



Engage!

Rotary District 7620 Foundation Newsletter



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Dear Rotarians and Friends,

By the time this goes to press, the Multi District Presidents- Elects Training Seminar (PETS) will be behind us. Our 2015-16 Class of Presidents are now ready to start their year with all the information regarding our Foundation and how to make our World and Communities a little better. They are now prepared to sit down with their Club Foundation team and work up a plan to use their eligible Foundation dollars toward a worthy project for people in need.

The best way to make a small project bigger is to apply for a District Matching Grant, work with other Clubs to make it even bigger or apply for a Global Grant for an International project worth \$30,000 or more. Better yet, some Clubs may apply for both. But it can only be done if Clubs contribute to the Annual Program Funds (APF) and Polio Plus. So far there are 20 Clubs that have yet to send their contributions to the Rotary Foundation. If you are one of these Clubs, why not send in what you have

collected so far and then send the balance by June 30 in order to make sure it counts for the 2014-15 Rotary Year? Whatever you decide, I thank you for it.

I also have wonderful news about our District Foundation Team. As of July 1 and for the next three years, Past District Governor (PDG) Pat Kasuda will be taking over the role of District Rotary Foundation Chair (DRFC) for our District. Along with PDG Pat, PDG Bette Lewis will be taking charge of the Grant Committee as our District Foundation Grant Committee Chair which has been held by PDG Andy Baum for many years. We have been working together ever since PDG Pat accepted to take over this position and it has worked very well. She already has her team together preparing for next year. If you see them, please make sure to congratulate and thank them for taking on such an important role in our District.

Spring is upon us once again. We have just over 120 days left in this Rotary Year to Light Up Rotary.



PDG Claude Morissette
7620 DRFC 2014-2015

Let's make sure we keep up with the tradition in being a District with 100% Club giving to both the APF and Polio Plus.

Yours,

Claude Morissette,
PDG 2011-12
District Rotary
Foundation Chair,
2013-2015

New 2015-2016

Presidential Rotary Theme Introduced

RI President-elect K.R. "Ravi" Ravindran chose *Be a Gift to the World* as his theme for 2015-16



Be a gift to the world

THE NEXT THREE YEARS: THE DISTRICT GRANTS COMMITTEE BY PDG BETTE LEWIS



Past District Governor,
Bette Lewis
2015-2018 District Grants
Committee Chair

Beginning with the July 1, 2015, Rotary year, I will serve as the District 7620 Grants Chairman. I wanted to introduce you to those who will be serving with me and invite you to call on us as the new Rotary year begins to assist you in any way we can as you identify potential projects for Grant application.

As you know, Rotary Foundation Grants are focused on the six areas identified as Global needs:

- Disease Prevention and Treatment
- Peace and conflict Prevention/Resolution
- Water and Sanitation
- Maternal and Child Health,
- Basic Education and Literacy
- Economic and Community Development.

In order to serve clubs with the best possible resources, the Grants Committee Members appointed have an expertise in one or more of these focus areas.

District Grants Committee 2015-2018

Peace and Conflict Prevention And Resolution

Philip Reynolds, Annapolis
PDG Peter Kyle, Capitol Hill

Disease Prevention and Treatment

Dina Goldberg, Parole

Water and Sanitation

Steven King, Leonardtown

Maternal and Child Health

Mireille Kanda, Washington, D.C.

Basic Education and Literacy

William Bowerman, College Park

Economic and Community Development

Quentin Wodon, Capitol Hill



Philip Reynolds, Annapolis



PDG Peter Kyle, Capitol Hill



Dina Goldberg, Parole Club



Mireille Kanda, Washington,



Quentin Wodon, Capital Hill

DEADLINE FOR DISTRICT 5K SCHOLARSHIP APPLICATIONS

BY NEIL FAY, DISTRICT POST-SECONDARY SCHOLARSHIP COMMITTEE CHAIR

I am seeking nominations from the Clubs for the two \$5,000 scholarships available for Rotary Year 2015-2016. The District will conduct interviews of the post-secondary scholarship applicants, one from each Club, on April 25, 2015, at Hood College in Frederick.

Please go to the District Website <http://www.rotary7620.org/> for the application form and instructions and program details.

Highlights:

- Applicants must reside in our District.
- One applicant may be nominated per club.
- Applicants cannot be related to a Rotary member.
- Applicants must be graduating high school seniors enrolling in an accredited institution.
- Deadline for submission to the District Committee is March 15, 2015.

We are still seeking volunteers to serve on the committee. If interested, please contact me at neilfay302@gmail.com.

APPLICATIONS FOR ROTARY PEACE FELLOWSHIPS

BY PATSY A. EZELL, ROTARY CLUB OF COLLEGE PARK

It is my pleasure to serve as the District 7620 Chair of the Peace Fellow Selection Committee for 2015. As such, you will be hearing more from me about the Peace Fellowship in the weeks and months to come, including where to find potential applicants and updates on the selection process for District 7620.

If your Rotary Club is interested in learning more about the Peace Fellowship and how we can support this unique opportunity to make a difference in our world, I am available to visit your Rotary Club on select dates during the months of March and April



and share more in-depth information. To schedule a program for your club, or if you have questions about the application process, contact me at

patsy.ezell@gmail.com.

Each year Rotary selects some of the world's most dedicated and brightest professionals to receive fully funded fellowships to study at our Rotary Peace Centers. In just over a decade, the Rotary Peace Centers have trained more than 900 fellows for careers in peace building. Many of

them go on to serve as leaders in national governments, non-governmental organizations, the military, law enforcement, and international organizations like the United Nations and World Bank.

The Rotary Peace Centers program has a vision of sustainable peace: encompassing a network of peace builders and community leaders dedicated to preventing and resolving conflicts across the global community.

Up to 100 Rotary Peace Fellows are selected annually to earn either a

professional development certificate in peace and conflict studies or a master's degree in a range of disciplines related to peace and security.

How Can We Promote Peace Fellowships?

Rotary members are vital to recruiting qualified candidates. You can help advance peace in troubled areas around the world by promoting peace fellowships and supporting peace fellow candidates through the application process.

You will find the online application at this link:

<https://www.rotary.org/myrotary/en/get-involved/exchange-ideas/peace-fellowship-application>

Please forward to any and all interested candidates!

Applications for the 2016-17 Rotary Peace Fellowships program are now being accepted.

The deadline for candidates to submit applications is as follows:

- May 15 Applications submitted to Local Rotary Club to seek Club Endorsement. Club interviews and endorsements are strongly encouraged but not required for applicants who have district support.
- May 31 Online or electronic Applications submitted directly to District for review. Applications submitted to patsy.ezell@gmail.com Applications must be complete and include Club endorsement.
- June 13 District Interviews for Peace Fellow Applicants –location TBA
- July 1 District submits endorsed applications to The Rotary Foundation

APPLICATIONS FOR ROTARY PEACE FELLOWSHIPS, CONTD.

BY PATSY A. EZELL, ROTARY CLUB OF COLLEGE PARK

Some of the best candidates for Rotary Peace Fellowships are in your community. Here are some ways you can promote fellowships in your area:

- Make sure your club members are familiar with the Rotary Peace Centers program. The more people here are keeping an eye out for good candidates, the more likely your club is to find one. Offer a presentation about the program to your club, or better yet, invite a peace

fellow to speak to your club. Find one by contacting us at alumni@rotary.org.

- Send a press release about Rotary Peace Fellowships to your local media.
- Meet with community partners. Think about organizations your club already works with, or reach out to like-minded groups or to universities with related programs.
- Use social media. Announce fellowship opportunities to your friends

and professional network on Facebook, LinkedIn, and Twitter. You can also follow Rotary Peace Centers on Facebook and repost interesting photos and stories.

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HERE WE GO AGAIN! 35TH ANNUAL INTERNATIONAL NIGHT

BY MELANIE WEERKAROON PRESIDENT-ELECT, POTOMAC-BETHESDA CLUB

Every year for the last 34 years the Potomac-Bethesda Rotary Club has put on a formal dinner in honor of the Rotary International Scholars who are spending a year studying in the Washington, D.C., Metro area. This year's Rotary Scholars comprised of three graduate students from Japan, two from Italy, and one from Great Britain. Three of the six are attending Johns Hopkins School of Advanced International Studies, and

the other three are studying at Georgetown University. Our Club always looks forward to this event, which enables us to hear from the Rotary Scholars about their experiences in the United States and to learn about how their relationships to Rotary back in their home countries gave them the opportunity to study in the United States.

This year's event will take place Saturday, April 18, 2015, at the Bretton Woods Recrea-

tion Center, which is located at 15700 River Road, Germantown. Bretton Woods is the country club affiliated with the International Monetary Fund. The event, which is also a fund raiser to support our Club's children's projects in Ethiopia and Haiti, begins at 5 p.m. with a silent auction, followed by dinner at approximately 6 p.m., a raffle, and discussions with the Scholars.

We take this night to recognize Rotary's

contribution to world understanding and the scholars tomorrow who will contribute to that goal. Our Club members are very much appreciated it if you would attend this event and support our scholars and our international projects.

A copy of the flyer describing the event could be found in the link, <http://pbrotary.org>. Please feel free to contact me at 301-461-5456 (cell), or write to me at arti419@comcast.net.



7610 PDG Sandra Duckworth

A Living Legacy for Future Generations

A note from Richard S. Carson: I have been honored to be the endowment chair of the district. All of our endowment contributors have great pride in the legacy they will leave. I think PDG Sandy Duckworth expressed the endowment area in an intelligent and erudite manner. This article written by her offers great inspiration. Of course, feel free to contact me for more specific information, and I will be more than happy to talk with you about your objectives for an endowment.

The Rotary Foundation Endowment Fund, the Foundation's Savings Account, is one of our most important funds. Your gift leaves a legacy for those who come after us and helps prevent disease, promote peace, and advance communities into the future.

ROTARY FOUNDATION ENDOWMENT

BY PDG SANDRA DUCKWORTH

Every year we all focus on the immediate need for annual fund contributions so that we can adequately fund the requests for ongoing projects and programs. At the same time, the Foundation has a need for future support. That is the reason the Rotary Foundation Trustees established the Endowment Fund (formally called the Permanent Fund). Making a gift to the Endowment Fund allows us to "leave a legacy" to Rotary to ensure our future.

You are a part of the Rotary Family --- be a part of it forever by *Leaving a Legacy*.

You might consider endowing a Foundation program. For example, you can endow a Scholarship, perhaps at your alma mater. Your contribution will go to The Rotary Foundation (TRF) but your university will be the beneficiary of a scholar on an annual basis.

Perhaps your passion is clean drinking water. You could set up an endowed fund to provide financial support for water projects. There are numerous possibilities for an endowment AND you can endow a program in your name or in the name of someone you wish to honor.

When considering an Endowment Fund gift, you may want to leave your legacy to Rotary today through an outright gift to the Endowment Fund to provide immediate program support. Stocks and mutual funds make a wonderful gift

– you can avoid the capital gains tax by transferring the securities directly to The Rotary Foundation. Or consider donating a vacation residence or commercial property. Tangible personal property, such as jewelry, art, and collectibles also can be a good way to make a gift to Rotary.

With one gift you can:

- Make a major gift to support TRF programs
- Receive immediate tax benefits
- Reduce capital gains tax on gifts of appreciated property
- Receive lifetime income for you or others

Some other possible gifts to consider:

Life Income Agreements

- Enable the donor to receive income for life through a charitable gift
- Receive an immediate federal income tax deduction
- Increase income from low-yielding assets
- Avoidance or reduction of capital gains taxes on gifts of appreciated assets

Gifts that benefit TRF after the donor's death such as wills, living trusts, and life insurance

Some planned giving resources include:

- Securing the Future, information on your request to TRF
- Named Fund, to secure tomorrow
- Life Income Gifts, gifts

that give back

- Pooled Income Fund, gifts and income
- And additional resources on the Rotary Web Site [Explore Your Endowment Fund Options](#)

And you can designate the spendable earnings from your endowment gift to SHARE* which makes a portion available to support club and district projects.

But how does the Endowment Fund work?

Your contributions are invested in perpetuity. A portion of the Endowment Fund's available earnings supplements Foundation activities and strengthens future commitments. The Foundation has set a goal of \$1 billion in Endowment Fund assets and gift commitments by 2025.

So what will your legacy be? How about taking a first step TODAY in creating your vision for a better world by becoming a BENEFACTOR or BEQUEST SOCIETY MEMBER. So easy! A small amount – barely to be missed by your heirs but you will be leaving a legacy that can help change the world long after your lifetime.

For a brochure on Your Rotary Legacy which includes a pledge form, go to file:///C:/Users/bob/Downloads/330en.pdf

*For SHARE information, visit <https://www.rotary.org/en/annual-fund-and-share>.



PAUL HARRIS SOCIETY GAINS OFFICIAL RECOGNITION

By Dr. Anna Mae Kobbe, DGN

The trustees adopted the Paul Harris Society (PHS) as an official recognition program of The Rotary Foundation effective July 1, 2013. Until that July 1, the PHS recognition was a district-administered program. The PHS was created in 1999 by Past District Governor Way Cusick from District 5340. PDG Cusick created the PHS program to encourage and recognize individuals who personally pledged to contribute \$1,000 annually to the Foundation. The idea quickly spread to other districts throughout the world.

As an official recognition program of the Foundation, RI assists districts with PHS program administration. Districts will continue to recruit and recognize new PHS members. All PHS members receive a wearable recognition insignia and a certificate.

Rotarians and friends of Rotary can join the Paul Harris Society by making a \$1,000 contribution to the Foundation or by automating your PHS gifts through Rotary's recurring giving program, Rotary Direct at www.rotary.org/contribute. Monthly gifts or quarterly contributions of \$250 automatically make an individual a member of the Paul Harris Society.

About this newsletter—Engage!
Is the quarterly newsletter by District 7620 Rotary Foundation. Material is submitted by members of the District Foundation Committee. If you have information and/or photos on your club's Foundation activities, contact your district committee chair or area coordinator by May 1. The next issue will be June 1, 2015.

Editors: Dawn Wittfelt (Sykesville), District Public Relations and Marketing Chair, and Mary P. Felter (Annapolis), committee member.

WORLD HEALTH ORGANIZATION POLIO HEADLINES—02/11/2015

BY FLOYD LANCIA, ZONE 30, REG. ROTARY FOUND COORD

Nearly 230,000 children were to be vaccinated against polio during a two-week campaign in Jeddah, Saudi Arabia, which launched on Feb. 8. Health teams were to visit homes, health centers, shopping malls, airports, seaports, and other places where people gather to reach every child.

In January, the Expert Review Committee on Polio Eradication and Immunization (ERC) met in Nigeria to review progress and challenges. While six months have passed since the most recent case of wild poliovirus was confirmed, the ERC concluded that Nigeria has a long way to go before this tentative progress can be taken as evidence that transmission of the virus has stopped. The ERC emphasized the importance of

guarding against complacency in Nigeria, maintaining political commitment to increasing immunity levels in all areas, coordinating across borders with neighboring countries, and strengthening planning for the potential of new wild poliovirus cases.

Updated reports from Afghanistan, Nigeria and Pakistan follow as of Feb. 11:

- Afghanistan. No wild poliovirus type 1 (WPV1) cases have been reported in the past week. The most recent case had onset paralysis on Dec. 4, 2014. The total number of WPV1 cases for 2014 remains at 28, compared to 14 in 2013. Most of these cases are linked to cross-born transmission with neighboring Pakistan.

- Nigeria. No new

case of WPV1 was reported in the past week. Nigeria's total case count for 2014 remains at six.

The most recent case had onset of paralysis on July 24 in Sumaila Local Government Area (LGA), southern Kano state.

- Pakistan. Two new wild poliovirus type 1 (WPV1) cases were reported in the past week. One case was reported in Khyber Pakhtunkhwa (KP) Province in Peshawar district, the first case in this district to be reported in 2015. The other was in the Federally Administered Tribal Areas (FATA), in South Waziristan with onset of paralysis in 2014. The total number of WPV1 cases in 2014 is now 306, and 7 for 2015. The most recent onset of paralysis was on Jan. 17 in Pashawar.

DISTRICT SCHOLAR STUDIES AT UNIVERSITY OF PEACE

BY DR. ANNA MAE KOBBE, DGN

Sarah Dobson, the 2014-2015 District 7620 Global Scholar, studies at the University of Peace (UPEACE) in Chudad Colon, Costa Rica. A 2011 University of Maryland (UMD) graduate, Sarah was selected by the District Scholarship Committee in January 2014 and began her studies in August 2014. She will complete her Master's Degree in Gender and Peace-building this semester. She was sponsored by the Rotary Club of College Park; the Rotary Club of Escazu, Costa Rica, in District 4240 serves as her host club.

Global Scholars design a program of study aligned with one of Rotary International's six Areas of Focus. Her graduate program focuses on Peace and Conflict Prevention/Resolution.

The UPEACE trains leaders to prevent and mediate conflict. UPEACE has one of the most diverse student bodies, with about 150 students across

ten master's programs from 60 countries.

Sarah says, "My program has 13 students representing the U.S., Costa Rica, Canada, Myanmar, Vietnam, Bangladesh, Liberia, Uganda, and Cameroon. My coursework is providing me with a critical lens to understand conflict and violence from a gendered perspective in order to properly design and implement peace-building strategies.

"I'm also learning about living and studying in a diverse, multicultural environment, which has its own richness and challenges. One of the most important parts of this program will be continuing to strengthen the network of peace-building friends and professionals so that we continue to support each other and learn from one another when we leave at the end of the year to pursue work across the globe."

Sarah's goal is to be a Project Manager with an international organization addressing gender equity and peace-building. Her interest in peace-building began in high school and college. She participated in People to People as a student ambassador and while studying at UMD she founded a student organization, Students for Peace. Upon graduating from college, she moved to Nicaragua and founded a nonprofit organization, The Peace Project.



CONGRATULATIONS TO THE COLLEGE PARK ROTARY CLUB, EXCEEDS HALF A MILLION IN GIVING

BY BETTE LEWIS, PDG 2008-09

The Rotary Club of College Park, organized in 1935, reached a milestone at the end of 2014. All time giving to The Rotary Foundation reached a total of \$505,100.95. During that time, the club has awarded a total of 288 Paul Harris Fellows, including recognition to prominent non-Rotarians in the College Park community.

Additionally, the Rotary Club of College Park has raised well over \$150,000 for TRF's polio eradication program.

International projects supported through grants from The Rotary Foundation have included Safe Blood Inc. projects in

South America, a Uganda water project, a Nigerian limb project, Haiti Earthquake Relief, a River Blindness project and Micro-Lending for women in Ecuador. Currently, the club is sponsoring a Women in Agriculture in Ethiopia Global Grant in partnership with the Extension Service at the University of Maryland. This sustainable project has an education area focus in co-partnership with three universities in Ethiopia.

In 1980 through club fundraising for local philanthropic projects, the Rotary Club of College Park began supporting the Children's

Development Clinic at the University of Maryland with an annual gift of \$6000. The project continues today, although the fiscal amount has been reduced due to other support the clinic now gets from government funding. Twenty community projects have been supported by the club through the Charitable Trust, with 11 of those continuing today.

Support of The Rotary Foundation has always been a priority of the Rotary Club of College Park. Each member celebrates his/her birthday with a generous contribution to TRF.

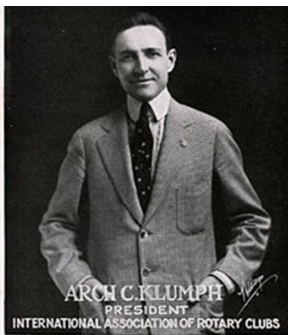
An unidentified member of the



Photo by Inka Cusco Rotary Club
Inka Cusco Club in Cusco, Peru, donates blood. The College Park Club's projects in South America are about educating the public in the importance of donating blood in an effort to build up their blood banks there with "safe" blood.

IT'S EASY TO BECOME AN ARCH KLUMPH SOCIETY MEMBER, AN OPEN LETTER TO ROTARY ONE PERCENTERS

BY KEN SOLOW, DISTRICT GOVERNOR ELECT



Dear Rotary One Percenters,

If you are a Rotary one percenter, I thought I would write to you today about joining the Arch Klumph Society. That's because to join the Arch Klumph Society you have to give a total of \$250,000 to the Rotary Foundation, and that, my friend, is no small chunk of change. However, you may find it interesting to

know that your Rotary friends in the top 1% of income and net worth in the U.S. and around the world have many interesting choices to consider if they want to join. My other, non-one percent readers, might be interested, or horrified, to know that you need to earn \$389,000 of household income to be in the top 1% of wage earners in the U.S., and have an estimated \$8-9 million of assets to be in the top 1% of net worth. (This one percent thing is a little complicated, so just trust me on the numbers.)

If you happen to be a Rotary one percenter reading this article, you will probably be aware of fact that we live in a disinflationary world characterized by a crash in worldwide interest rates. If you live in the

U.S. and want to earn some interest on your money, you can lend the U.S. government money for ten years in the form of a U.S. Treasury Bond and they will pay you the whopping annual interest rate of 1.95%. Or, if you want to lend Uncle Sam money for 30 years you get paid 2.51% per year. YIKES. If you don't want to climb out on the yield curve and you want to keep your money in cash you get paid nothing. Nadda. And in many parts of the world you actually have to pay the bank to stash some cash in their accounts. That's right. Major banks in Europe are currently offering negative interest rates.

If you don't want to invest in bonds in order to drive an income stream from your portfolio, you might consider investing in stocks and selling

them as needed to pay your bills. The problem here is that 1) stocks are now, by many traditional measures, very overvalued and are due for a major correction, and 2) it seems that the tax on capital gains keep increasing. There is now a surcharge for the Affordable Care Act of 3.8% and when added to the top capital gains tax rate it will cost you 23.8% in taxes to sell some shares to pay the bills. Ouch. (At this point non-one percenter Rotarians may be saying something like, "Cry me a river, pal." But this letter isn't for you so pipe down.)

Not to mention the fact that stock prices are up and yields are down. Let's say you got rich owning a diversified portfolio of stocks that matches the yield of the S&P 500 stock

CONTD., AN OPEN LETTER TO ROTARY ONE PERCENTERS

FROM WWW.KENSOLOWROTARY.COM

BY KEN SOLOW, DISTRICT GOVERNOR ELECT

Index. You are currently getting paid a yield of 1.9%. REALLY? Only 1.9%! What if you are a Rotarian named Forest Gump and you own a huge portfolio of Apple Stock? (APPL) You are getting paid a dividend of 1.76%. It's hard to pay the household staff on that kind of dividend, isn't it?

So...to review. You're a rich Rotarian and nobody but me cares about your troubles. You can't earn any money on your money in the current market environment without taking a preposterous amount of risk. You can't earn anything in the bond market. The stock market is expensive and doesn't pay much in the way of dividends, and capital gains taxes are through the roof...and are probably headed higher. What to do?

I'll tell you exactly what to do. (NOTE: Don't consider this unless you want to quadruple your income, get a huge current tax deduction, avoid a huge capital gain on the sale of your appreciated securities, and become a certified warrior for world peace with a plaque on the wall of One Rotary Center with your name on it as a brand new Arch Klumph Society member.)

First, call your Major Gifts Officer at the Rotary Foundation and tell him or her that you are about to make their day. You might also mention that Ken Solow sent you.

Next, establish what is called a Charitable Remainder Unit Trust (CRUT) at the Rotary Foundation. (ANOTHER NOTE: Everything you are about to read sounds too good to be true. Sometimes rich people can get a break and this is one of them. If you are about to stroke a check for \$250,000 to benefit my favorite charity, then I will lead the standing ovation for you. As they once said at McDonald's, "You deserve a break today.")

First, select \$250,000 of cash that is absolutely dead money, or \$250,000 of bonds that is nearly dead money, and gift it to the Rotary Foundation. Regardless of all the financial benefits that will accrue to you, the Rotary Foundation will give you full credit for this gift and you will get full recognition as an Arch Klumph Society Member.

Guess who else will be impressed? The IRS will cheer when you cut this check for cash and if you and your spouse are ages 60 and 57 respectively, they will allow you a charitable deduction of \$64,065. (ANOTHER NOTE: If you are a tax attorney or in the business of giving financial advice, you know that all of these numbers depend on specific personal financial issues. Please get a grip. I will tell everyone not to do anything without checking with his or her tax advisor later. I'm trying to close a deal here for cryin' out loud.) If you are in a high tax state and paying the highest marginal tax rates, then the deduction is worth about 50% or \$32,000. That's right. You get paid \$32,000 to be an Arch Klumph Society Member. Just sayin'.

You made a gift of cash so it cost you absolutely nothing in terms of lost earnings. But wait, it gets better.

Rotary Foundation will invest your money in a professionally diversified portfolio. You give them the \$250,000 and choose what Rotary program you want to support after the death of you and your spouse. But get this...you get to keep the income for your life AND the life of your spouse. And now for the \$250,000 question... What rate of income gets paid to you from your Rotary Trust? NO LESS THEN 5%! "What?" you say. "How can they do that? I wasn't getting paid anything from my cash and almost nothing from my bonds." They can do it because they are paying from the earnings

generated by the total return of your account, not just the interest rate on your account.

As long as the TRF portfolio earns a total return of 5% you get paid 5%. So instead of earning nothing on your cash, less than 2% on your bonds, or less than 2% on your stocks, you now get paid a cash income of 5%!

But...it gets even better. No, really. It gets even better. Let's say your money is invested by TRF and it earns more than 5%. Then in subsequent years you still get paid out 5% of your principal, but the principal IS REVALUED EVERY YEAR. So if you initially give \$250,000 to TRF and your money earns 7% and you choose a 5% withdrawal rate, in subsequent years your income stream is going to grow by 2%. You see? Your \$250,000 grew by 7%. You withdrew 5%, and the remainder sits in the trust where next year you will withdraw 5% of the new balance of \$255,000. So instead of getting \$250,000 x 5% of income, or \$12,500, you get 5% of \$255,000, or \$12,750. If the investments at TRF average more than 5% every year then your income grows every year. Does that sound better than a Treasury bond paying a flat 1.95% income taxable every year? You betcha.

Yes, it's true. If your money earns less than 5%, then you take a 5% withdrawal from a smaller principal balance that year. But who cares? You're rich, for Pete's sake.

"But," you say, "I have my Forest-Gump like stash of Apple stock with very low basis that is going to cost me 23% of capital gains to sell?" Just give the shares to TRF and Uncle Sam will still give you a charitable tax deduction, (it's less than a deduction for giving cash, but hey...don't be greedy), AND TRF will sell the shares

for you while you avoid paying \$59,500 of capital gains taxes. So, Uncle Sam pays you to make the charitable gift in the form of a tax deduction. You avoid a \$59,000+ capital gain. And you turn a dividend yield of 1.76% into a 5% yield that is likely to grow over time. As we like to say in the finance business, "ain't that better than a stick in the eye?"

And so, Rotary one percenters, you are now asking, "what's the catch?" The catch, my friend, is that almost none of this makes financial sense UNLESS you are interested in supporting the Rotary Foundation and all of its great programs and good works. The net cost to you to be an Arch Klumph Society Member, the most revered level of giving in Rotary, is probably less than you thought. But there is still a cost and you need to consult with your tax experts, and the experts at Major Gifts at the Rotary Foundation, before you embark on a sophisticated strategy like funding a CRUT for you and your family.

However, make sure you read this article a few times before you put yourself in the hands of the geeks and let them confuse you. I just gave you the straight scoop on how it works. I know...it's so good it's hard to believe.

2015-2016 RI President Ravi Ravindran's Rotary theme is "Be a Gift to the World." If you happen to have an extra \$250,000 lying around, earning little to nothing, or locked up with a low cost basis, please consider "Making a Gift to the World."

Uh...one last thing. You don't need to write a check for the whole \$250,000 at one time to get started funding your family's CRUT with the Rotary Foundation. However, if you do, It will make you feel wonderful and it's better than remodeling the kitchen....again.