environmental Report	---

All guidelines are found in Rotary’s Manual of Procedure. Relevant publications are available for download on Rotary’s website.

### 3.4 Board & Committees

#### Individual Board Member Information

Organizational Data	Disclosed
Names	Yes
Biographies	Yes
Length of Term (in years)	Two
Board Members’ Independence	---
Definition of Independence	Yes

Each member of Rotary’s board of directors serves a term of two years. The board manages Rotary affairs and funds, including the Rotary Foundation. All board members are non-executive directors with no day-to-day management function in the organization. Full details on the board are available to the public. Rotary provides a definition of independence but does not consider members of its board as independent.

## >>> Rotary International

### General Board Information

Organizational Data	Disclosed
Internal Rules of Organization	Yes
Number of Board Members	19
Number of Board Meetings	4
General Board Agenda of Last FY	Yes

19 members compose Rotary's board, which meets quarterly to establish policies. Highlights of the decisions and actions taken are posted on Rotary's website. The Rotary Foundation has a board of trustees, but Rotary's governance ultimately lies with the board of directors.

### Committee/Functional Information

Committee Function	Exists
Audit/Financial	Yes
Remuneration	Yes
Nomination	Yes

Rotary's Audit and Operations Review independently audits accounts, outlines how and by whom external auditors are appointed, how they report to the board(s) and whether they are subject to any policy of rotation or restrictions on non-audit services. Rotary's Finance and Election Review establishes the remuneration of board members, top executives, and other key individuals, including policy guidelines delineating the parameters. This review also oversees the nomination process, including the criteria for nomination and election within the organization.

### 3.5 Directors' Compensation

#### Board Compensation

Directors' Status	Disclosed
Executive Board Members	---
Non-executive Board Members	---

Rotary does not disclose its board-member compensation.

### Board Member and Senior Management Compensation

Post	Disclosed	Amount
Founder/Director	---	---
Founder/Director	---	---
Chair	---	---
Chief Executive	(Yes)	\$248,000
CFO/Treasurer	---	---
Highest Paid*	(Yes)	\$248,000

\*Compensation plus other benefits

Rotary's board of directors is made up of volunteers who receive a stipend for expenses, but who are not compensated. The General Secretary, COO, and CFO are not members of the board.

### 3.6 General Financial Disclosure

Document	Disclosed
Financials Summary Report	Yes
Latest Financial Report (T)	Yes
Previous Financial Report (T-1)	Yes
Year End of Most Recent Financial Report	30 June 2006

Rotary International has separate financial statements from the Rotary Foundation. The latter finances Rotary's programs. Both reports are available online in the organization's IRS Form 990s.

### 3.7 Ethics

Information	Disclosed
Conflict of Interest Policy	Yes
Whistleblower Policy	---
Compliance Officer	---

Rotary discloses its conflict of interest policy, but does not provide documentation on its other ethical standards relating to reporting channels for whistleblowers and the monitoring of implementation of all guidelines.

## 4. Financials

### Donor Structure

Rotary International did not disclose its donor structure

### Top Five Donors

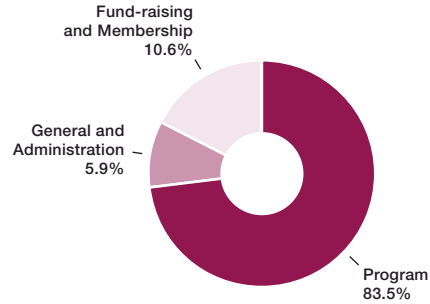
Rotary International did not close its top five donors.

### Expenses

Information	Amount
Programs	\$107,526,068
General and Administration	\$7,541,457
Fund-raising and Membership	\$13,688,437
<b>Total</b>	<b>\$128,755,962*</b>

\*The expense figures reflect those of the Rotary Foundation, specifically. The previously mentioned total expenses represented the combined Rotary International and Rotary Foundation figures. Here, the total Foundation figure includes \$24.9 million for PolioPlus, \$33.1million for matching grants, \$5.2 million for district grants, \$3.1 million for 3-H grants, \$14.8 million for Ambassadorial Scholarships, \$3.9 million for Group Study Exchange, and \$1.6 million for disaster recovery.

### Efficiency Ratios



### Consistency Ratios

Short Term	
Current	Quick
9.85	9.84
Long Term	
Total Debt to Asset	Long-term Debt to Capitalization
0.10	0.00
Asset Management	
Services to Average	Total Assets
	0.28

### Sustainability

Revenue	2005		2006	
Direct Public	\$117,906,380	100%	\$111,890,038	100%
Indirect Public	\$0	0%	\$0	0%
Government Grants	\$0	0%	\$0	0%
<b>Total</b>	<b>\$117,906,380</b>	<b>100%</b>	<b>\$111,890,038</b>	<b>100%</b>

Rotary relies solely on direct public support. Funds have slightly reduced over the past two financial years.