

TRE AND RAWCS:

**WORKING TOGETHER TO
ACHIEVE RESULTS**

OPPOSITE: Children play together at the Akha Training Centre in Mae Suai, Thailand. Funded in part by matching grants from The Rotary Foundation, the centre takes in children from 27 Akha villages. Some are orphans and others are sent by their parents, who want them to receive an education. Rotarians from Australia, Canada, Thailand and the US have volunteered and provided donations. (Photo: Alyce Henson, Rotary International)



Lou Johnson, chair of The Rotary Foundation Australia Ltd, and Michael Perkins, chair of Rotary Australia World Community Service Ltd, talk to *Rotary Down Under* about the differences between TRF and RAWCS, how each entity operates, and the importance of working together to achieve the best outcome.

All the different facets of Rotary can get confusing. Could you explain the difference between The Rotary Foundation (TRF) and Rotary Australia World Community Service (RAWCS)?

Lou Johnson: The ultimate objectives of The Rotary Foundation and RAWCS are similar – to facilitate Rotarians to do humanitarian work in the world – however, they operate in very different ways and at different levels.

TRF receives donations primarily from clubs and Rotarians, and then distributes the funds to Rotarians for projects via global and district grants. They also provide scholarships and fund the polio program, Rotary's major project, which is changing the world forever.

TRF recognises donors including Paul Harris Fellows and members of the Paul Harris Society, Arch Klumph Society and Bequest Society. In Australia, the main financial support comes from clubs and individual Rotarians participating in this recognition system.

Michael Perkins: RAWCS, by contrast, is a financial infrastructure system for Rotarians to use, allowing the raising of funds for their projects via tax deductible donations. We are likened to a solicitor's trust account, where the funds we hold are not actually our funds, but instead the funds of many clubs and districts. These funds are then directed to their projects, which can be overseas or in Australia.

Clubs prefer to use the RAWCS infrastructure as opposed to their bank account, for example, because not only do we review and assist them with their project plans, we handle all the regulatory requirements – and believe me, there are a lot of them, all undergoing continuous change. Rotary clubs and districts not acting in accordance with the latest requirements can quickly come unstuck. By using RAWCS's infrastructure, clubs and districts very much minimise their risk around fundraising and management.

Are there ways that TRF and RAWCS can work together?

MP: I can name a number of projects that have used RAWCS's systems to raise the matching funds required by TRF grants. That's one simple way TRF and RAWCS work together.

RAWCS's flexibility can also be a great asset in conjunction with TRF grants. Grants from TRF must be within the six *Areas of Focus*, with predetermined rules in place regarding sustainability and project size. As the funds raised via RAWCS are really just club or district money, as long as they comply with overall approved project plans, the money can be spent pretty much however they want.

So, if a club wants to do a project that doesn't fit completely within the TRF grant model, they can use the RAWCS infrastructure to raise funds to supplement their vision. For example, they can secure a TRF grant to assist with a health and disease prevention project, then raise additional funds via RAWCS to build a new health clinic in conjunction.



TOP: With the assistance of RAWCS in Dili, Timor-Leste, school leavers installed playground equipment at a kindergarten in the village of Vila, Atauro Island as part of the Rotary Club of Margaret River's "Alternative Leavers Week" initiative. **ABOVE:** This 14-year-old had a successful cataract operation at a RAWCS eye camp in Nepal. Until the operation she was officially blind.

LJ: Many joint projects between TRF and RAWCS have already been undertaken. However, huge potential remains for Rotarians with skill and application to design even more projects using the financial attributes of each organisation to maximise benefits for beneficiaries. I firmly believe all entities in the Rotary family should work to cross-sell each other's services and refer opportunities to those best qualified to assist.



ABOVE: Funds raised with the help of a Rotary Australia Compassionate Grant (RACG) are financing a Pressure Mapping System to help wheelchair-bound people in North Queensland. RACG projects have been made possible by the \$1M donation to RAWCS by philanthropist Dick Smith. **LEFT:** RAWCS established the Rotary Australia Benevolent Society (RABS) to assist Rotary clubs and Rotary districts within Australia to respond to needs within their own communities and to gain tax deductibility for donations made to their registered project. **BELOW:** Dr Vera Sistenich, centre, travelled to the remote village of Lotumbe as part of the Aussie RAWCS HandUp Congo team. HandUp Congo is a small, non-government organisation created by an international group of resourceful women making a difference to the health and wellbeing of several rural communities in the Democratic Republic of Congo.



Are there times where TRF is the more suitable organisation for a project over RAWCS and vice versa?

LJ: In short, yes. It depends very much on what the project entails, the place and people who are going to be helped, and the tax imperatives of donors. The Foundation is well-structured to receive donations of a

general nature, particularly for the six areas of focus. The Foundation also has the capacity to receive term gifts for specific projects to be undertaken within Australia on the basis that the project is processed as a global grant.

MP: Lou's answer sums it up. We need to understand what clubs' and donors' wishes are and find solutions

to allow them to achieve it – we can't tell them what to do. RAWCS and TRF complement each other.

As an example, can you explain why the Dick Smith donation had to go to RAWCS and could not go to TRF?

LJ: This is a good example of the tax laws in this country dictating how and where donations can be spent. Dick Smith stipulated his donation had to go to a qualifying charity and be spent on projects in Australia. RAWCS operates the Rotary Australia Benevolent Society (RABS), which was the only national Rotary charity eligible to receive the donation. TRF simply didn't meet the donor's requirements on this occasion.

RIGHT: Students attend a Rotary-sponsored school in the village of Nabapally outside Kolkata, India, partially funded by a Rotary Foundation 3-H grant. (Photo: Alyce Henson, Rotary International)
BELOW: President of the Rotary Club of Wahroonga Neil McWhannell, left, Pip and Dick Smith, Michael Perkins and John Leece at the Rotary Club of Wahroonga's breakfast meeting, where Dick and Pip announced their donation of \$1 million towards the Rotary Australia Compassionate Grants. **BOTTOM:** The Riverside Mbazzi Primary School in Mpigi District, Uganda, is one of the schools run by RAWCS Project School for Life Foundation.



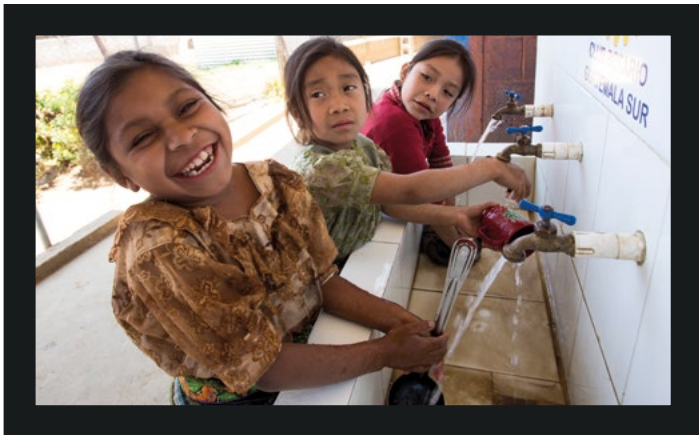
If someone said that TRF is missing out on donations because of RAWCS, how would you respond?

MP: That is an interesting question, and I'd really like the opportunity to set the record straight. Donations to RAWCS are actually donations to projects of Rotary clubs and districts. RAWCS provides the financial infrastructure – think of it as a kind of “Rotary bank”. The only funds RAWCS retains is a small 2.5 per cent of donations, used to fund operations. Donations are project and district money, not RAWCS's money.



LJ: Firstly, the combined performance of both entities in Australia in respect to donations has placed our per capita giving among the highest in the Rotary world. Traditionally, almost every club has donated to the Foundation on an annual basis, but in recent years a small number of clubs have failed to do so. However, this decline has been more than offset by an increase in the number of Rotarians becoming major

RIGHT: A volunteer midwife with Midwives for Haiti listens for a baby's heartbeat, made possible by Midwives for Haiti's new off-road vehicle, partially funded by The Rotary Foundation's Haiti Earthquake Relief Fund. (Photo: Alyce Henson, Rotary International) BELOW: Children wash their hands at the new wash station at Rancho Alegre school in Guatemala. Rancho Alegre is one of nine schools in the Sumpango area scheduled to have their water and sanitation facilities improved through a Rotary Foundation global grant. (Photo: Monika Lozinska, Rotary International) BELOW RIGHT: A Rotarian displays a Rotary sticker during a Subnational Immunisation Day in Moradabad, Uttar Pradesh, India. The polio eradication program is funded by The Rotary Foundation. (Photo: Alyce Henson, Rotary International)



donors and an increase in the level at which they choose to donate. The growth in RAWCS has not been at the cost of the Foundation as RAWCS, to its credit, has tapped into the corporate and private ancillary fund sector for its funds – an opportunity also available to the Foundation for overseas projects, but not all projects.

End note

LJ: Unless you've been living under a rock, you will be aware that the world is changing at an ever-increasing pace. Success now seems to be defined as destroying the old order and incessantly

replacing it with the new. Every organisation, including Rotary, must respond to these changes and meet the challenge of staying on the "creative" side of the equation, avoiding the "destructive" side. In Australia, the charitable sector is undergoing dramatic change, due to the 2002 governmental legislation to introduce incentives and encourage

giving from the corporate and private charity sectors. The charitable sector, to a large extent, is driven by the tax treatment for donations, and this in turn dictates how and where the funds can be spent by Rotarians. We need to be aware of the constant changes and implement processes to capitalise on the opportunities. •



ABOVE: The Rotary Club of Maketu, NZ, has created an easy and effective way to raise up to \$200 per member per year for The Rotary Foundation through its Flat-White-a-Week initiative. RIGHT: Adelante Foundation microcredit client Dona Ninfa sells vegetables at the market in La Esperanza, Honduras. Adelante's microcredit program, which offers women loans and business training aimed at increasing their household incomes, is supported by a Rotary Foundation global grant. (Photo: Monika Lozinska, Rotary International)

