



Tree Research & Education Endowment Fund

Policy/Procedure Statement

Subject: Endowment Fund

Policy No: 05-BOD

1. Purpose: This resolution is to allow the solicitation of new money to strengthen the financial reserves of the Tree Research and Education Endowment Fund thereby assuring the orderly continuation of services.
2. The Board of Trustees of the Tree Research and Education Endowment (TREE) Fund authorizes the acceptance of donations, outright or planned, which are restricted for the purpose of endowment. The General Endowment Fund includes Named Accounts and Named Funds:
 - a. Named Accounts (\$5,000 minimum):
 - i. Bonnie Appleton Memorial Fund
 - ii. Illinois Arborist Association Fund
 - iii. John White Fund
 - iv. John R. Wright Memorial Scholarship Fund
 - v. Board Designated Fund
 - b. Named Funds (\$100,000 or greater)
 - i. Barborinas Fund
 - ii. Bartlett Fund
 - iii. John Z. Duling and Evelyn Duling Endowment Fund
 - iv. Robert Felix Memorial Fund
 - v. Frank E. Gamma, Sr. Arboriculture Education Fund

- vi. Dr. Mark S. McClure Research Fund
 - vii. Ohio Chapter ISA Endowment Fund
 - viii. Safe Arborist Techniques Fund
 - ix. Bob Skiera Memorial Fund
 - x. Utility Arborist Research Fund
3. Endowment gifts
- a. Endowment gifts will be maintained in perpetuity or until such time or such occurrence as specified or as agreed to by the donor at the time of the gift
 - b. A guiding principle is the preservation of principal of the endowment
4. Revenue from endowment gifts shall be used for the purposes of the Endowment Fund unless otherwise specified by donor at the time of the gift.
5. Restrictions and procedures for the acceptance of non-cash gifts, as outlined in the Policy on Planned Giving shall also apply to endowment gifts.
6. For the purpose of investment, Endowment Funds may be commingled with other funds of the TREE Fund under the direction of the Finance Committee and the Board of Trustees. Accounting practices sufficient to assure discrete identification of endowment funds will be in place when funds are commingled.
7. If the donor specifies at the time of the gift, any endowment gift of \$5,000 or more may be designated as a Named Account within the General Endowment Fund.
8. Any donor who makes a gift for endowment purposes, shall be informed about the TREE Fund's offer to keep open an endowment account so future contributions can be made to this account until it reaches the desired gift level for naming the account and/or creating a Named Fund (\$100,000 minimum).

9. All Named Accounts will be permanently listed in the TREE Fund's annual report, unless they cease to exist due to a time limit or the occurrence of a specified event, as designated or agreed to by the donor at the time of the gift.
10. A gift of any size may be added to an existing Named Fund or Named Account if so designated by the donor at the time of the gift.
11. As long as their combined gift is valued at \$5,000 or more, the gift is made in unison, and is a direct gift of the donors (not solicited from the public at large), two or more donors may act in unison to designate a Named Account, even though their individual gifts are less than \$5,000 each.
12. Any endowment gift of less than \$5,000 and any endowment gift regardless of size which the donor does not wish to be designated as a Named Account, or specified for a Named Fund, shall be placed in the General Endowment Fund.
13. Donors of gifts \$100,000 or more shall be given the privilege of establishing a Named Endowment Fund and can designate a specific Approved Program of the TREE Fund to be the recipient of the income.
14. The minimum balance for a Named Fund is \$100,000.
 - a. As a guideline a minimum of twenty-five percent of annual earnings of the Named Fund(s) will be reinvested in that Fund.
 - b. As a guideline, a maximum of seventy-five percent of annual earnings from a Named Fund may be used for the purpose of that Fund.
15. Donors are to be encouraged to designate revenue from endowment gifts to the general purposes of the TREE Fund.
16. A donor wishing to make an endowment gift with revenue designated to a specific program or purpose shall be encouraged to include a redirection clause allowing the Board of Trustees to redirect such revenue if the original program or purpose ceases to exist.

17. Endowment gifts, the revenue of which is to be restricted to a current, ongoing program of the TREE Fund, which do not have a redirection clause, may be accepted by the President/CEO if, in his or her judgment, the size of the gift and the probable duration of the program warrant such action.
18. Endowment gifts, the revenue of which is designated to a specific purpose other than an ongoing program or activity of the TREE Fund, may be accepted only with the approval of the Board of Trustees.
19. Designation of current forms of operating support to Endowment Fund is to be strongly discouraged. This includes but is not limited to the annual appeal campaign, TREE Fund auctions, Chapter gifts, raffles, Tour des Trees, and other general gifts.
20. Subject to the conditions above, endowment gifts may be accepted in the name of the TREE Fund by the President/CEO.
21. The Board of Trustees has the authority to approve the transfer of funds from its operating fund to the Endowment Fund. Moneys transferred to the General Endowment Fund in this manner would be available for loan to the operating Fund for financial emergencies or general operating purposes. Any such loan will include repayment terms and would require a two-thirds vote of the Board of Trustees.
22. The Board of Trustees will determine in December of each year how endowment disbursements will be used; program support or reinvested. Unless specified by original fund donor(s) at the time of gift.

Issued by

Date revised: 4/16/12

Board Action (give date of vote) April 16, 2012

-or-

TREE Fund Chairman's Signature _____

-or-

President/CEO's Signature _____