



## Trustee Meeting Agenda

October 18, 2017, 1:00pm

Phone: 866-866-2244 Passcode: 99958049

1:00 Meeting call to order and Chairman's comments Sayers

### 1:05 Consent Agenda

- |  |        |
|--|--------|
| • Minutes from May 8, 2017 trustee meeting | Tab 1  |
| • Treasurer's Report                       | Tab 2  |
| • President and CEO's Report               | Tab 3  |
| • Governance Committee Report              | Tab 4  |
| • Research and Education Committee Report  | Tab 5  |
| • Development Committee Report             | Tab 6  |
| • Communications Committee Report          | Tab 7  |
| • Liaison Committee Report                 | Tab 8  |
| • Council of Representatives Report        | Tab 9  |
| • Strategic Plan                           | Tab 10 |

### 1:10 Chairs Summarize Committee Highlights (May to October 2017)

- Ray Henning, Finance Committee
- Steve Geist, Governance Committee
- George Hudler, Research and Education Committee
- Paul Fletcher, Development Committee
- Dave Krause, Communications Committee
- Beau Brodbeck, Liaison Committee
- Al West, Council of Representatives
- J. Eric Smith, President and CEO

### 1:35 Research and Education Grant Award Votes

Hudler/Smith

- Ratify prior electronic votes:
  - Horace Thayer Scholarship of \$2,000 to Timothy Lentz
  - Fran Ward Scholarship of \$2,000 to Jennifer Halterman
  - John Wright Scholarship of \$2,000 to Savannah Haines
- Vote on New Awards:
  - Research Program Review Grant of \$20,000 to Drs. Koeser/Hauer Tab 11
  - Education Program Review Grant for \$5,000 to Dr. Eric Wiseman Tab 12

### 2:00 Old Business

- Trustee and Committee Member Recruitment Geist

- December 2017 Meeting Schedule Smith
  - December 4: Trustee Meeting Noon-5pm
  - December 4: Joint Trustee/Liaison dinner 6pm
  - December 5: Joint Trustee/Liaison meeting 8-10am
  - December 5: Liaison Meeting 10am-4pm
- Trustee Campaign and Operating Support Smith
- Ratify prior electronic vote to accept David Krause as Trustee Geist

#### 2:30 New Business

- Vote on Revised Governance Policies Geist Tab 13
- Vote on Tree and Soil Research Fund for Smith Tab 14  
Landscape Architecture
- 2018 Grant Calendar Smith

#### 2:45 Executive Session



## Trustee Meeting Minutes

**Date & time of meeting:** May 8, 2017, 8:00am Central Time at The Morton Arboretum, Lisle, IL

**Attending:** Brian Sayers, Chairman; Steven Geist, Chair Elect; Tom Wolf, Vice Chairman; Ray Henning, Treasurer. Trustees: Jim Barborinas, Beau Brodbeck, Paul Fletcher, George Hudler, David Krause as proxy for Brent Asplundh, Sharon Jean-Philippe, Sharon Lilly, Will Nutter, Bill Schleizer, Jim Urban, Jeff Wilson. President and Chief Executive Officer: J. Eric Smith.

**Absent:** Trustee: Brent Asplundh

Meeting call to order: Chairman Sayers called the meeting to order at 7:57am. He welcomed the board and introduced Sharon Jean-Philippe and Sharon Lilly as new Trustees and David Krause as proxy for Brent Asplundh.

Consent Agenda: Chairman Sayers asked whether any item(s) should be removed from the Consent Agenda for review. None were noted. Motion was made by Proxy Trustee Krause to approve the Consent Agenda. Motion was seconded by Chair Elect Geist. Discussion: None. Motion carried.

- Consent Agenda items:
  - Minutes from December 5, 2016 Trustee Meeting
  - President and CEO's Report
  - Treasurer's Report and First Quarter Financials
  - Development and Communications Committee Report
  - Research and Education Committee Report
  - Governance Committee Report
  - Liaison Committee Report
  - Audit Committee Report

Endowment Building Campaign Update: Chairman Sayers discussed the importance of 100% Trustee giving to the Endowment Building Campaign, and noted that President Smith will contact each Board member in the weeks ahead to discuss each Trustee's individual plans for supporting the campaign. President Smith presented the Board with a status report on Campaign efforts since December.

- Motion was made by Trustee Nutter to reaffirm the three million dollar goal for the campaign based upon work completed with CCS. Motion was seconded by Treasurer Henning. No discussion. Motion carried unanimously.
- Motion was made by Trustee Barborinas that the Board commits to 100% individual financial support to the Endowment Building Campaign. Motion was seconded by Trustee Nutter. Motion carried unanimously after discussion.

Research and Education Committee: Committee Chair Hudler reviewed the Committee's recommendations for funding.

- Motion was made by Trustee Wilson to fund a Hyland Johns grant for Dr. Rich Hauer's project "Sustainable Urban Forestry Planning Models and Decision Making Dashboard" for \$49,837.15. Motion was seconded by Trustee Fletcher. Motion carried unanimously after discussion.



- Motion was made by Trustee Barborinas to fund a Hyland Johns Grant to Dr. Kathleen Wolf for her project “Urban Forests for Human Health: A Focused Economic Valuation” for \$46,950. Motion seconded by Treasurer Henning. Motion carried unanimously after discussion.
- Motion was made by Trustee Barborinas to fund Friends of the Urban Forest’s program “Green Teens – Vocational Skills Job Training” for a \$5,000 Arboriculture Education Grant. Motion was seconded by Chair Elect Geist. No discussion. Motion carried unanimously.
- Motion was made by Trustee Wilson to award TreeFolks an Arboriculture Education Grant for their program “Youth Tree Climbing Initiative” for \$5,000. Motion was seconded by Chair Elect Geist. No discussion. Motion carried unanimously.
- Motion was made by Chair Elect Geist to award Robert Felix Scholarships to Conor Smith and Laura Mantin. Motion was seconded by Trustee Schleizer. Discussion ensued regarding amount of award. Friendly amendment to motion was made by Trustee Urban to increase the awards from \$3,000 to \$5,000. Amended motion was seconded by Trustee Barborinas. Discussion ensued regarding promotion of scholarships. Trustee Jean-Philippe suggested that President Smith investigate whether funding departments on behalf of students may be more effective than funding students via scholarship offices due to financial aid impacts; President Smith committed to do so before 2018 awards. Motion carried unanimously as amended.
- Motion was made by Treasurer Henning to fund Columbus State Community College project “Columbus State Arboriculture Education Expansion and Tree Care Academy Project” for a \$5,000 Ohio Chapter ISA Education Grant. Motion was seconded by Chair Elect Geist. No discussion. Motion carried unanimously.
- Motion was made by Treasurer Henning to fund Dr. Brian Kane’s project “Arboricultural Safety Around the World” for a \$15,000 Safe Arborist Techniques Grant. Motion was seconded by Trustee Fletcher. No discussion. Motion carried unanimously.

#### Governance Committee:

- Motion was made by Vice Chairman Wolf to ratify the electronic vote to elect Sharon Jean-Philippe as a Trustee. Motion was seconded by Treasurer Henning. No discussion. Motion carried unanimously.
- Motion was made by Trustee Lilly to split the Development and Communications Committee. Motion was seconded by Trustee Schleizer. Motion carried unanimously after discussion.
- Motion was made by Treasurer Henning to endorse the principles defined in the *Responsibilities of a Board Member* document. Motion was seconded by Trustee Barborinas. Motion carried unanimously after discussion.
- Discussion regarding Committee Chair succession planning. Trustee Wilson stated that Mundy Wilson-Piper will replace him after the October Trustee Webinar as the TCIA representative.
- Trustee nomination process and criteria will be documented by Governance Committee.
- Governance documents are in revision process.
- Research and Education Committee Structure: no decision made to revise; on hold.

Report on Strategic Planning Task Force Meeting: Chairman Sayers reviewed the progress made by the Task Force made up of standing Committee Chairs and Trustee Lilly. Seven topics were divided among the Committees for further action.



Chair Summaries of Committee Highlights: Committee Chairs reviewed key developments since last board meeting.

New Business:

- Non-K-12 Community Engagement Grants – recommendation on hold until completion of Strategic Plan. No action.
- Motion made by Trustee Urban to increase all future Robert Felix Scholarship awards to \$5,000. Friendly amendment made to motion by Trustee Lilly to cap awards at five per year. Amended motion seconded by Trustee Barborinas. Amended motion carried unanimously after discussion.
- Motion was made by Trustee Urban and seconded by Trustee Brodbeck to authorize President and CEO Smith to prepare for the Research and Education Committee two RFPs — one for an educational grant baseline study, and one for a TREE Fund research impact study — within the currently approved \$350,000 grant budget for 2017. Vice Chair Wolf made a friendly amendment to cap the aggregate value of grants awarded under these RFPs at \$25,000, with the RFPs to be issued within 30-45 days and awarded at or before the December Trustee meeting. Amended motion was seconded by Chair Elect Geist. Motion carried after discussion.

Old Business: None

Housekeeping:

- Next meeting via webinar on October 18
- December 4 and 5 meetings in Chicago

Meeting adjourned at 11:15pm and was followed by lunch. Executive Session was called to order at 12:10pm. Executive Session and the Trustees meeting adjourned at 12:35pm.

Respectfully submitted by Barbara Duke.



**Finance Committee Report**  
**Prepared by: Ray Henning, Chair**  
**Date Submitted: October 4, 2017**

**Meetings:**

**Date:** May 16, 2017

**Participants:** Ray Henning, Rick Joyce, Terry McGonegle, Bill Schleizer, J. Eric Smith.

**Topics and actions:** Reviewed the March CCT statement and April, 2017 financial statements. Operating income is down due to reduced support from a major donor and Tour revenue is down due to reduced riders. The monthly financial reports continue to be sent to the Audit Committee. A joint session of the Audit Committee and the Finance Committee was scheduled for the next call to discuss Strategic Planning in Executive Session.

**Date:** June 20, 2017

**Participants:** Ray Henning, Treasurer; Will Nutter, Audit Committee Chair; Jacques Brunswick; Rick Joyce; Terry McGonegle; David McMaster; Bill Schleizer; John Signorini; J. Eric Smith, Tom Wolf

**Topics and actions:** Reviewed the April CCT statement and May, 2017 financial statements. Market performance has been good this year; earnings on endowment at CCT are doing well. Appleton, Barborinas and UARF Funds are close to activation levels; grants are expected to be issued in 2018. Financials are overall favorable year to date. The meeting went into Executive Session and the joint Audit and Finance Committees developed draft financial strategic planning goals.

**Date:** July 18, 2017

**Participants:** Ray Henning, Terry McGonegle, J. Eric Smith, Tom Wolf, Laura Flamion

**Topics and actions:** Reviewed the May, 2017 CCT statement and the June, 2017 financial statements. Endowment will break \$4MM next month. UARF was close to \$1MM end of June. Barborinas Fund and Appleton Fund are near goals of \$100K. Grants will be rolled out in 2018 for \$50K UARF grant, \$5K Barborinas Grant and \$5K Appleton Grant. Neither the Fellowship

nor Arboriculture Education Grants will be offered in 2018; until endowment funds are created. Operating Income is still below budget. Will continue to push for Tour fundraising through December. A new report (Grants Payable Cash Analysis) was prepared and distributed to the Committee. This report will be updated and distributed to the Committee as grants are awarded. The American Society of Landscape Architects would like to fundraise with TREE Fund to create a \$500K fund by end of 2019. The committee moved to approve the creation of the Tree and Soil Research Fund for Landscape Architecture within the Endowment Fund at Chicago Community Trust.

**Date:** August 15, 2017

**Participants:** The August Finance Committee meeting was cancelled.

**Topics and actions:** None

**Date:** September 19, 2017

**Participants:** Ray Henning, Terry McGonegle, Bill Schleizer, J. Eric Smith, Laura Flamion.

**Topics and actions:** Reviewed the July CCT statement and August, 2017 financial statements. The Endowment has surpassed \$4 million. Operating income continues to be below budget so the focus will be on building unrestricted operations and pivoting from endowment building for the remainder of 2017 to offset lower net performance of Tour des Trees and reduced contributions from a major donor. Annual appeal celebrating 15 year TREE Fund anniversary will launch in October. Laura Flamion, contracted Bookkeeper will not be renewing her contract in December. She is working on vetting applications and will be training new hire to ensure a smooth transition.

**Accomplishments:** The Finance Committee has provided overall direction and oversight of the finances of the TREE Fund to insure the integrity of our resources. We have provided a financial plan which is supportive of our strategic plan; ensured the availability of sufficient liquid cash to support operations; prepared financial reports which are accurate, comprehensive and informative and maintained a reserve equal to 30% of annual estimated operating budget. In addition the Finance Committee has; assisted with the development of joint financial strategic plans with the Audit Committee, reviewed the monthly CCT and financial statements and have continued meeting monthly.

**Objectives for the next 3 months:** Maintain the financial integrity of the TREE Fund by monitoring the monthly financial statements and assisting with preparation of the 2018 budget. Upon approval implementation of the Strategic plan items.

**Next Meeting Date:** October 17, 2017

**The TREE Fund**  
**Profit & Loss Budget vs. Actual**  
**January through August 2017**

	<u>Jan - Aug 17</u>	<u>Budget</u>	<u>Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
4001.00 · Annual Oper Campaign Unrestrict	113,834.65	132,840.00	-19,005.35	85.69%	184,500
4100.00 · Other Income	95.00	6,400.00	-6,305.00	1.48%	10,000
4700.00 · Sponsored Grants/Scholarship	466,564.12	332,500.00	134,064.12	140.32%	665,000
4900.00 · Special Events	436,652.89	616,500.00	-179,847.11	70.83%	685,000
<b>Total Income</b>	<u>1,017,146.66</u>	<u>1,088,240.00</u>	<u>-71,093.34</u>	<u>93.47%</u>	<u>1,544,500</u>
<b>Gross Profit</b>	<u>1,017,146.66</u>	<u>1,088,240.00</u>	<u>-71,093.34</u>	<u>93.47%</u>	<u>1,544,500</u>
<b>Expense</b>					
6010.00 · Board & Liason Expense	1,849.66	7,000.00	-5,150.34	26.42%	14,000
6020.00 · Grants and Contracts	170,642.13	185,500.00	-14,857.87	91.99%	350,000
6050.00 · Occupancy & Equipment Expense	18,549.25	17,920.00	629.25	103.51%	28,000
6100.00 · Office Expense	21,163.23	32,830.00	-11,666.77	64.46%	46,900
6150.00 · Personnel Expenses	204,798.13	212,740.00	-7,941.87	96.27%	312,853
6200.00 · Professional Fees	128,004.00	139,965.00	-11,961.00	91.45%	150,500
6300.00 · Service Fees	4,187.44	7,000.00	-2,812.56	59.82%	10,000
6900.01 · Special Event	250,199.61	204,700.00	45,499.61	122.23%	230,000
7000.00 · Technology Expense	12,490.44	12,600.00	-109.56	99.13%	20,000
7100.00 · Travel & Meetings	25,623.86	21,600.00	4,023.86	118.63%	30,000
<b>Total Expense</b>	<u>837,507.75</u>	<u>841,855.00</u>	<u>-4,347.25</u>	<u>99.48%</u>	<u>1,192,253</u>
<b>Net Ordinary Income</b>	<u>179,638.91</u>	<u>246,385.00</u>	<u>-66,746.09</u>	<u>72.91%</u>	<u>352,247</u>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
5999 · Transfers From Restricted	157,046.00	164,250.00	-7,204.00	95.61%	225,000
<b>Total Other Income</b>	<u>157,046.00</u>	<u>164,250.00</u>	<u>-7,204.00</u>	<u>95.61%</u>	<u>225,000</u>
<b>Other Expense</b>					
8999 · Transfers To Restricted	327,916.88	276,850.00	51,066.88	118.45%	565,000
<b>Total Other Expense</b>	<u>327,916.88</u>	<u>276,850.00</u>	<u>51,066.88</u>	<u>118.45%</u>	<u>565,000</u>
<b>Net Other Income</b>	<u>-170,870.88</u>	<u>-112,600.00</u>	<u>-58,270.88</u>	<u>151.75%</u>	<u>(340,000)</u>
<b>Net Income</b>	<u><u>8,768.03</u></u>	<u><u>133,785.00</u></u>	<u><u>-125,016.97</u></u>	<u><u>6.55%</u></u>	<u><u>12,247</u></u>





THE CHICAGO  
COMMUNITY TRUST  
AND AFFILIATES

**Financial Summary of  
Tree Research and Education Endowment Fund (F726)  
For the Month Ended July 31, 2017**

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Beginning Market Value 06/30/2017	\$ 4,012,151.78
Contributions (see attached detail)	72,060.54
Grants Paid	0.00
Net Realized/Unrealized Gain/Loss	70,122.37
Net Investment Earnings	3,023.38
Administrative Fees	0.00
Administrative Expenses	0.00
Transfers	0.00
Miscellaneous Income	0.00
Miscellaneous Expenses	0.00
<b>Ending Market Value 07/31/2017</b>	<b>\$ 4,157,358.07</b>
Account Holdings	
Investment Pool A	\$ 4,085,297.53
- 5,381.7769 units @ \$759.10 per share	
Short Term Investment Pool	72,060.54
- Pending Purchase in Investment Pool on 08/01/17	
<b>Total</b>	<b>\$ 4,157,358.07</b>

If you have questions about this statement or your fund, please contact:

Abbe Temkin  
Director, Major and Planned Gifts  
312-616-8000  
atemkin@cct.org

**Financial Summary of  
Tree Research and Education Endowment Fund (F726)  
For the Month Ended July 31, 2017**

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**Spending Plan**

Beginning Spendable Balance	\$ 100,706.00
Spending Allocation FY 2017	123,900.00
Grants Paid Year To Date	(157,046.00)
Administrative Fees Year To Date	(8,415.00)
Administrative Expenses Year To Date	0.00
Trustee Fees Year To Date	0.00
Investment Management Fees Year To Date	0.00
Miscellaneous Expenses Year To Date	0.00
Transfers To / From To Date	0.00
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Remaining Spendable Balance as of 07/31/2017	\$ 59,145.00
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**Contributions and Receipts Received**

07/21/2017 Tree Research and Education Endowment Fund	\$ 72,060.54
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Total:	\$ 72,060.54
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If you have questions about this statement or your fund, please contact:

Abbe Temkin  
Director, Major and Planned Gifts  
312-616-8000  
atemkin@cct.org

# TREE FUND MEMORANDUM

Date: October 4, 2017

To: TREE Fund Board of Trustees

Fm: J. Eric Smith, President and Chief Executive Officer

Re: Report for October 18, 2017 Trustee Teleconference

## INTRODUCTION:

We have had a busy summer in Naperville and beyond since our May Board meeting. I completed my “listening tour” of the 21 U.S. ISA Chapters when I visited Rocky Mountain Chapter in September, and we have also come through ISA International, the Tour des Trees, TREE Fund After Hours, Trees and Utilities Conference, and a variety of other internal and external engagements. Endowment Building activities continue apace, though some operating shortfalls and unexpected changes in partnership levels that I will discuss below are creating some challenges for us as we wind down 2017 and plan for 2018 and beyond.

As I note in all of my written reports to you, I believe that frank communications from me best allow you to properly fulfill your fiduciary and governance responsibilities to our organization. By necessity, such candor also dictates that my reports be held closely and considered company sensitive information. Therefore, I respectfully request that you do not forward or share this report beyond the Board of Trustees, Barb Duke and I, with thanks in advance and as always for your discretion.

## FINANCES:

On September 27 at the Trees and Utilities Conference in Kansas City, I had the pleasure of announcing the successful completion of the PG&E Challenge six months before deadline, which pushed the Utility Arborist Research Fund over the \$1.0 million activation goal we have been pursuing since 2010. I was also pleased to report that this pushed the overall TREE Fund endowment with The Chicago Community Trust (CCT) over the \$4.0 million mark for the first time, which is ahead of the glide path we established in laying out our Endowment Building Campaign over the past year. Our next milestone, per the Strategic Plan you developed this summer, will be to have the CCT Endowment at \$4.75 million (with another \$250,000 in future gifts pledged) by the end of 2018. This remains achievable with activities underway now.

While our overall balance sheet remains strong due to payments and pledges toward the Endowment, we cannot use those funds for current operations, and some shortfalls on that front have pushed us into a tighter operating zone for the remainder of 2017 and first several months of 2018 than I would ideally like. There are two primary drivers of these shortfalls: changes in partnership levels by some of our long-term supporters, and low net operating income from the 2017 Tour. All of these changes and impacts occurred after the 2017 budget was approved and after we had begun implementing a variety of programs early in the year, which limits our response capabilities to some extent. Key among these changes and impacts are:

## Partnerships

- Bartlett has significantly cut its support for TREE Fund this year: their straight cash sponsorship decreased from \$45,000 to \$10,000 and Team Bartlett's contribution to the Tour decreased from \$65,000 to \$15,000, for a net decrease against budgeted levels of \$85,000 for the year. I have discussed these changes with several senior Bartlett managers, and expect that we will be supported at this lower level for the foreseeable future. To a large extent, this change was driven by a long-term lack of client appreciation and follow-up on the part of TREE Fund in managing this important donor relationship, along with shifts within Bartlett in corporate giving philosophies. I have made changes internally to address concerns raised with me, and will continue doing my best to restore this relationship in years ahead.
- When I visited Bandit leadership in Michigan in May, they committed to again holding a chipper auction on behalf of TREE Fund at TCI EXPO in November. We discussed ways to improve the presentation of the auction, and I've been planning on that infusion of revenue late in the year. Last month, we received word that Bandit had changed its mind and will not be holding the chipper auction this year. Monika and I are trying to get Bandit to replace this loss with a straight-up partnership payment, but we're not getting encouraging responses to date, so this could be about a \$20,000 loss against budget.
- While it does not impact the current year, early 2018 got a bit more difficult when STIHL notified us last Friday that they will not be renewing their title sponsor support for the Tour des Trees (their current contract ends this year). I have mixed feelings about this. On the one hand, having a check from them early each fiscal year is helpful, but on the other hand, the contract was very heavily weighted toward the benefit of STIHL, and it tied our hands in a lot of ways in terms of what we could or could not do, and who we could or could not talk to/solicit. They received credit for a \$100,000 contribution, but they provided \$50,000 of it as in-kind marketing support (which was of less benefit to us than it was to STIHL), and then in exchange for their \$50,000 cash contribution, they were allowed to embed five riders and two support personnel on the Tour, with none of those folks being required to meet the rider fundraising minimums. When you net out the loss of fundraising from those riders and the cost of feeding and housing those people for the week, the net cash benefit to us when all was said and done was only about \$25,000 per year. STIHL also required us to set up separate portals outside of our own TREE Fund marketing structures (e.g. stihltourdестrees.org), which led to confusing branding for us, and of course now causes difficulties in platform conversion since we have to retire that name and related marketing materials. While Monika and I are going to seek to replace STIHL's financial support, I am loathe to enter into another marketing deal that puts the name of the donor in front of the "Tour des Trees" mark that we have registered and own. If we do land a straight up \$100,000 donor, I would negotiate for the event to be called "Tour des Trees to Benefit TREE Fund, Presented by [Company Name]." I am also loathe to enter into long term sponsorship arrangements, as one of our Strategic Plan deliverables is to do a comprehensive review (including cost/benefit analysis) of the Tour in 2018-2019.

## Tour des Trees

This year's Tour (including related events at ISA International) under-performed against the budget. We have debriefed this extensively in the office, and offer the following summary notes:

- **Revenue Side:**

- Tour rider participation was down. We have analyzed data on riders back through 2005 to identify trends that positively and negatively affect participation. The biggest drivers – time between Tours (we only had nine months this year) and “excitement” about the route (we were in the same area six years ago) – worked strongly to our disadvantage this year. We also did not get much of the promised support, promotion or partnership from ISA, and their late decision to shift the ITCC from after to before the Conference was a further blow to the marketability and experience of the Tour itself. (I have met with new ISA Executive Director Caitlyn Pollihan and discussed this at length with her, so she knows of the issues and has committed to make sure they are more supportive next year in any cases where we overlap, in both promotions and implementation). Also, Team Bartlett had 13 riders in 2016, and three in 2017, as discussed above.
- Local chapter financial support was soft compared to recent years: MAC-ISA only had three full time riders, and their cash support was dramatically less than Southern and Florida Chapters had offered over the prior two tours. Compounding this impact, MAC-ISA restricted almost all of their cash contributions to their Bonnie Appleton Endowment Fund, removing it from operating revenues for this year and next year’s grants. We saw similar restrictions from Illinois and Wisconsin Chapters for their own Endowment pools. While I do not wish to discourage donors who are excited about making Endowment contributions, this does put a burden on current operations.

- **Expense Side:**

- We were frankly hammered with unexpected fees at the Gaylord, and the group room rate that ISA negotiated (and of which we were part) was not a generous one, making most of our hotel nights higher than we historically pay. This was compounded by the Gaylord using a broker who collected a commission on top of room rates, which we also never do when we negotiate our hotel stays ourselves. Big lesson learned here: we will never share a hotel block which we do not directly negotiate ourselves again.
- We also got hammered on food, in large part because of our (Canadian) caterers pulling out due to lack of legal work documentation and insurance in the U.S. at the last minute. We had to source food on short notice in a very expensive market, and we paid dearly for it. The conference location caterers (who had the right to lock out any competing caterers) were also extravagantly expensive, but we did not have options there.
- Our insurance costs increased over both last year’s level and this year’s budget amount based on the changes we discussed and made over the past year. One thing that emerged during the policy review was that we are heavily dependent on vehicles to support the team on the road, but our policies did not cover those vehicles, so we rectified that. We also increased accident and liability insurance amounts on the Tour itself.

That’s all water under the bridge at this point, but all of these changes and challenges do impact cash flow for the next six months or so. We are proactively managing this process to ensure that we do not put ourselves under any financial duress until 2018 partnership, Tour and operating funds begin coming in; highlights of actions already taken or in process include:

- Accelerating our year-end appeal. We will launch a “15<sup>th</sup> Anniversary Appeal” in mid-October to run through the end of the year; the letter is co-signed by Hyland Johns and me.
- Accelerating our partnership appeal. This will also go out in October, so we can try to get as many of them as we can locked down at or by TCI Expo.
- Reducing our new grant awards for the remainder of the year: we will recommend approval of two new awards totaling \$25,000 on our October 18 teleconference, and the Research and Education Committee has guidance to award two Kimmel grants (total of \$20,000) and one Duling grant (\$25,000) in response to the fall application cycle. These will be presented for Trustee approval at the December meeting. We will also have a more modest award plan for 2018, which I will include in my budget proposal to Finance Committee later this month; if we bounce back strong, we can make up for it with supplemental Duling grants late in 2018.
- Actively managing cash balance in real time by spreading out the payments on some of the large Gaylord and related invoices that all hit at once in August.
- Working with Wintrust (our bank) to establish a “just in case” \$100,000 line-of-credit with a 90-day payback period; we had a line-of-credit with PNC (our former bank) in years past; I do not think we will need it, but it’s a good “belt and suspenders” safety outlet.
- Managing our transfers to CCT in a more measured fashion (e.g. quarterly), rather than just automatically sending anything that comes our way for Endowment to CCT at the end of the month each month.
- Working with PG&E and UAA to hold their final UARF payments (totaling \$50,000) to pay the first UARF grant next spring, rather than putting those funds into CCT this fall and then turning around and taking them back out in March; they have agreed to this approach, and we are documenting that for the audit record.
- Asking Davey to defer their transition from operating partner to endowment donor by one year; Sandee Reid and I spoke today and they have agreed to that. Additionally, Davey has agreed to pick up the marketing elements that STIHL used to provide, and will host an event in Kent on the 2018 Tour. We will announce the new Davey Endowment Fund at that event in Kent in 2018, and then they will shift to funding it in 2019. I will provide them with the results of our Education Benchmarking Study to help us define the purpose of their Fund to maximum benefit. I am grateful that they keep stepping up.
- Implementing a “back to basics” approach to the Tour in 2018. Ohio is unquestionably our strongest Chapter in terms of fundraising and volunteer support, so we can expect good things on the revenue side, but we want to really turn the screws on the expense side as well. We held our first call of the 2018 Tour Planning Committee this week with that as a key theme. We will be doing a “traditional” Tour that ends with ITCC, the week before ISA International Conference, with a goal of staying and eating as often as we can in low price/rural areas, rather than in expensive city centers. (Note that our Strategic Plan includes a commitment to perform a comprehensive review of the Tour next year, so I am not making public commitments about timing, location, or structure of the Tour beyond 2018).

At bottom line, I’d prefer to be focusing primarily on Endowment for the next six months, but things happen sometimes, and we’re working here to make sure that we’re addressing emergent challenges transparently and effectively. I will keep you posted, as always, as we move forward.

## **STRATEGIC PLAN:**

I appreciate the enthusiastic and thoughtful engagement that we received from Executive Committee, the Strategic Planning Task Force, and all of our working Committees to develop a lean Strategic Plan for 2018-2020 that properly reflected governance/management roles, was strategic in lieu of tactical, and which gave clear deliverables and benchmarks along the way. Chairman Sayers sent the last version of the Strategic Plan to the full Board for comment before the Tour, and Committee Chairs have reviewed it with their committees over the past couple of months as well. We reached a point where we only received one small comment from one committee, so there seems to be a consensus that we have the document we want and need at this point. The Executive Committee has accepted the Strategic Planning Task Force's work, and Chairman Sayers has placed the plan on the consent agenda for the October 18 teleconference. I would suggest that the Board accept the document at this time, and that we include an agenda item at the December meeting in Rosemont when we are all together to discuss any implementation or roll out elements, since it does not take effect until January 1, 2018.

## **POLICIES AND PROCEDURES:**

Barb Duke and I have been working with Governance Committee over the past year to simplify our corporate policies, and ensure they reflect our Restated Declaration of Trust that you approved last December. As many of you may have noted, the Trustee Toolbox on our website (where our policies reside) has often been overwhelmingly difficult to navigate and maintain, as it was developed by accretion, with lots of small internal policies and lots of documents produced by others on general nonprofit accounting, operations and management just stacked together. At the time we began this project, there were nearly 70 separate policy documents in the Toolbox. The Board packet for this meeting contains five new policies, and a matrix showing how they reconcile to the older policies. We have reviewed these five policies thoroughly with Governance Committee, and they have voted a motion to carry them forward for Board ratification on the October 18 teleconference. Should you vote to accept their recommendation and the Strategic Plan, our new policy handbook (which will be placed in the Trustee Toolbox) will have only seven consolidated documents, containing all germane elements of the cumbersome previous version:

1. Restated Declaration of Trust
2. Governance and Management
3. Officers and Executives
4. Trustee Committees
5. Financial, Internal Control and Gift Policies
6. Operating Policies (Employee Handbook)
7. Strategic Plan

## **RESEARCH AND EDUCATION:**

Chairman Sayers, Research Chair George Hudler and Chairman Elect Steve Geist worked with Barb Duke, Laura Flamion and myself this summer to run a "clean slate" calendaring exercise to make sure that our 2018 grant process was smooth for both applicants and reviewers. We developed a simplified calendar that will have the whole year managed under two cycles:

### **Spring Cycle:**

- RFP Issued/Applications Open: January 15
- Applications Close: March 15
- Committee Recommendations Complete to Trustees: By May 1
- Trustee Vote on Recommendations: At May Board Meeting
- Contracts Awarded: By June 15

### **Fall Cycle:**

- RFP Issued/Applications Open: August 1
- Applications Close: October 1
- Committee Recommendations Complete to Trustees: By November 15
- Trustee Vote on Recommendations: At December Board Meeting
- Contracts Awarded: By December 31

The Kimmel and Duling grants process (which generates the most applications between them) will occur during the Fall Cycle, and all of the other grants and scholarships will occur in the Spring Cycle. Based on the budget notes above and looking at cash payments due in 2018 for grants awarded in 2017 and prior years, I am currently planning my 2018 budget proposal around the following anticipated award levels:

- Hyland Johns Grants: One at \$50,000 (while this is not an endowed program, it is our signature grant line and we need to continue awarding it each year)
- Research Fellowship: None (should wait until this is endowed before further awards)
- Safe Arborist Technique Fund: One at \$15,000
- Utility Arborist Research Fund: One at \$50,000 (new program; we will need to seat a subcommittee to review this; I am working with UAA to identify members)
- Kimmel Grants: Two at \$10,000 each (assuming Canadian TREE Fund continues to sponsor)
- Duling Grants: One at \$25,000
- Arboriculture Education: None (should wait until the Education Benchmarking Grant Report is complete, and until this is endowed before further awards; Davey is interested in such an endowment)
- Ohio Education Grant: One at \$5,000
- Robert Felix Scholarship: Two at \$5,000 each (I will be speaking to Andy Felix and Mark Garvin at TCIA EXPO this year about possible changes to align these with TCIA's Workforce Development Initiative)
- John Wright Scholarship: One at \$2,000
- Fran Ward Scholarship: One at \$3,000 (Penn-Del Chapter increased the amount)
- Horace Thayer Scholarship: One at \$3,000 (Penn-Del Chapter increased the amount)
- Bonnie Appleton Scholarship: One at \$5,000 (new program)
- Gamma Grant: TBD (depends on conversations with TCIA; this would be a donor directed award if given, not an open application process)



- Collier Grant: TBD (they have not requested funds for the Clackamas Community College program; this would be a donor directed award if given, not an open grant process)
- Barborinas Fund: TBD (this fund should reach its endowment goal soon; we may award it every other year to increase the dollar amount per grant, rather than doing it annually)

Dr. Hudler's report to you provides recommendations for your approval of two awards on our teleconference for the directed grants you authorized at the May meeting: a \$5,000 Education Benchmarking Study, and a \$20,000 Research Needs, Outcomes and Impacts Study. These will be very useful to us for both fundraising and marketing purposes, and to guide us as we consider updating our research funding priorities per our Strategic Plan. I appreciate your willingness to add these grants to the mix this year, and to staff and volunteers for carrying this process from inception to completion in less than five months.

I have been working with Trustee Jim Urban to develop Endowment funds to support research work of specific interest to the Landscape Architect community; this will dovetail nicely with the desired research focus of the Barborinas Fund, and roots, soil, and planting questions arise regularly as an under-funded research need when we inquire about open questions in the community. Jim and I developed language to support the establishment of a new pool within our Endowment Fund with CCT, and I have received approval from the Finance and Executive Committees to fundraise for this initiative. I will seek Trustee endorsement and approval of this Fund on our October 18 teleconference.

## **COMMUNICATIONS:**

Per decisions reached at our May meeting, we have established a new standalone Communications Committee under Trustee Dave Krause's leadership. The Committee has jumped in with both feet with a variety of exciting initiatives documented in Dave's report. They have requested that in the 2018 budget, we consolidate all communications-related activities into a single expense line, and I agree that this is a sound approach now that this committee exists independently of other elements of our operations. We know we will need to update websites, logos and marks extensively in 2018 following the STIHL decision, and Monika and I will be seeking capacity-building grants in the months ahead to support this work.

I am pleased that the tree care community is turning to me more and more often to speak and write about our work, beyond terse "TREE Fund Update" type reports. I have long-form feature articles scheduled to appear in *Arborist News* and *UAA Newsline* before year's end, and I was given the chance to offer more "philosophical" presentations on what we do and how we do it at both Rocky Mountain Chapter, Texas Chapter and Trees and Utilities Conferences over the past month. Jim and Annie Barborinas also hosted a "friendraising" event in conjunction with the PNW Chapter Conference this month, so that provided another chance to present long-term, strategic messages to potential supporters, replacing our more tactical, retail messaging of years past. I am willing and available to write or speak on these topics, so if you see opportunities for me to do so, please let me know.

## **PERSONNEL:**

Laura Flamion has done exceptional work for us over the past year-and-a-half as our book-keeper and systems manager, working in an independent contractor capacity. She has accepted a full-time position with another nonprofit that she had been supporting in a volunteer capacity, and will not be renewing her contract with us when it expires in December. She is already working with me to identify a new person for these crucial roles, and I have interviews with four candidates scheduled next week. She will be hard to replace, and I am grateful to have had her here as we went through difficult audit and financial transitions related to the proper accounting treatment of our CCT endowment fund, and as we have worked to improve our internal operations systems. We expect to consolidate many of our online and in-house platforms in the months ahead, and her work has been crucial to getting us to this point.

I want to commend Karen Lindell for truly stepping up in her first go-around as the primary staff member managing the Tour des Trees and TREE Fund After Hours. The joint nature of the event with the ISA International Conference threw some truly formidable challenges at her, which she handled with aplomb. Her attention to detail, calm demeanor, and deep understanding of and commitment to our mission gave Tour outreach events and daily activities a more positive character for riders, support crew and community volunteers alike. I look forward to seeing what she will be able to do in 2018 with a less complex stack-up of events and a more supportive local chapter. Barb Duke continues to provide the outstanding levels of support to all of our office, grant-making and governance functions to which we have all become accustomed, and Monika Otting is a welcome addition to our team, bringing a wealth of both strategic and practical development experience and perspective, greatly assisting me as we embark upon ambitious and aggressive campaign work. I am delighted with the team here in Naperville, at bottom line. It is a pleasure to work with them, and they represent your interests as Trustees exceptionally well.

## **CONCLUSION:**

Please don't hesitate to let me know if you have any questions, comments, or concerns with anything contained in this report. I remain excited about my work, happy to represent our organization, and pleased with the leadership and wise counsel you have provided to me.

All best,



J. Eric Smith,  
President and Chief Executive Officer



**Governance Committee Report**  
**Prepared by: Steve Geist, Chair**  
**Date Submitted: October 3, 2017**

**Meetings:**

		June 15 2017	Jan 11 2017	Feb 15 2017
<b>Attending</b>				
<b>Chair</b>	Steve Geist	P	P	P
<b>Trustee</b>	Sharon Jean-Philippe	P	P	P
<b>Trustee, Treasurer</b>	Ray Henning	P	P	P
<b>Trustee, Vice Chair</b>	Tom Wolf	P	P	P
<b>Staff</b>	Barb Duke	P	P	P
<b>Staff</b>	Eric Smith	P	P	P

**P – Present    A – Absent    E – Excused**

June 15

President and CEO Eric Smith condensed and revised all governing documents. The Governance Committee noted that the Communications Committee is up and running with regularly scheduled meetings. To facilitate the governing document discussion, Trustee Jean-Philippe suggested and offered to host GoToMeetings so that we could visually consider the documents in detail in an efficient manner. We did schedule a meeting for July, however in polling the committee members; additional time to review the governing documents was needed. As such the July meeting was cancelled.

August 9

President and CEO Smith reviewed the following policies: Trustee Handbook Section Two: Governance and Management, Trustee Handbook Section Three: Corporate Officers and Executive, and Trustee Handbook Section Four: Trustee Standing Committees. After minor edits, motion was made by Treasurer Henning to accept the policies as amended. Motion was seconded by Trustee Jean-Philippe. No discussion. Motion carried.

Treasurer Henning suggested adding representatives from other organizations such as TCIA to Liaison Committee. President/CEO Smith will discuss with Mark Garvin, TCIA President. The committee was apprised that Mundy Wilson Piper has submitted her trustee application.

September 13

After these edits were made, motion was made by Treasurer Henning to accept 2017-05: Financial and Gift Policies and 2017-06: Operating Policies (Employee Handbook) as amended for presentation to the Board of Trustees in advance of their October teleconference. Motion was seconded by Vice Chairman Wolf. No discussion. Motion carried.

### **Accomplishments:**

1. The Communications committee, a new standing committee, is formed and meeting monthly.
2. The Governance committee has reviewed and approved to send to the entire TREE Fund Board of Trustees the consolidated and remastered TREE Fund governing documents. These documents were prepared by Eric Smith with edits provided by the Committee.

### **Objectives for the next 3 months:**

1. Finalize the board of trustee slate for December 2017.
2. Continue to look for and encourage diversity amongst our board and committees.
3. Plan for and help implement the rollout of the new Trustee Handbook in January 2018.

Next Meeting Date:

November 8, 2017



**Research and Education Committee Report**  
**Prepared by: George Hudler, Chair**  
**Date Submitted: September 28, 2017**

The Research and Education Committee in total or as subcommittees as indicated, held the following meetings between May 1 and October 1, 2017:

May 1: **Scholarship and Education Subcommittee.** Attending: G. Hudler, J. Barborinas, S. Geist

Ohio Chapter ISA Education Grant: Subcommittee agreed to recommend funding of \$5,000 to Columbus State Community College for their project: "Columbus State Arboriculture Education Expansion and Tree Care Academy Project."

Robert Felix Memorial Scholarships: Committee recommended Conor Smith and Laura Martin each for \$3,000 scholarships. Committee agreed that it would like to award each of them \$5,000, if possible, since a total of \$15,000 was budgeted. (Post meeting note: This was approved.)

Arboriculture Education Grant: Committee recommended funding for Friends of the Urban Forest and TreeFolks of \$5,000 each; this from 8 applicants.

May 1: **Research Subcommittee.** Attending: G. Hudler, J. Barborinas, C. Brown, J. Urban

From seven top-ranked Hyland Johns Grant applications, the Subcommittee chose to fund two:

1. Rich Hauer: "Sustainable Urban Forestry Planning Models and Decision Making Dashboard" \$49,837.15
2. Kathleen Wolf: "Urban Forests for Human Health: A Focused Economic Valuation" \$46,950.00

June 5: **Scholarship and Education Subcommittee.** Attending: G. Hudler, J. Barborinas, H. Dozier, S. Geist, J. Grimes, R. Swanson

The Committee agreed to award the John Wright Scholarship to Savannah Haines at University of Maine \$2,000

June 22: **Scholarship and Education Subcommittee.** Attending: G. Hudler, J. Barborinas, H. Dozier, S. Geist, D. Miller, R. Swanson, K. Wild

The Committee agreed to award the Fran Ward Women in Arboriculture Scholarship to Jennifer Halterman (\$2,000) and the Horace M. Thayer Scholarship to Timothy Lentz (\$2,000)

September 20:

**Directed Grants Subcommittee.** Attending: G. Hudler, B. Brodbeck, S. Geist, S. Lilly

The Committee agreed to award the Education Grant of \$5000 to Eric Wiseman (Virginia Tech) to conduct a baseline review of charitable arboriculture and urban forestry education programs in the United States and to award the Research Grant of \$20,000 to Andrew Koeser and Richard Hauer (Univ. Florida and Univ. Wisconsin, Stevens Point) to conduct a baseline review of impacts, outputs and outcomes of TREE Fund sponsored research programs.

***Both of these are pending final negotiations with the P.I.s***

Chairman Hudler, on behalf of the Committee accepted and approved interim or final reports from the following:

J. Ordonez, Ryerson University: "Investigating Street Tree Decline and Mortality in Commercial Urban Spaces Revitalized with Structural Soil Cell Technology to Improve Planting and Maintenance Practices" TREE Fund Grant #16-JK-02. Final Report.

Dawn Chavez, Asheville GreenWorks: "Tree Detective Kits" TREE Fund Grant #16-AE-02. Final report.

Whitney Cranshaw and Rachel Sitz, Colorado State: "Improving Management Tools for Drippy Blight of Red Oaks" TREE Fund Grant # 15-JD-01. Final report.

Monica Tabares, Greening of Detroit: "Our LAND" TREE Fund Grant #16-AE-03. Final report.

Haiying Liang, Clemson University: "Development of molecular markers for redbay (*Persea borbonia* L.)" TREE Fund Grant #14-JK-04. Final report. (Approved but as of yet without layman's summary, Hudler working on this).



**Development Committee Report**  
**Prepared by: Paul Fletcher, Chair**  
**Date Submitted: October 4, 2017**

Meetings:

**June 19, 2017**

Attending: P. Fletcher, R. Miller, W. Nutter, J.E. Smith, J. Wilson, M. Otting

**Topics:**

1. J.E. Smith summarized the CCS directed Endowment Building Campaign. Reviewed next steps in the campaign: form campaign cabinet, early gift solicitation, complete PG&E Challenge.
2. Discussed Tour des Trees. 70 Riders registered. Fundraising was slow at that point. Earlier date problematic.
3. We met Monika Otting on the call.
4. The last 30 minutes were spent discussing our portion of the strategic plan.

**July 11, 2017**

Attending: P. Fletcher, R. Miller, W. Nutter, J.E. Smith, J. Wilson, M. Otting

**Topics:**

1. Tour Fundraising/After Hours/Raise Your Hand for Research Event. M. Otting asked all to invite people to the events in the Gaylord on Aug. 1.
2. Operating Appeals suggestion made by J. Wilson. Skiera Fund mailing to remind those who pledged.
3. J.E. Smith updated us on Jim Urban's activity with ASLA, the Barborinus Fund, UARF PG&E challenge, Duke Energy, Arboricultural Education Grant, and the Davey Company desire to create an education grant.
4. J. Wilson introduced the idea of linking the Bob Felix Fund with TCIA workforce development initiative.

**August 16, 2017**

Attending: P. Fletcher, B. Berkowicz, W. Nutter, J.E. Smith, M. Otting, K. Ottman

**Topics:**

1. Discussed two operating appeals; Skiera Fund and Larry Hall Fund sent Sept. thru Dec. M. Otting asked attendees for appeal ideas and contacts that could be solicited.
2. Tour fundraising results were reported by J.E. Smith.
3. Partnership opportunities were discussed. The opportunities matrix was reviewed favorably by attendees. The future of the Stihl partnership was discussed. W. Nutter volunteered to contact First Energy and Arbotech about partnerships in 2018.
4. J.E. Smith expressed thanks for the committees work on the strategic plan.

### **September 12, 2017**

Attending: P. Fletcher, W. Nutter, J. Wilson, M. Otting

**Topics:** Due to technical difficulties, this call was not an easy call.

1. M. Otting requested appeal ideas, discussed Hyland Johns signing of appeal letters, asked attendees for names of companies or individuals that could be solicited.
2. M. Otting introduced the idea of forming a Solicitation Committee. Described commitments by various companies; LL Bean, Petzel, Green MFG. M. Otting asked each attendee to provide 5 to 10 corporate partnership suggestions.

Accomplishments:

Will Nutter and Randy Miller played key roles in seeing the PG&E Challenge initiative through to its completion.

Objectives for the next 3 months:

To help Eric Smith and his team overcome the operating crunch that has resulted from the significant reduction in monetary support from longtime friends of TREE Fund.

Next Meeting Date: October 10, 2017





## **Communications Committee Report**

**Prepared by: Dave Krause, Chair**

**Date Submitted: October 1, 2017**

### **Meetings:**

**Date:** June 20, 2017, 10:00am Central Time via conference call

**Participants:** Dave Krause, Chair; Rebecca Johnson, John Suffern, Jim Urban, J. Eric Smith

**Topics:** President and CEO Smith summarized the establishment of the Communications Committee. Discussion of committee goals: 1) Identify 1-3 focus areas for strategic plan and 2) Identify rubrics on how to measure success of implementation of strategic plan

**Actions:** Forwarded 3 strategic goals to Eric Smith

**Date:** July 18, 2017

**Participants:** Dave Krause, Chair; Coe Roberts, John Suffern, Jim Urban, J. Eric Smith, Karen Lindell

**Topics:** Committee reviewed the Strategic Plan document and agreed that the prioritization was good. Karen Lindell will add the 2016 analytics and it will be sent back to the Communications Committee. *Develop new research dissemination strategy* was identified as a top priority with *maximize resources by channeling contact through other organizations* a subset. Committee agreed that a new logo would be considered when rebuilding website. Goal is to seamlessly integrate the TREE Fund website, Tour website, Qgiv donation site, Crowdrise site and WizeHive. Communications Committee will develop and submit budget recommendation to the President and CEO to consider in developing 2018 operating budget by September 20. The 2018 budget will include a discrete communications line, rather than being split between Tour, Office, etc. President and CEO will evaluate marketing agency and paid advertising in 2018 as part of operating budget. Further discussion on communications strategic goals and prioritized implementation.

**Actions:** Refined 2 formats for communications strategic goals

**Date:** August 15, 2017

**Actions:** Meeting was Cancelled

**Date:** September 19, 2017, 10:00am Central Time via conference call

**Participants:** Dave Krause, Chair; Rebecca Johnson, Joanne Littlefield, Randy Miller, John Suffern, Karen Lindell

**Topics:** Karen reviewed communications calendar and summary of communications. Committee recommended adding methods of disseminating research via flyer, e-blast, website, social media and print ads at year end with summaries of final reports and including links to TF website. Links will be added to citations for presentations made throughout the year. Committee also suggested a quarterly impact blast. Committee agreed that the following metrics should be tracked in addition to any recommended by marketing agency conducting analysis: website: visitors, percentage of new visitors, time spent on page; social media: followers and likes; e-blast: open rate (desktop and mobile), click through rate, bounce rate, unsubscribe rate. Committee suggested hiring a consultant for one month to assess effectiveness. Suggestion was made to add videos to capture attention for research and appeal for contributions. Brainstormed names for rebranding the TREE Fund bulletin and discussed budget options for communications line item in budget.

**Actions:**

- Agreed on metrics for Website and social media tracking.
- Top three suggestions for newsletter: *Tree Press*, *TREE Fund Barker*, *TREE Fund Heartwood*. Karen Lindell will poll staff. Committee was asked to email additional suggestions to Karen Lindell.
- Suggested starting point for budget at \$50K based on current advertising costs and rebranding, website work, etc.

**Accomplishments:**

- Developed *new* communications plan with outline for strategic plan
- Recommendation on metrics for communications, primarily social media
- Budget recommendation
- Provided additional Names for rebranding TREE Fund Bulletin

**Objectives for the next 3 months:**

- Develop strategies for dissemination of research communications.
- Discuss advertising opportunities in additional industry or outside publications
- Review any progress RFP for rebranding website, logo and newsletter.

**Next Meeting Date:** October 17, 2017



**Liaison Committee Report**  
**Prepared by: Beau Brodbeck, Chair**  
**Date Submitted: 10.04.2017**

**A. Meetings:**

**1. Meetings Attendance and Known Liaison Status:**

Chapter	Name	Liaison Status	June 2017	August 2017
Florida	Eric Hoyer	1		X
Illinois	Brian Sprinkle	3	X	X
Indiana	Tom Ordway	1	X	X
Kentucky	Dave Leonard	2	X	X
Michigan	Nathan Scheuttpelz****	2	X	
Michigan	Christian Siewert****	3		
Mid-Atlan.	Doug Peterson	1	X	
Midwestern	Pete Smith	3	X	
Minnesota	Ryan Gustafson	1		X
New England	Jeff Carney*	2		
New England	Chris Donnelly*	3		
New Jersey	Todd Mastrobuoni**	2		
New Jersey	Jeff Picher**	3		X
New York	Frazer Pehmoeller	2		
Ohio	Susan Paul	3		X
Ohio	Henry Gulich*****			
Pacific NW	Wendy Robinson***	2	X	
Pacific NW	Evan Sussman***	3		
Penn-Del	Kristin Wild	1	X	X
Rocky M.	Jon Elliott	1	X	X
Southern	Beau Brodbeck	1	X	X
Texas	Gene Gehring	1		X

Texas	Zaina Gates	1		
Utah	Randy Miller	1		X
Western	Rick Cober	1	X	X
Wisconsin	Nate Schuettelpelz	1	X	
Staff	Karen Lindell		X	X
Staff	Eric Smith		X	X

- 1 In place, stable no known changes in next 12 months.
  - 2 Vacated or looking to vacate and appoint new liaison within 6 months
  - 3 New Liaison within the past 12 months
- \* Jeff Carney stepped down in October 2017 and will be replaced with Chris Donnelly
- \*\* Todd Mastrobuoni stepped down in August of 2017 and replaced with Jeff Picher
- \*\*\* Wendy Robinson stepped down in September of 2017 and replaced with Evan Sussman
- \*\*\*\* Nathan Scheuttpelz stepped down in September of 2017 and will be replaced by Christian Siewert
- \*\*\*\*\* Susan Paul stepped down in September and will be replaced by Henry Gulich

## 2. Topics:

### a. June Meeting:

#### i. Tree Fund news updates:

1. Review of upcoming grants
2. New education and research impact one-time grants
3. Upcoming webinars
4. TF Tour update and items needing liaison assistance
5. TFAH volunteer sign up and discussion of packages
6. Tree Fund store added to the webpage
  - a. Contact Karen to add items – proceeds to benefit TF.

#### ii. Eric's report

1. Endowment building campaign has been affirmed at \$3 million
2. Strategic planning process for 2018-2020
3. Monika Otting hired

#### iii. Beau Brodbeck led a strategic planning session for the Customer Satisfaction portion of the strategic plan with the liaisons.

### b. August Meeting

- i. Karen Lindell provided a TREE Fund news and update
- ii. Discussed upcoming grants
- iii. Informed liaisons of upcoming webinars and need to advertise in local chapters
- iv. Upcoming events recap including: TF Booth, the Tour, and TFAH
- v. Karen updated liaisons on the new TF Bulletin Volunteer Spotlight to be conducted every month.
- vi. Discussed improving the year-end appeal. Liaison ideas included:
  1. Prizes if donating by a certain date

2. Finding donors to provide a matching donation
3. Asking researchers to make video appeals
4. Having a researcher or VIP co-signor on appeal letters
- vii. Eric report:
  1. PG&E match challenge complete
  2. Safe Arborist Techniques Fund met
  3. Various other grants funds are close
- viii. Discussion topics:
  1. Partnership and friendraising feedback:
    - a. New partnership matrix is receiving positive feedback
  2. Discussed developing a by topic poster for use at conferences
  3. Speakers bureau – interest in developing a list of available researchers by topic.
  4. Discussion of replacing bandanas with another item for conference fundraisers

## **B. Accomplishments:**

### **1. Outreach Webinars:**

- a. Have conducted 3 of 4 webinars scheduled for 2017
  - i. Richard Hauer – Municipal Forestry Baseline, Trends and Dashboard
  - ii. Susan Day – Soil Profile Rebuilding: Rehabilitating Compacted Soils
  - iii. Andrew Koeser – Tree Risk Assessment- Perceptions, Reality and Reliability
- b. Webinars have strong support:
  - i. Approx. 800 to 900 attendees
  - ii. Approx. 95% of attendees agreed or strongly agreed the webinar increased their knowledge on the topic and is useful in their profession.
- c. Karen and Beau Brodbeck developed 2018 webinar speaker list:

Dr. Michael Arnold	Texas A&M	Long-Term Impact of Container Size on Tree Establishment
Dr. Travis Marsico	Arkansas State U.	Determining influences of stream channelization and an invasive species on rate of canopy tree growth in an urban park
Dr. Mohammad Asrafur Rahman	Technical Univ. of Munich, Germany	Quantifying the cooling effectiveness of urban street trees in relation to their growth
Dr. Andrew Hirons	Myerscough College, UK	Improving Urban Forest establishment, Resilience and Performance using Trait-Based tree Selection
Dr. Whitney Cranshaw	Colorado State	Improving Management Tools for Drippy Blight of Red Oaks
John Goodfellow.	BioCompliance Consulting, Inc	Development of a Business Case for Scheduling Utility Vegetation Management on a Preventive vs. Corrective Maintenance Basis

2. Liaison committee has successfully replaced 4 liaisons who have either rolled off or needed to step down (see chart above).

3. Liaison committee drafted the Client and Patrons Satisfaction portion of the Strategic Plan
4. Multiple liaisons volunteered in the Tour des Trees and the TFAH events.
5. Continued liaison support during their conferences conducting multiple events including:
  - a. Golf outings
  - b. Raffles
  - c. Head and tails fundraisers
  - d. Evening dinners/picnics etc....

**C. Objectives for the next 3 months:**

- Continue to promote webinars, upcoming webinars:
  - November 8 – Drought Tolerance in Trees – Improving Tree Selection for Challenging Urban Sites – Dr. Andrew Hirons
- Continue to develop the speaker's bureau:
  - A list of available and willing research grant awardees willing to speak at education events
- Work with staff to develop a poster to be used at conferences. Poster will list past research by topic.
- Promote year-end appeal.
- Develop discussion topics for the December retreat.

**D. Next Meeting Date:**

- October 10 at 2:00 PM CT



## Council of Representatives Report

Allan West

TREE Fund Representative to the ISA Council of Representatives

October 9, 2017

Meetings:--Since my last report dated April 29, 2017, the Council of Representatives (CoR) had its face to face annual meeting on July 30, 2017 at the beginning of the ISA Annual Conference. Thirty-five (35) of the sixty-one (61) member council (57%) attended the day-long meeting. Except for four members, from North America, the remaining absent members were from overseas. In addition to members of CoR, several ISA staff members were present plus a joint meeting with the ISA Board of Directors.

- Election was held and Chair David James (New Zealand) and Vice-Chair Meg Hanna (Quebec, Canada) were selected to serve for another year.
- A couple of minor changes in CoR policy were approved with appointment of a task force to review the entire CoR policy.
- A professional presentation on PR and Communications was given to Council members including developing strategic communication plans for individual units.
- A discussion on marketing and membership retention took place.
- Recognition of CoR members' participation for the year was made. TREE Fund was one of the recipients of the 38 awards for at least 75% participation. (TREE Fund had 100% participation in all meetings, conference calls and responses to specific requests for information.)
- After lunch Eric Smith gave an outstanding presentation on "Fundraising and Research". This was followed by Dr. Rich Hauer (a CoR representative and recipient of TREE Fund Research Grants) on "Research Funding Needs". These two presentations were well received by Council members who were furnished with new thoughts and information to take back to their Chapters and organizations.

- One issue CoR presented to the ISA Board was the concern over conflict with the ITCC and CoR activities during the annual meeting. It was agreed further discussions and suggestions from CoR members should occur before next year's ITCC. (Since the meeting a survey was sent to all CoR members for input).
- In addition to a presentation by ISA Board President, Michelle Mitchell, the group heard from newly appointed Executive Director Caitlyn Pollihan. (I was fortunate to be able to spend some time and talked to Caitlyn about TREE Fund, our fund raising and Research and Education Grants. Caitlyn had previously worked for the U.S. Forest Service, Council of Western State Foresters, and was formerly State Forester in Washington and Arizona. She is knowledgeable about Urban and Community Forestry, Arboriculture and needs for Research.)
- The meeting was wrapped up with a presentation by Mark Bluhm covering the recent survey of over 62,000 individuals sent to help ISA staff and leadership understand where ISA should be going over the next 5-10 years. The results will be communicated during the 2017 Leadership Workshop.
- Conference calls will be conducted occasionally through the year to communicate with all Council members. Because of major differences in time zones there are usually 2 conference calls covering the same agenda.



# TREE FUND STRATEGIC PLAN: 2018 TO 2020

## **ACQUIRE RESOURCES (LEAD: DEVELOPMENT COMMITTEE)**

- Complete the endowment building campaign per the following schedule, while securing sufficient unrestricted funds to fully cover annual operations:
  - End of 2018: \$4.75M in endowment, plus additional \$250K pledged
  - End of 2019: \$5.50M in endowment, plus additional \$500K pledged
  - End of 2020: \$6.25M in endowment, plus additional \$750K pledged
- Identify new sources of donation support from outside the green industry (*List of new prospects to Development Committee annually in October*)
- Identify and implement community engagement events with strong return on investment, both financially and organizationally (*Conduct in-depth review of Tour des Trees after 2018 Ohio event before announcing 2019; establish annual calendar of events each October as part of budget process*)
- Revitalize planned giving program (*Formally re-launch Heritage Oak Society by July 2019*)
- Increase use of digital marketing aimed at potential donors (*Engage digital marketing firm by March 2018 in conjunction with Communications Committee; launch new website by end of 2018*)

## **ALLOCATE RESOURCES (LEAD: RESEARCH AND EDUCATION COMMITTEE)**

- Ensure that grant and scholarship application documents are clear, distinct, and precise and in line with TREE Fund goals and research priorities (*Review all RFPs for upcoming year annually in September; also set application calendar for upcoming year at same time*)
- Review and revise, if necessary, the mechanisms, criteria, and weightings used to score grants for research, education, and scholarships to ensure efficiency and effectiveness for selection of the recipients that best fit the goals of each program (*Review application structure annually in September, along with work documented in prior bullet*)
- Evaluate grant applications and make recommendations to the board as required by our Declaration of Trust (*Twice annually in May and December*)
- As appropriate, update the educational and research goals of TREE Fund to ensure that we meet current needs (*Review Education Benchmark Grant Report by June 2018, Research Impacts Grant Report by December 2018, and establish new/revised priorities by August 2019 to support RFP and rating/screening reviews above*)

## **COMMUNICATE OPPORTUNITIES AND OUTCOMES (LEAD: COMMUNICATIONS COMMITTEE)**

- Continue to establish TREE Fund as the premier funding source for its research priorities (*Review final grant-making levels in February annually for alignment with development and research goals, and prepare annual public report by March annually*)
- Strengthen the brand of TREE Fund through (a) widespread reporting of research outcomes, and (b) building stronger relations with sister organizations (*Engage digital marketing firm by March 2018; re-brand agency newsletter by March 2018; create new website by end of 2018; conduct annual review of current and new partnerships in October annually in conjunction with Development Committee*)

- Target desired audience groups and use various media to inform and educate them about TREE Fund activities (*Develop annual media calendar by January 2018 and review monthly*)
- Develop improved strategies for disseminating research outcomes (*Conduct reviews in June and January annually after grant awards, and actively disseminate research outcomes through all outlets*)

#### **OVERSEE MANAGEMENT (LEAD: EXECUTIVE COMMITTEE)**

- Annually review and update, when necessary, CEO job description to incorporate changes and opportunities in our industry (*CEO evaluate job description annually in July and make recommendations to Executive Committee*)
- Oversee the CEO as described in new Trustee Policy 2017-02 “Governance and Management” (*Monthly conversations with CEO as part of Executive Committee meetings*)
- Frequently evaluate job performance of the CEO, and make contract and remuneration recommendations as appropriate (*CEO provide self-assessment annually in July; Executive Committee conduct performance evaluation annually in August, with recommendation for changes in compensation, if any, to Board annually at September/October conference call*)
- Measure organizational effectiveness by (a) monitoring CEO reports, (b) conducting self-assessment surveys and (c) examining external surveys of clients, patrons and new potential donors (*Evaluate CEO reports to Board in advance of May and December board meetings annually; conduct board and staff “360 review” annually in August; conduct customer satisfaction review annually in December*)
- Conduct a compensation survey to ensure CEO and staff salaries are equitable and in line with industry standards (*Complete compensation survey by June 2019 to support 2020 budget*)
- Annually evaluate Strategic Plan to review prior year’s activities and add subsequent year’s strategies and goals (*Re-convene Strategic Planning Task Force annually in February to prepare update plan for Trustee approval in May*)

#### **REGULATE GOVERNANCE (LEAD: GOVERNANCE COMMITTEE)**

- Periodically review governance documents, policies and procedures for clarity, consistency and relevance (*Roll out new Trustee Handbook in January 2018; review annually in January*)  
Annually review governance activities of Standing Committees to ensure compliance with committee charters (*Review all Committee reports annually in December against Committee Charters contained in new Trustee Handbook*)
- Develop a Board Composition Matrix that seeks to balance professional, geographic, and diversity goals to focus recruitment efforts (*Complete matrix by October 2018*)
- Formally document the process for recruitment and selection of board members as well as mentoring and succession programs for the board (*Review Trustee Handbook sections on Board recruitment in January 2019 to ensure compliance with new matrix, etc.*)
- Develop mechanism to ensure that TREE Fund continually performs its due diligence both ethically and financially (*Complete policy statement on step to conduct such due diligence by September 2018; integrate into Trustee Handbook in January 2019*)

### **SUPERINTEND FINANCES (LEAD: FINANCE AND AUDIT COMMITTEES)**

- Maintain TREE Fund as a financially sound 501(c)3 non-profit organization that operates in a cost-effective and responsible manner (*Review CEO reports monthly; review CEO-prepared budget in October and submit to Trustees for approval in December annually*)
- Make financial recommendations to the board including, (a) investment options and their performance, (b) annual updates of a five year plan, and (c) fundraising for endowment pools (*Evaluate CCT Growth Pool annually after their fiscal year closes in November, and present findings to Trustees; prepare a high-level five year financial plan annually beginning with 2018 budget; conduct thorough evaluation of endowment pools in March 2019 to ensure final year of endowment building campaign addresses any shortfalls or needed consolidations*)
- Oversee the development, review and approval of the annual budget (*CEO submit budget annually in October; present to Trustees for approval annually in December*)
- Arrange for annual audit and supply all requisite documents for the audit (*Complete audit engagement annually in November; ensure audit is complete annually in April to support on-time tax filings; present audit results to Trustees annually in May*)
- Maintain financial solvency by (a) maintaining appropriate cash reserve, (b) limit exposure to financial risk, and (c) allocating sufficient resources to support management's daily operations (*Evaluate and document a cash reserve policy in October 2018 as part of 2019 budget; review all insurance policies annually in June; ensure operating budget results in positive net unrestricted income annually in October*)

### **SATISFY CLIENTS AND PATRONS (LEAD: LIAISON COMMITTEE)**

- Engage and retain clients, patrons, and friends in the following ways: (a) quantify TREE Fund's outputs, outcomes and contributions to the tree-care industry and urban forest health, safety and resilience, and (b) along with the Research/Education and Communications Committees, gather, track and disseminate grant outcomes and impact (*Release annual findings documented in Research/Education and Communication Committees sections above to Chapters via Liaisons annually in December*)
- Ensure that donors understand the impact of their contributions (*CEO provide signage and related materials to all Chapters via liaisons annually in January to support conferences, etc.*)
- Provide public recognition and appreciation of clients and donors (*Work with Development and Communications Committees to prepare and disseminate a formal annual report of gifts and impacts by May each year, after Audit approval*)
- Promote "friend-raising" by sharing TREE Fund successes, outcomes and impacts (*Ensure TREE Fund representation at all ISA, TCIA and related conferences, with focus on outcomes and impacts, not retail fundraising; CEO develop annual calendar with Liaisons in January annually*)
- Develop mechanisms that open the circle to new groups of prospective donors, supporters and partners (*Work with Development Committee on list of prospects annually in October*)

Dr. Andrew Koeser/Dr. Richard Hauer

Research Review Program Grant

Project Summary

In assessing the impact of past TREE Fund Grant awards, we will conduct a quantitative/qualitative review of past funded projects to gauge direct and indirect research outcomes, outputs, and impacts. A review of internal reporting documents, supplemented by a mixed mode survey (email and phone as follow-up) of past awardees will be used to quantify the number of peer-reviewed and popular press articles, creative media works, training opportunities, new professionals, and leveraged research funds that can be traced back to TREE Fund supported research grants, education grants, and scholarships. In evaluating research outcomes, our assessment of reporting documents and survey will be bolstered with an analysis of industry standards/BMPs and responses from a panel of key informants (including educators, NGO representatives, government coordinators, and industry representatives). Research impacts will be quantified as possible given the data available. By example, impacts from studies on deep planting of trees translate into greater tree survival and reduced replanting costs. National tree planting and survival data from the research PI's could be used to determine the economic impact. However, we suspect the impact phase will be the most challenging aspect of the project given information currently available. As such, we will develop and test (as part of the survey) guidelines for the self-assessment of economic/environmental/health impacts for the TREE Fund to include in its reporting process. Finally we will conduct an assessment of non-funded proposals to determine how research demand aligns or differs with the resources historically and currently available through the TREE Fund.

Dr. Eric Wiseman

Education Review Program Grant

Project Summary

Summarized here is a project proposal from Virginia Tech to undertake an arboriculture education benchmark review on behalf of the TREE Fund. Virginia Tech is a national leader in urban forestry and arboriculture education and research, making our personnel highly qualified to complete this project. The project lead will be Dr. Eric Wiseman, associate professor of urban forestry and ISA Certified Arborist. He will supervise a team of research associates skilled in information management, database programming, and website media. This group has extensive experience in urban forestry research projects that are national in scope and has expertise in a number of technologies needed to gather, analyze, and report the information requested for this project. Our project will comprise three phases: a discovery phase, an analysis phase, and a dissemination phase. The discovery phase will entail systematic searches of websites and online databases to inventory organizations involved in arboriculture/urban forestry educational grant-making programs, followed up with distribution of an online survey to inventory additional organizations and gather data on the full range of grant-making programs for the period 2012–2017. The analysis phase will entail organizing, analyzing, and archiving our data. We have unrivaled access at Virginia Tech to technologies that will facilitate our data analysis to meet TREE Fund's information needs and ensure long-term accessibility to this information. The dissemination phase will entail creating a website hosted by Virginia Tech that will serve as a clearinghouse for the project final report and provide a searchable database and information visualizations.



## TRUSTEE HANDBOOK SECTION TWO: GOVERNANCE AND MANAGEMENT

### INTRODUCTION

Tree Research and Education Endowment Fund (TREE Fund) was founded in 1976 as the International Society of Arboriculture (ISA) Research Trust. In 2002, the ISA Research Trust and the National Arborist Foundation merged, reincorporating as a standalone 501(c)3 nonprofit under a new Declaration of Trust; the most recently restated version of this Declaration (December 5, 2016) is included as an integral component of this handbook.

Governed by a national board of Trustees, TREE Fund now empowers work globally from our office in Naperville, Illinois. TREE Fund awards grants for research, scholarships and educational programs to enhance awareness and management of tree populations in urban settings, thereby improving community health, beauty, value and sustainability. TREE Fund empowers arborists, urban foresters, landscape architects, municipalities, businesses and citizens to work collaboratively, ensuring that healthy, mature trees will remain integral to our common future.

### THE ROLE OF THE BOARD OF TRUSTEES

As a 501(c)3 nonprofit, TREE Fund is governed by a volunteer Board of Trustees, who collectively bear the ultimate responsibility for the activities and health of the organization. This responsibility is recognized by statute and case law in both Federal and State jurisdictions and it requires great care from those with whom it is entrusted. TREE Fund's Declaration of Trust states that the Board of Trustees will be comprised of the Chairman of the ISA Chapter Liaison Committee and eleven to fourteen other members. Trustees' terms will be for two years, and will generally begin on January 1, following election at the Annual Meeting of the Corporation. Trustees are limited to three full consecutive two year terms, except under special conditions as approved by the full Board of Trustees, and provided that after a one year absence from the Board of Trustees, an individual shall again be eligible to serve.

The Trustees collectively and individually act as fiduciaries on behalf of the organization's stakeholders, most especially the contributors and supporters who invest their time, treasures and talents in the TREE Fund's activities. At a minimum, the Trustees must make all good faith efforts to ensure that TREE Fund honors and respects its supporters' contributions by:

- Meeting all compliance requirements, obeying all laws, and adhering to all internal policies in pursuit of its mission;
- Enforcing rigorous ethical standards to serve as incontestable guidelines for the board and management;
- Ensuring that the resources entrusted to its care are not wasted and that the organization functions efficiently;
- Defining clear goals and expectations for both governance and management, and then evaluating performance against those goals and expectations; and
- Maintaining transparency by openly sharing the accomplishments of the organization and disclosing processes for decision making.

## **DUTIES OF INDIVIDUAL TRUSTEES**

Individual Trustees accept their personal role in the board's collective responsibility. As part of a group structure, a Trustee "owns" the performance of the full Board and ensures that the team remains accountable as a body. A Trustee does not disregard malfunctions or performance concerns but addresses them openly. Every Trustee must help keep fellow Board members accountable.

Per nonprofit corporation law, all Trustees must at a minimum meet three general standards of conduct, commonly known as the Duty of Care, the Duty of Loyalty, and the Duty of Obedience. The core principles of these duties are defined as follows:

- **Duty of Care:** Trustees have the duty to care for the interests of the organization, and must be diligent and prudent in pursuit of its charitable mission. The Duty of Care does not require that Trustees make the right decision in all cases, only that they act and make decisions in a fashion that another prudent person would consider reasonable and diligent. The Duty of Care requires that Trustees take an active role in the organization's activities, including attending meetings, reading reports, participating in committee work, and representing the organization in the community. The Duty of Care further requires Trustees to have an operating understanding and awareness of such key information as:
  - Formative and organizational documents
  - Minutes of meetings
  - Tax documents and filings
  - The nature and extent of asset holdings
  - How funds are invested and administered
  - The performance of such investments
- **Duty of Loyalty:** Trustees must serve the best interest of their organization, not their own well-being. This duty prohibits Trustees from engaging in any activities that may result in any of the following situations, or the appearances thereof:

- Conflicts of interest, where a Trustee has a personal or professional interest in a proposed transaction; the Duty of Loyalty requires that the Trustee excuse himself/herself from discussion, abstain from voting, and not attempt to influence the vote of other managers.
  - Self-dealing, where transactions between the organization and its “disqualified persons,” such as a spouse, parent or child of a foundation Trustee could directly or indirectly lead to conflicts of interest.
  - Misuse of assets, including theft, embezzlement, excessive compensation or rent, and/or personal use of the assets, facilities, or services of the organization.
  - Using a position of trust to personally take advantage of an opportunity presented to the organization.
- **Duty of Obedience:** Trustees must follow the principles established in the organization’s Declaration of Trust and avoid any action that may jeopardize the organization’s tax-exempt status. The Duty of Obedience includes filing and paying taxes (when applicable), following public disclosure rules, and ensuring that the organization and its representatives comply with all relevant laws, statutes and ordinances.

## **PROFESSIONAL EXPECTATIONS FOR ALL TRUSTEES**

Representative and typical professional expectations for all TREE Fund Trustees beyond the fundamental three duties include, but are not limited to:

- Being knowledgeable of and committed to TREE Fund’s mission.
- Understanding and observing the respective roles and responsibilities of the Board (governance) and the President/CEO (management); this topic is discussed further below.
- Recognizing in carrying out organizational activities and not interfering with staff functions or bypassing the President/CEO to direct staff activities.
- Attending at least 75% of all scheduled board and committee meetings in any given year.
- Preparing for all meetings by reading all provided materials and participating actively in all deliberations and decisions.
- Acting and voting on behalf of the TREE Fund’s mission and long-term interests, and abiding by the vote of the majority, or any other actions taken under Roberts Rules of Order.
- Supporting the decisions and policies of the board in all discussions outside the boardroom.
- Enhancing communications by bringing important outside views to the board and then carrying decisions back to key external constituencies.
- Respecting the confidentiality of board deliberations and information provided to the board.
- Serve on at least one standing committee each year.
- Supporting development activities by giving a personal gift annually and assisting the President/CEO with identifying, cultivating, soliciting and stewarding individual and/or corporate contributors.



## RELATIONSHIPS BETWEEN TRUSTEES AND MANAGEMENT

The Board of Trustees is charged in the Declaration of Trust with hiring and supervising a President and Chief Executive Officer to manage TREE Fund's activities. It is important that all Trustees fully understand and embrace the proper segregations of duties between governance and management in their relationships with the President/CEO and his/her staff. The following table lays out these distinctions:

<b>Role of the Board of Trustees: Governance</b>	<b>Role of the President/CEO: Management</b>
<ul style="list-style-type: none"> <li>• Select, evaluate, and support the President/CEO</li> </ul>	<ul style="list-style-type: none"> <li>• Run the organization in line with board direction and all legal and contractual obligations</li> <li>• Keep the board educated and informed</li> </ul>
<ul style="list-style-type: none"> <li>• Formulate a clearly stated strategic plan that defines a vision consistent with TREE Fund mission and that is regularly updated</li> <li>• Communicate this vision to the President/CEO</li> <li>• Evaluate and oversee how allocated resources are being used</li> </ul>	<ul style="list-style-type: none"> <li>• Allocate financial, staff, facilities, and any other needed resources to achieve this vision</li> <li>• Ensure that the board receives regular feedback on how these resources are being used</li> <li>• Seek the board's counsel</li> </ul>
<ul style="list-style-type: none"> <li>• Oversee management and organizational performance</li> </ul>	<ul style="list-style-type: none"> <li>• Bring the board timely information and requests</li> <li>• Communicate with candor and transparency</li> <li>• Be responsive to requests for additional information</li> </ul>
<ul style="list-style-type: none"> <li>• Approve or amend high-level organizational goals and policies</li> </ul>	<ul style="list-style-type: none"> <li>• Recommend goals and policies, supported by background information</li> </ul>
<ul style="list-style-type: none"> <li>• Make major strategic decisions – defined as those that might deviate from the strategic plan or that involve major new resource allocations</li> </ul>	<ul style="list-style-type: none"> <li>• Frame tactical decisions in the context of the mission and strategic vision, and bring the board well-documented recommendations and planning</li> </ul>
<ul style="list-style-type: none"> <li>• Establish appropriate committees with clearly provided guidelines and expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Arrange committee meetings and their reports</li> <li>• Communicate these reports to the board</li> </ul>
<ul style="list-style-type: none"> <li>• Act as external advocates and diplomats in public policy, fundraising, and stakeholder/community relations</li> </ul>	<ul style="list-style-type: none"> <li>• Keep the board informed, bring recommendations, and mobilize trustees to leverage their external connections to support the organization</li> </ul>



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## TRUSTEE HANDBOOK SECTION THREE: CORPORATE OFFICERS AND EXECUTIVE

### INTRODUCTION

TREE Fund's Declaration of Trust states that the Board of Trustees will elect four volunteer officers from among their members to lead the governance function, and will hire a President/CEO to direct the management function, and defined in Section Two of this handbook. The Trustee officer terms are one year, and there is no limit on the number of consecutive years that an officer may serve, so long as he or she is serving as a Trustee. The President/CEO serves at the pleasure of the Board of the Trustees, and is a non-voting *ex officio* member of the Board.

### ROLES OF THE CORPORATE OFFICERS

The four elected corporate officers are the Chairman of the Board, the Chairman Elect, the Vice Chairman and the Secretary-Treasurer. Their roles are defined as follows:

- **Chairman of the Board:**
  - Provides leadership to the volunteer Board in determining that the board meets its responsibilities and goals.
  - Serves as chief spokesperson in all Board matters and promotes organization activities aimed at achieving its goals.
  - Chairs the Executive Committee, which is composed of the four Board officers and the President/CEO.
  - Appoints, subject to ratification of the board, standing committee chairs and such special committees as may be deemed necessary to expedite the goals of the organization.
  - Presides in regular and special meetings of the board and its executive committee.
  - Promotes the development of selected volunteers to assume future key leadership roles in the organization and assists current organization leadership in identifying key persons in the community who should be recruited to assist the organization.
  - Serves as primary liaison between the President/CEO and the Board of Trustees, assuring that the internal operations of the organization are conducted effectively and with maximum efficiency toward achieving its stated objectives.
  - Supervises standing committee chairs to assure their functions are being performed.
  - Oversees strategic planning and goal-setting process for the organization and ensures that the committees of the board and staff members work cooperatively so that the planning functions can be accomplished.

- Ensures that periodic performance evaluations take place for board and staff.
- Monitors legal accountability processes of the organization and has signing authority on behalf of the board for financial, audit and legal matters.
- **Chairman Elect:**
  - Supports the Chairman in fulfilling the goals and objectives of the Board of Trustees with an emphasis on planning and overall mission.
  - Available to assume the duties and responsibilities of the Chairman in the event the Chairman is absent or unable to perform the Chairman's duties.
  - Strengthens leadership skills in preparation for assuming the Chairman's role.
  - Attends committee and other meetings as warranted to become familiar with TREE Fund matters in preparation of the Chairmanship.
  - Works closely with the Chairman and President/CEO on existing and future projects to ensure a smooth transition from one year to the next.
  - Serves as a member of the Executive Committee and chairs one other standing committee, as defined by the Chairman.
  - Assists Chairman in promoting the objectives of the TREE Fund.
- **Vice Chairman:**
  - Available to assume the responsibilities of the Chairman Elect in his or her absence.
  - Assists the Chairman in carrying out the functions of the office and the Board, with an emphasis on monitoring ongoing programs and projects.
  - Performs specific duties designated by the Chairman.
  - Serves as a member of the Executive Committee and chairs one other standing committee, as defined by the Chairman.
  - Attends special meetings as directed by the Chairman.
- **Secretary-Treasurer:**
  - Oversees the fiscal affairs of the organization, ensuring that all financial records, audits and records from all meetings are maintained.
  - Serves as Chair of the Finance Committee, and as a member of Executive Committee.
  - Ensures that the organization maintains accurate financial records.
  - Reviews financial status on a regular basis to guarantee fiscal integrity.
  - Makes certain that financial reports are submitted to the board of directors and executive committee on a timely basis.
  - Has signing authority on behalf of the board for financial, audit and legal matters.
  - Oversees the annual budget process.
  - Coordinates communications with Audit Committee to ensure that independent audits are conducted in a timely fashion, with all required tax and legal filings being submitted accurately and on time.

## **ROLE OF THE PRESIDENT/CEO**

The President/CEO is the principal executive of the corporation, and is responsible for guiding TREE Fund in fulfilling its mission per goals and objectives established by the Board of Trustees. The President/CEO is supervised by the Executive Committee, with the Chairman of the Board

serving as the primary liaison between the President/CEO and the Board at large. Specific duties of the President/CEO include:

- **Management and Administration:**

- Overseeing all organizational programs, services and activities.
- Developing and implementing procedures to carry out the policies of the Board.
- Ensuring that TREE Fund complies with all federal, state, and local laws and regulations.

- **Board Relations:**

- Serving as the Board's executive secretary, or designating other employees to do so.
- Assisting the Board Chairman in planning the agenda and materials for Board meetings.
- Ensuring that reports are prepared and distributed to the Board and its committees.
- Providing appropriate staffing to support Board committees.
- Assisting the Governance Committee in recruiting new volunteers.

- **Fiscal Management:**

- Preparing annual budgets that are consistent with Board-approved goals and objectives.
- Managing and administering the approved budget.
- Serving as TREE Fund's prime contracting officer, to include administering competitive bid processes for services where appropriate.
- Submitting timely financial statements to the Board and the Finance Committee.
- Facilitating the annual financial audit on behalf of the Audit Committee.

- **Personnel Management:**

- Hiring, training, and supervising the work of all TREE Fund employees and volunteers.
- Conducting periodic performance evaluations for all employees.
- Conducting any staff disciplinary and/or termination actions.
- Determining employee compensation and benefits within a Board-approved annual salary pool presented as part of the annual operating budget.

- **Public Relations:**

- Serving as TREE Fund's primary public spokesperson.
- Assisting the Board in the development of organizational messages.
- Overseeing the preparation and distribution of the TREE Fund's various publications.

- **Grants and Scholarships:**

- Facilitating the management of both the grant and scholarship processes, from initial requests for proposals through to final reports and payments.
- Coordinating with the Board of Trustees to determine which grants and scholarships will be awarded from year to year.
- Developing new grant lines upon receipt of endowed funding to underwrite them.

- **Development:**

- Directing all fundraising activities, to include annual operations and endowment building.
- Developing and actively pursuing new and existing funding sources.
- Developing, administering, and actively promoting a planned giving program.



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## TRUSTEE HANDBOOK SECTION FOUR: TRUSTEE STANDING COMMITTEES

### INTRODUCTION

TREE Fund's Declaration of Trust defines a Standing Committee structure for the Board of Trustees to provide oversight and direction of various functional areas beneath TREE Fund's over-arching mission and purpose. Standing Committees must be chaired by Trustees, but their membership may include non-Trustees with specific skills, connections, and experiences that facilitate and enhance Standing Committee effectiveness without over-burdening Trustees through excessive assignments to multiple Committees, though there is no cap on the number of Standing Committees on which Trustees may serve at any given time.

Committee assignments are made under the auspices of Governance Committee, working in conjunction with each Committee's Chair. Standing Committee members should serve a maximum of six consecutive years, except by documented action by the Governance Committee on behalf of the full Board of Trustees in cases where necessary expertise or historical perspective is advisable for the good of the organization. The Trustees may, on occasion, establish *ad hoc* Committees to meet certain short-term needs or requirements (e.g. Executive Search Committee, Strategic Planning Committee, etc.); such committees will be dissolved upon completion of their assigned purpose, with or without formal resolutions from the full Board of Trustees.

The Trustees also reserve the right to create functional subcommittees or to even split full Standing Committees into components, so long as those components are chaired by Trustees; subcommittees do not require Trustee chairs. In May 2017, the Trustees voted unanimously to split the Development and Communications Committee as defined in the Declaration of Trust into two separate, Trustee-chaired Committees; their functions are descriptions are defined separately below. Future Standing Committee splits of this nature must also be affirmed in the corporate record as voted motions of the full Board of Trustees, as do future reconsolidations of such split Standing Committees.

All Committee meetings will be managed and documented in accordance with the most recently updated version of Roberts Rules of Order. Each Committee will be assigned one or more management liaisons; as a general rule, the President/CEO will serve as the liaison to Trustee-chaired Standing Committees, with a staff member of his or her designation serving as a recording secretary to assist the Corporate Secretary-Treasurer and the Committee Chairs with preparing meetings to document proceedings and action items. Care must be taken to ensure the proper divide between governance and management responsibilities in all Committee work, and Trustees and other Committees should not direct the work of staff except through the President/CEO.

Standing Committee Chairs should strive to carry clear, actionable motions or resolutions to the full Board of Trustees, thereby eliminating the need for undue background discussion at Trustee meetings, on the presumption that the Committees have effectively accomplished the due diligence required to support their recommended courses of actions. Committee minutes and reports not requiring Trustee action should be presented to the full Board of Trustees as consent agenda items, with any Trustee reserving the right to move items from the consent agenda to the main agenda, should Trustees consider that additional analysis, action, or input is required from the full governing body.

## **ROLES OF THE STANDING COMMITTEES**

As of May 2017, the Trustees manage their governance responsibilities via the following Standing Committees, with key areas of responsibility defined below. Standing Committees should have a minimum of five members, with at least one-third of the membership being non-Trustees, except in special cases for certain Committees defined below. Committees should meet no less than four times per year, in person or via teleconference. Many may meet more frequently, and an annual calendar of meetings should be established at the start of each fiscal year. Duties described below are typical, but Committees may be assigned additional related duties by the Executive Committee or full Board of Trustees.

### **Executive Committee:**

- Composed of the four officers of the corporation (Chair, Chair Elect, Vice Chair and Secretary-Treasurer, as defined elsewhere in this handbook);
- Regularly communicates with and supervises the President/CEO, organizing and communicating his or her annual evaluation;
- Empowered to act on behalf of the full Board of Trustees in matters requiring Board action between regularly scheduled meetings; such actions taken by the Executive Committee should be ratified by the full Board of Trustees at its next meeting;
- Periodically reviews reports from all other Committees to provide comprehensive governance oversight of all activities, ensuring that Committees are not pulling in different directions, or engaged in redundant activities;
- Oversees and facilitates periodic Strategic Planning initiatives to hone and guide TREE Fund's vision;

### **Governance Committee:**

- Manages the process of cultivating, recruiting and orienting new Trustees;
- Oversees the professional development of Trustees in their roles;
- Develops and nominates a slate of officers and committee chairs for presentation and vote at the Annual Meeting of the Corporation;
- Maintains corporate policies with support from the President/CEO; Trustee and Employee handbooks should be reviewed at least every other year;
- Facilitates non-Trustee member selection and appointment to Standing Committees; and
- Facilitates regular self-evaluation by the Board of Trustees.

### **Finance Committee:**

- Chaired by the Secretary-Treasurer of the Board of Trustees;
- Coordinates the review and Trustee approval process for the annual operating budget prepared

and submitted by the President/CEO; Finance Committee members will review and assess President/CEO recommendations for individual staff member compensation, though a single salary pool line will be provided to the full Board of Trustees, within which the President/CEO has discretion to manage compensation and benefits;

- Coordinates the review and Trustee approval of any special project budgets beyond normal operations, e.g. capital campaigns, non-recurring special events, etc.
- Reviews monthly financial reports with management, comparing actual revenues and expenses to approved budgets and making recommendations to management or the Board of Trustee when necessary;
- Establishes and manages investment and banking policies for the organization and reports to the board on a regular basis on the condition of such investment balances; and
- Oversees risk management policies, including review of insurance coverage for all aspects of TREE Fund's operations.

#### **Audit Committee:**

- Provides independent oversight of annual financial reporting and public disclosures;
- Reviews and oversees the system of internal financial controls;
- Reviews accounting policies to ensure TREE Fund is compliant in its reporting and disclosures with Generally Accepted Accounting Principles (GAAP);
- Periodically selects an independent accountant via a competitive bid process to perform annual audits and prepare necessary tax returns and disclosures;
- Establishes and oversees the annual audit process and schedule with support from the President/CEO and the Secretary-Treasurer;
- Reviews and approves the independent auditors' reports (to include management letters, letters to those entrusted with governance, state and Federal tax filings, and the audited financial statements themselves) on behalf of the full Board of Trustees, and ensures that all documents are provided to all Trustees with sufficient time for review prior to annual tax filings;
- Oversees any legal matters involving TREE Fund, its employees, or volunteers and engages counsel as necessary with support from the President/CEO
- Reviews interim financial report and Board of Trustees minutes to ensure actions are compliant with GAAP and supportive of approved budgets and contracts; and
- Supports Governance Committee in policy-making and implementation with regard to ethics, legal and accounting matters.

#### **Research and Education Committee:**

- Given the scope and breadth of this Committee's duties, the Research and Education Committee is larger than other standing committees, with nine to 15 regular members, at least five to seven of whom have strong research skills and experience; subcommittees may be established under this Standing Committee's supervision with additional members added to focus on particular areas of research interest requiring unique perspective or experience, e.g. utility professionals for the Utility Arborist Research Fund, climbers and their supervisors for the Safe Arborist Technique Fund, etc.
- Manages all research, education and scholarship grant-making activities on behalf of the Board of Trustees, recommending recipients for Trustee approval via documented slates at each Board meeting;
- Identifies research and technology areas of greatest need, interest and value to tree care

professionals, balancing the needs and expectations of TREE Fund donors in the process, ensuring that all awards are consistent with Board of Trustee approved guidelines, or making recommendations to the full Board of Trustees for changes to such guidelines to meet emergent or changing market needs;

- Establishes the annual calendar for grant-making, to include the proposal process, rating and screening of applications, final award recommendations, and contract execution upon Trustee approval of the Committees recommendations; care must be taken to integrate the review schedule in ways that do not unduly burden academic or professional volunteers at crucial times during their annual operating cycles; and
- Works closely with the President/CEO and his or her designated staff leads on the technical infrastructure of the grant application system, ensuring that applicants and Committee members alike have smooth and efficient processes for communicating needed information effectively.

#### **Liaison Committee:**

- The Liaison Committee is composed of elected or appointed representatives from ISA Chapters in accordance with their own bylaws or other governing documents; while historically these members have only included United States International Society of Arboriculture (ISA) Chapters, foreign Chapters may also appoint liaisons who will be seated as full members in good standing on the Liaison Committee; representatives of other affiliated organizations (SMA, SCA, AREA, TCIA, etc.) may also be invited to nominate representatives to serve on the Liaison Committee at TREE Fund's discretion, though these members may not be elected as Chair or Vice Chair of the Committee;
- The Liaison Committee elects its own Chair and Vice Chair from among its members, and the Chair becomes a voting, ex officio member of the Board of Trustees per the Declaration of Trust;
- Serves as a key advisory body to the Board of Trustee and President/CEO to facilitate effective communications and coordination between ISA Chapters (both leadership and members) and TREE Fund; individual Liaisons are effectively the designated "champions" for TREE Fund within their home Chapters;
- Collaboratively develops strategies to promote TREE Fund's interests within the ISA Chapters, to include communication tools (e.g. newsletters, websites, etc.), presentations at various home Chapter events, and fundraising and community engagement activities designed to encourage support for TREE Fund in both its annual financial operations and its long-term endowment building and grant-making activities;
- Assists the TREE Fund Development Committee and President/CEO with identifying and soliciting potential funding sources and donors within your organization;
- Fosters and encourages strategic alliances with other stakeholder groups within home chapters to enlist their support of the TREE Fund; and
- Supports TREE Fund visits to Chapters throughout the year, to include making requested arrangements for trade show booth space and opportunities for the President/CEO or his or her designee to make regular presentations to Chapter members and Boards.

#### **Development Committee:**

- Works closely with the President/CEO to oversee the creation and execution of the TREE Fund's annual development plans, to include special event, operating appeal, planned giving, campaign and corporate partnership programs;
- Creates opportunities to expand TREE Fund's donor base by identifying and cultivating prospects



with the President/CEO and his or her designated staff members;

- Actively participates in fundraising events on behalf of TREE Fund throughout the year, including but not limited to the Tour des Trees, TREE Fund After Hours, and other national or regional initiatives;
- Oversees the Heritage Oaks Society planned giving group, and actively encourages new members to participate;
- Regularly reviews reports on fund development activities, comparing actual revenue and expenses to approved budgets, and making recommendations to the full Board of Trustees or the President/CEO as necessary;
- Annually reviews revenue sources for the organization in conjunction with Finance and Audit Committee to ensure that donors are neither unfairly directing work nor receiving undue benefit from their support of TREE Fund; and
- Evaluates the effectiveness of all special events to ensure that community engagement and fundraising needs are being met in ways that are financially sustainable, to include recommending the termination of such events should their cost-benefit ratios be detrimental to continued funding.

#### **Communications Committee:**

- Works closely with the President/CEO and his or her designated staff to coordinate and provide oversight of all external communications, to include the TREE Fund newsletter, printed brochures and posters used in community engagement events, web sites, advertisements, etc.
- Supports the President/CEO and his or her designated staff with ideas (to include written copy) for periodical tree care industry publications;
- Facilitates connections with and opportunities for TREE Fund to advertise or provide content for other organizations' printed or digital communications;
- Oversees web site development and implementation;
- Formulates, reviews and updates as needed crisis management and communication plans, and oversees the implementation of such plans when necessary; and
- Provide input and review of communications related line items, revenue and expenses, as part of the budget process.

#### **ISA COUNCIL OF REPRESENTATIVES**

The ISA Council of Representatives (COR) is an integral part of the ISA Governance. The COR is composed of a representative from each ISA Chapter, professional affiliate, certification board and associate organizations, including TREE Fund. The mission of the Council is to support ISA by facilitating cooperation and collaboration among the ISA components and the ISA Board of Directors. TREE Fund's representative to the COR will be recommended by the Governance Committee as part of its annual slate of officers and committee chairs, and the selection will be approved by the full Board of Trustees. TREE Fund's representative to the COR will then serve as a non-voting, *ex officio* member of the Board of Trustees for the duration of his or her term. TREE Fund's COR representative will:

- Represent TREE Fund at COR activities and deliberations, to include attending the annual COR meeting and joint COR/ISA Board of Directors meeting;
- Report COR activities back to the TREE Fund Board of Trustees; and
- Work with the President/CEO to ensure that the ISA-TREE Fund relationship is governed by and in compliance with approved Memoranda of Understanding.



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## TRUSTEE HANDBOOK SECTION FIVE: FINANCIAL AND GIFT POLICIES

### **SECTION ONE: INTRODUCTION**

As an integral part of its core fiduciary duties in governing the organization, the Board of Trustees are responsible for ensuring that appropriate systems are established and followed to:

- Protect TREE Fund from fraud, waste, abuse, mismanagement or the appearance thereof;
- Ensure that management and staff are using Generally Accepted Accounting Principles (GAAP);
- Affirm compliance with all applicable laws and regulations;
- Segregate duties to preclude any individual from wielding undue rights and powers that could create organizational vulnerabilities;
- Produce timely and reliable financial reports;
- Manage efficient, competitive procurement and grant-making processes; and
- Demonstrate to all stakeholders that TREE Fund is operating efficiently and in compliance with its mission and charitable tax status.

### **SECTION TWO: ROUTINE FINANCIAL PROCEDURES**

#### **Banking**

TREE Fund will maintain its operating accounts in Federally-insured banking institutions. Cash and check deposits should be made within two banking days of receipt. Electronic banking statements may only be accessed by the President/CEO, a designated manager on the staff (hereafter “the office manager”), an accounting professional who may be a staff member or independent contract (hereafter “the accountant”), and the Board of Trustees’ Secretary/Treasurer. Banking reconciliations are to be completed monthly within one week of statement receipt. Reconciled statements will be forwarded to the President/CEO for review and approval and then kept on file.

#### **Bill Processing and Check Signing**

The office manager will open and review all invoices (including credit card bills) for accuracy and submit them to the accountant. The accountant will prepare checks and submit them to the President/CEO at least weekly, making recommendations on how payments should be allocated in the chart of accounts. The President/CEO will independently review and approve the invoices and recommended allocations before signing the checks, which will be returned to the accountant for mailing or electronic processing as appropriate. Checks over \$5,000 will require a second signature, from either the Trustees’

Secretary/Treasurer or the Chairman of the Board. The office manager will coordinate to ensure that the three authorized signatories have proper documentation and permissions from all TREE Fund banking institutions.

### **Credit Cards**

Staff members may be provided with credit cards for work-related purchases and travel at the President/CEO's discretion. The President/CEO will review all staff credit cards bills monthly in parallel with account allocation recommendations from the accountant. All credit card transactions will be supported with receipts from the time of purchase or expenditure; staff members holding credit cards will provide timely expense reports with their receipts to support processing and payment cycles. The President/CEO's credit card bill will be reviewed and approved monthly by the Secretary/Treasurer. Credit card bills should be fully paid on time each month to preclude fees and penalties, except in unusual circumstances discussed in the borrowing policy below.

### **Borrowing**

Borrowing funds (to include the use of lines of credit with TREE Fund banking partners and maintaining balances on credit cards beyond their monthly due dates) may occasionally be necessary due to seasonality of revenue sources or major expansions of TREE Fund programs. Funds are to be borrowed only as required to meet such needs, and all borrowing is to be consistent with sound fiscal and management practices. Borrowing is not intended to compensate for inadequate planning or spending above budgeted levels. Within limits deemed appropriate and approved by the Finance Committee prior to the time of borrowing, the President/CEO should ensure that any debt is incurred at the lowest available interest rates and under the shortest term conditions possible. Long-term borrowing is only permitted if rates are favorable to TREE Fund's investment and operating needs, and with full approval of the Board of Trustees.

### **Capitalization of Assets**

Property, furniture and equipment with a purchase price of less than \$3,000 will be expensed in the year it is purchased. Items valued over \$3,000 with useful lives of greater than one year will be capitalized and depreciated using the straight line method of depreciation over the estimated useful life of the assets, as determined by the President/CEO in consultation with the accountant and office manager.

### **Grant Retention**

The core of TREE Fund's charitable endeavors is anchored in a grant-making process that awards funds to researchers, educator and other professionals to deliver defined sets of goods, services or reports. To provide some nominal back-end leverage to ensure that research grant reports and other related grant terms and conditions are completed in a timely, compliant fashion, funds will be retained from all grant awards per the following schedule:

<u>Grant Size</u>	<u>Funds Retained Until Final Report Approval</u>
\$1 to \$4,999:	No funds retained
\$5,000 to \$9,999	\$400
\$10,000 to \$19,999	\$800
\$20,000 to \$49,999	\$1,600
\$50,000+	6.0% of total award value

## **Financial Reporting**

TREE Fund manages its finances and posts all transactions on an accrual basis in accordance with GAAP. Statements will be prepared by the accountant and reviewed with the President/CEO within 10 days of monthly close. The office manager will provide the reports to the Finance Committee seven days before its monthly meetings. Copies of the reports will be provided for information to the Audit Committee. Reports should include profit and loss statements, a balance sheet, investment summaries, and sufficient analytical information to compare actual revenues and expenses to budgets, explain variances, and develop corrective actions or variance in work plans should they be warranted.

### **SECTION THREE: INDEPENDENT FINANCIAL AUDIT**

An independent accounting firm will be engaged via a competitive procurement process by the Audit Committee, with support from the President/CEO and accountant, to provide annual audit and tax services. Audit contracts should not exceed five years. At the end of contract, the Audit Committee will assess performance and fees and determine whether an additional contract may be let with the current auditors, or another competitive engagement undertaken. No second contract extensions beyond a total of ten years with the same accounting firm will be made without a new competitive procurement process.

The independent accounting firm works for and directly reports to the Audit Committee, which is tasked by the Board of Trustees with establishing the annual audit cycle (ensuring that all tax and other statutory filings are completed on time) and reviewing and accepting the auditors' findings on behalf of the Board of Trustees. The Chair of the Audit Committee will carry any action items emerging from the audit process to the full Board of Trustees as necessary. All audit and tax documentation will be provided to all Trustees with sufficient time to allow review and comment before filing.

### **SECTION FOUR: ENDOWMENT POLICIES**

#### **About TREE Fund's Endowment**

TREE Fund's charitable purpose focuses specifically on building and managing endowment funds, the proceeds of which will be used to fund ongoing research, education, and community engagement in perpetuity, while protecting and preserving the value of the original investments. 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. A guiding principle is the preservation of principal of the endowment.

In 2008, TREE Fund established and transferred its endowment assets to an agency fund at Chicago Community Trust (CCT), with TREE Fund named as the sole beneficiary. Any subsequent contributions

to the endowment are collected by TREE Fund and transferred to CCT on a monthly basis. TREE Fund's beneficial interest in the investments held by CCT, including investment income, is considered a permanently restricted asset on TREE Fund's books.

### **Endowment Spending**

CCT allocates an annual spendable balance (~5.0% less fees) to be paid to TREE Fund based on a five-year rolling average of the Fund's aggregate value at the end of CCT's fiscal year on September 30 each year. CCT releases the restriction on the spendable balance annually following the close of their fiscal year and pays TREE Fund the balance in two payments of 50% each, annually, unless TREE Fund directs CCT to hold and reinvest the funds. If TREE Fund elects to not receive the spendable balance in any given year, it remains available for TREE Fund to draw down at any time in subsequent. Funds made available by CCT but not drawn by TREE Fund are considered temporarily restricted.

TREE Fund may, from time to time, submit requests to CCT concerning distribution from the endowment to TREE Fund in excess of the established CCT spending policy. Such requests require approval from the full Board of Trustees and they may be accepted or rejected, in whole or in part, by CCT at its sole and absolute discretion. Any amount so distributed by CCT from such requests will be managed by TREE Fund solely for its broad general charitable uses and purposes.

### **Endowment Accounts**

While CCT administers the Fund's endowment as a single account within its larger Growth Fund (which includes assets from numerous other charitable organizations), TREE Fund maintains subsidiary internal endowment accounts to preserve and pursue donor intentions for the funds. Each of these and any future subsidiary internal endowment accounts must have a documented purpose and firm funding goal at the time these accounts are established, reflecting donor intentions, methods and provisions for increasing the fund, and planned activities to be funded from within the fund once its funding goal is met. Future subsidiary internal endowment accounts must also have a documented time for achieving full endowment levels (ideally no more than 10 years) and a plan for disposition of funds if the goal is not achieved by that time.

Future instruments of gift establishing new subsidiary internal endowment accounts may be executed on behalf of TREE Fund by the President/CEO upon approval of the Executive Committee. The President/CEO will evaluate whether such new subsidiary internal endowment accounts should be added to the TREE Fund's account with CCT or invested elsewhere and make a recommendation to the Executive Committee for its consideration and action before establishing such new accounts. Should such new accounts be established with other advisors, they will be administered per the investment policies described below.

As of July 2017, the current minimum balance for a new research fund is \$500,000, and the minimum balance for a new education or community engagement fund is \$250,000 to support increased grant-making levels approved by the Board of Trustees in December 2015. Grant awards from within such new subsidiary internal endowment accounts will not be made until the goals are met, nor will funds be distributed from them for any other purposes.

During the fundraising periods before the goals are met, donors may provide separate un-endowed operating gifts to make awards in support of the desired programs to stimulate awareness and interest in the fundraising campaigns, at the discretion of the President/CEO. Subsidiary internal endowment accounts established prior to 2017 may have lower endowment goals than those defined above, and grants may still be issued from their earnings when the thresholds defined in their instruments of gifts or other formative documents are met.

Unless specifically prohibited in the original instrument of gift or other formative documentation, TREE Fund may continue to transfer current funds or new gifts into any subsidiary internal endowment account beyond its established goal, and may accept gifts from any donors who wish to support the charitable purpose of a given subsidiary internal endowment account. Donors may also designate planned, non-cash or other deferred gifts toward any of the subsidiary internal endowment accounts, within the parameters outlined in the gift acceptance policies defined below.

### **Endowment Reporting**

The accountant will work with the President/CEO each month to reconcile any additions, earnings, and withdrawals posted to these subsidiary internal accounts and balance them with the monthly CCT statement. These reconciled statements will be provided to the Finance Committee for review and approval each month along with internal TREE Fund financial reports, and to the Audit Committee for information at the same time. CCT representatives will provide an annual summary to the Board of Trustees on Growth Fund performance against benchmark metrics, and identify any challenges or opportunities for TREE Fund's endowment in the coming year.

## **SECTION FIVE: OTHER INVESTMENT POLICIES**

While TREE Fund's Endowment is held and managed by CCT, the Board of Trustees may elect to establish additional investment accounts with other managers for permanently or temporarily restricted funds to support the organization's charitable purpose and mission. The investment objective of such accounts will be to preserve principal, maximize the production of income, and maintain the future real value of the accounts over time. Such funds will be invested in high quality securities following prudent investor rules and shall be broadly diversified. The investment approach shall be disciplined and consistent over time and among asset classes.

Allocations between asset classes shall be modified when such actions are expected to produce incremental return, to reduce risk, or both.

The Board of Trustees' oversight role is not in day-to-day investment decisions. Rather, fund assets will be allocated to professional investment managers identified and engaged by the Finance Committee with advice and counsel from the President/CEO. The Board will generally seek investment firms that manage more than \$250 million and investment managers with a successful track record, although smaller firms will be considered if appropriate. The Trustees will give each investment manager full investment discretion with respect to assets under its management subject to this policy statement. Any investment manager engaged by TREE Fund must document in writing for the record that it is covered by liability and fiduciary insurance, fully bonds its employees unless otherwise exempted by law or government regulation, and is not involved in any conflicts of interest that would rise to violations of law in the

provision of services under its agreement.

Investments will be managed toward the following target allocations:

<u>Asset Class</u>	<u>Target Range</u>
Equities	50% to 75%
Fixed Income	25% to 50%
Cash	0% to 10%

The goal of such accounts is to achieve a total annual rate of return of 7.0% or more net after fees and commissions on a balanced account. The equity component of the portfolio should return a minimum of 1.0% over an equally weighted S&P 500. Performance for both parameters should be achieved when measured over a three-year period. Fund assets should be invested to maximize return in the long-term as opposed to being invested to minimize short-term volatility. TREE Fund should seek to distribute 4.0% to 6.0% from such investment accounts annually to support its charitable purpose based on a 12-quarter rolling average of the account's balance.

## **SECTION SIX: GIFT ACCEPTANCE POLICIES**

TREE Fund must ensure that it receives documents, acknowledges and manages all gifts in a manner that fully protects the assets, reputation, and research of the organization and its donors, supports the organization's charitable mission, and empowers staff and volunteers to fundraise effectively on its behalf. Acceptance of any offerings, property, securities, contributions, donations, bequests or grants (hereafter "gifts") or pledges to make the same is at the sole discretion of President/CEO, except as in special cases noted below. The President/CEO will consider four criteria when evaluating gifts for acceptance:

- Whether TREE Fund can spend, sell or invest the gift within TREE Fund's approved policies and procedures in a manner consistent with the organization's purpose and mission;
- Whether the gift may be legally given and legally received in both the state and country where the gift is being made, and the state where the TREE Fund's offices are located;
- Whether there are likely to be any tangible or perceived public relations, donor development, or future obligation liabilities associated with acceptance of the gift; and
- Whether acceptance of the gift will, under any reasonable set of observable circumstances, jeopardize a donor's financial security.

In cases where the President/CEO is unable to clearly ascertain whether a gift complies with all four acceptance criteria, or when he or she determines that either accepting or declining the gift may impact negatively on TREE Fund in any way, the President/CEO must provide a summary of the proposed gift and document his or her concerns in writing via the Chairman for consideration by the Executive Committee, acting on the Board of Trustees' behalf.

TREE Fund staff will provide written acknowledgments to all donors meeting Internal Revenue Service (IRS) substantiation requirements for gifts. However, except for gifts of cash, cash equivalents and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by TREE Fund. Staff will not provide advice about the taxability or other treatment of gifts and will encourage donors to seek guidance from their own professional advisors to assist them in the

process of making their gift. TREE Fund will respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, TREE Fund will restrict information about the donor to only those staff members with a need to know.

Volunteers wishing to fundraise on TREE Fund's behalf must receive explicit advance approval from TREE Fund staff before embarking upon fundraising activities. Use of TREE Fund's name, marks and logos during volunteer fundraising activities is also subject to explicit advance TREE Fund staff approval. Any gifts received through volunteer fundraising activities must be expeditiously transmitted to TREE Fund's corporate office for processing and gift acknowledgment.

## **SECTION SEVEN: PLANNED GIVING POLICIES**

### **About Planned Giving**

For individuals and families who wish to make legacy gifts to TREE Fund that are guaranteed to support their own philanthropic interests and intentions in perpetuity, planned or deferred gifts may provide the most effective ways of achieving such goals. Unlike annual giving – where a donor contributes to a charity as an outlay of current assets or income – planned gifts are essentially current decisions to make future gifts, most often as part of the distribution of a donor's estate.

As their name suggests, planned gifts require more planning and documentation than most current gifts of income or equity. Because these gifts produce philanthropic benefits to their recipient organizations, there may be benefits to the donors and/or their heirs via reductions in state and/or federal income, capital gains, estate, and/or gift taxes. All prospective planned gift donors will be explicitly encouraged to seek their own professional counsel and have all proposals and illustrations presented to them reviewed by their own financial and legal advisors.

### **Accepting Planned Gifts**

TREE Fund will only accept and approve planned gift arrangements which are structured on a sound business basis and will serve the best interest of the TREE Fund. Outside expertise and opinions shall be sought, when it is deemed necessary, to reach a sound decision.

The President/CEO and his or her designees are authorized to solicit and accept the following planned giving instruments:

- Life insurance policies designating TREE Fund as beneficiary;
- Designated distributions from retirement funds;
- Bequests, where donors designate a percentage or a specific amount of their estate to TREE Fund; note that specific amounts are preferable; and
- Gifts made directly to TREE Fund via transfer of minimum annual distributions from Traditional or Roth Individual Retirement Accounts.

The Executive Committee in consultation with the President/CEO and the Chair of the Development Committee are authorized to accept the following planned giving instruments, which may be solicited by the President/CEO and his or her designees; all such arrangement described below will be reviewed



thoroughly by the TREE Fund's own legal counsel before execution:

- Gifts of tangible, non-monetary property valued at more than \$5,000, including buildings, land, or interest in such property via beneficiary deed; such gifts must be valued by qualified, independent, professional appraisers with specific knowledge and experience in the type of property being donated;
- Charitable gift annuities, both immediate and deferred; and
- Charitable remainder trusts with TREE Fund as trustee or co-trustee.

### **Charitable Gift Annuities**

Charitable Gift Annuity contracts will be structured in full compliance with the relevant laws in Illinois and the donor's state(s) of residence, and with current guidance provided by the American Council on Gift Annuities (ACGA), to include all relevant documentation requirements and proper crediting of the gift value. The minimum initial contribution to establish a gift annuity shall be \$10,000 and \$2,000 for each additional contribution or annuity. The number of income beneficiaries shall be no more than two and their minimum age will be at least 50. Payments to the beneficiaries will be based upon the prevailing rates of return recommended by ACGA and will be made quarterly. The annuity obligation shall be reinsured through a commercial life insurance company. The residuum upon the death of the donor(s) will be distributed for the purpose stated in the Gift Annuity Agreement; such gifts should be solicited to support long-term endowment programs, rather than annual operations.

### **Charitable Remainder Trusts**

Charitable Remainder Trust contracts will be structured in full compliance with the relevant laws in Illinois and the donor's state(s) of residence. If this trust is solely managed by TREE Fund, the value of the charitable remainder will be at least \$50,000 for life-income trusts. The minimum initial contribution to establish a charitable remainder trust will be \$100,000. The number of income beneficiaries will be no more than two and their minimum age will be at least 50. Payments to beneficiaries will be based on specific language and requirements of the trust document and will be paid quarterly.



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## TRUSTEE HANDBOOK SECTION SIX: OPERATING POLICIES (EMPLOYEE HANDBOOK)

### Section One: Introduction

#### **About TREE Fund**

Tree Research and Education Endowment Fund (hereafter “TREE Fund”) is a 501(c) (3) non-profit organization established in 2002 and based in Naperville, Illinois. TREE Fund’s mission is to identify and fund projects and programs that advance knowledge in the field of arboriculture and urban forestry to benefit people, trees and the environment. TREE Fund is governed by a national Board of Trustees and managed by a President and Chief Executive Officer (hereafter “President/CEO”) hired by the Trustees to implement and manage their strategic vision.

#### **About This Document**

This document is intended to serve as a high level guideline, describing the basic personnel policies and practices ordinarily applied by TREE Fund, for use by employees, contractors and volunteers (including Trustees). It is not intended to create or be a contract of employment. TREE Fund reserves the right to make changes, from time to time, with or without notice, in the policies and practices described in this handbook. TREE Fund also reserves the right to implement operational policies that may provide more detailed information on topics covered in this handbook for use by the Board of Trustees and President/CEO in managing the overall organization. Moreover, because it is impossible to anticipate every situation that may arise, TREE Fund reserves its right to address a situation in a manner different from that described herein if, in TREE Fund’s discretion, the circumstances so warrant. If you have questions about the policies and procedures described in this Handbook, or suggestions for improvement, please see the President/CEO.

### Section Two: General Policies

#### **Equal Employment Opportunity**

TREE Fund’s employment practices will be conducted without consideration of an individual’s race, color, religion, age, national origin, citizenship status (except as required by law), gender identity, sexual orientation, genetic information, physical or mental disability, veteran status, marital status, or other non-job related characteristics or any other category protected by

Federal, state or local law. Discrimination or harassment of a TREE Fund employee because said employee is either a member of or associated with a member of any group stated above is prohibited.

TREE Fund employees who violate this policy by discrimination or harassment will be subject to disciplinary action, up to and including termination of employment. Retaliation against an individual who has formally or informally complained about discrimination or has cooperated with an investigation of a discrimination or harassment complaint is prohibited. Any employee who believes that she/he or any other employee of TREE Fund has been discriminated against is strongly encouraged to report this concern promptly to the President/CEO.

### **Employment at Will**

Employees of TREE Fund are employed at will, which means that they are not hired for any definite period of time and either they or TREE Fund may terminate the employment relationship at any time, with or without cause. The only exception to this rule would be an employee who, due to unusual circumstances, has been provided an employment contract for a particular length of time, which is in writing and signed by the President/CEO and the employee in question.

### **Harassment Policy**

Harassment is verbal, written or physical conduct that degrades or shows enmity or antipathy toward an individual or creates a hostile work environment for any staff member, contractor or volunteer of TREE Fund. Sexual harassment may include unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature. Racial harassment may include unwelcome, verbal, physical or other behavior with negative racial connotations. All forms of harassment are strictly forbidden in TREE Fund offices and at all events and activities involving TREE Fund staff, contractors and volunteers.

Harassment can manifest itself in the following general ways:

- Verbal harassment including slurs, negative stereotyping, jokes, pranks, threatening, intimidating or hostile acts.
- Written harassment including unwelcome, denigrating or hostile correspondence, cartoons or other printed or hand-written material.
- Physical harassment including unwelcome touching, gestures, threatening, intimidating, hostile contact or impediment of movement.

Any TREE Fund employee who considers themselves to have been subject to discrimination or harassment in the workplace should inform the individual engaging in the behavior that they (the offended employee) considers the behavior to be improper and it must stop. A report of the offending behavior should be made to the President/CEO. If the President/CEO is the alleged offending employee, a report should be made to the Chairman of the Trustees' Governance Committee.

All complaints, whether written or verbal, will be investigated. If the investigation results in a determination that the allegations have merit, the offending party will be subject to discipline up to and including termination of employment from TREE Fund. TREE Fund will notify the complainant, the alleged harassing or discriminating party and any other involved person in writing of the outcome of the complaint. Complaints of harassment or discrimination will be kept confidential consistent with TREE Fund's need to conduct a thorough investigation

If TREE Fund determines an employee has intentionally filed a false charge of discrimination or harassment, that individual may be subject to discipline, up to and including termination.

### **Whistleblower Protection**

Any employee who in good faith reports waste, fraud, or abuse will not be fired or otherwise retaliated against for making the report. The report will be investigated and even if determined not to be waste, fraud, or abuse, the individual making the report in good faith will not be subject to firing, demotion, suspension, harassment, failure to consider the employee for promotion, or any other kind of discrimination. Employees may report suspected waste, fraud and abuse in person, in writing, or via email to the President/CEO or Chairman of the TREE Fund Board of Trustees.

## **Section Three: Operating Policies**

### **Conflicts of Interest**

TREE Fund prohibits employment of any employee under circumstances that would create a conflict of interest, or appearance of a conflict of interest in connection with his/her employment by TREE Fund. This includes nepotism, where employees, contractors or volunteers receive undue benefit from their association with a TREE Fund employee or Trustee. All employees must avoid directly or indirectly participating in any arrangement, agreement, investment or other activity which could result in personal benefit to the employee or the employee's family members at the expense of TREE Fund. In addition, while TREE Fund encourages its employees to become involved in community activities during non-working hours, personal involvement in organizations which, or relationships with individuals who, may seek funding from TREE Fund, can present a conflict of interest, is discouraged and must be disclosed.

### **Outside Employment**

Employees wishing to engage in other employment outside of TREE Fund must be sure that such employment will not constitute a real or apparent conflict of interest or competition with the mission and operational objectives of TREE Fund, nor involve such time demands that the employee would be less efficient in performing TREE Fund job duties. The President/CEO may direct employees to cease outside employment with due notice or terminate their position with TREE Fund should such conflicts become apparent.

## **Personal Tips and Gratuities**

Soliciting or accepting personal tips, gratuities or other gifts from TREE Fund donors, or from any other entities under contract or otherwise in a position to benefit from TREE Fund, will constitute sufficient grounds for termination. Employees may accept unsolicited nominal tokens of appreciation (retail value less than \$20) or meals as part of their duties, so long as such no favors are offered nor expected in exchange for these tokens, and so long as the tokens are offered freely to others in similar circumstances and situations.

## **Drug, Alcohol and Smoke-Free Office**

TREE Fund is a drug, alcohol and smoke-free workplace and will not tolerate the unlawful possession, use, manufacture, distribution, or dispensation of controlled substances, including tobacco and/or alcohol, in the workplace or during work time. Moreover, employees must come to work free from the influence of alcohol, illegal drugs, and unlawfully used prescription medications. Any employee who is convicted of a criminal drug statute violation must notify the President/CEO within five days of conviction. Any employee who violates this policy will be subject to disciplinary action, up to and including dismissal.

From time to time, TREE Fund may sponsor after-hours functions where alcohol is served. Moderate social consumption of alcohol, in these specific situations, is permissible upon completion of an employee's assigned tasks, and so long as it does not create real or perceived liabilities for TREE Fund, nor result in behavior that brings discredit to the organization.

## **Computers and Mobile Devices**

TREE Fund employees must not use office computers or other mobile devices during work hours to access materials that exceed the bounds of generally accepted standards of good taste and professional ethics, including material that is discriminatory, defamatory, harassing, insulting, offensive, pornographic, or obscene. Engagement in any unlawful activities or any activities that would in any way bring discredit to TREE Fund via online devices is also prohibited. Any employee involved in the misuse of computer and mobile devices will be subject to discipline, up to and including termination.

The occasional use of office online access for necessary personal communication is allowable, but over-use and abuse of this flexibility will not be tolerated. TREE Fund employees' personal reputations outside of office hours have a direct bearing on the organization's own reputation, and care must be taken in using social media and other online applications to ensure that an employees' activities during and beyond work hours do not reflect poorly on TREE Fund.

All TREE Fund software will be used in accordance with its individual license agreement, and any unauthorized duplication of copyrighted software, except for backup and archival purposes, is a violation of law. Employees must also refrain from inappropriate use, plagiarizing, or replication of materials found online that may be original works of authorship in a tangible form of expression. These categories should be viewed quite broadly and include literary, dramatic, musical, artistic, audiovisual, and computer programs, as well as other intellectual works.

## **Section Four: Employment Terms**

### **Employee Status**

TREE Fund employees will be assigned to one of the following categories, with employee status clearly defined in the initial offer letter:

- Full-time Employees are those employees expected to work 30 or more hours per week. They are eligible for all benefits described in this handbook, so long as they meet the applicable eligibility requirements, such as length of service, and vesting rules.
- Part-time Employees are those employed to work 29 or fewer hours per week. They are eligible for only those benefits that they have been defined in writing by the President/CEO at the time of hire, or in subsequent written direction.
- Temporary Employees are those hired directly by TREE Fund with the understanding that their employment will not continue beyond a stated date or beyond completion of a specified project or projects; such temporary employment arrangements will not exceed one year in term. Temporary employees are not eligible for benefits.
- Independent Contractors are non-employees who are paid on a fee-for-service basis to perform certain specified services.
- Volunteers are those who provide services to TREE Fund without financial compensation, other than reimbursement of authorized expenses.

### **Employee Classification**

Under the Fair Labor Standards Act, full-time, part-time and temporary employees will be hired under one of the following classifications:

- Exempt: these are salaried employees who do not receive overtime compensation, are not eligible for compensatory time, and whose work hours are not fixed; they are expected to take the time required each week to complete assigned duties.
- Non-Exempt: these are salaried or hourly employees who are paid one and one half their effective hourly wage for any time worked over 40 hours in a seven day week. Holidays and paid time off are not counted toward determining overtime pay.

### **Hours of Work**

TREE Fund's office is open from 7:30am to 4:30pm most days. Staff members are expected to define their normal office hours upon hire with the President/CEO and maintain consistent work hours after doing so, though exempt employees have flexibility to work the hours required to complete assigned duties. If you will be absent or late to work for any reason and have not received advance permission for the absence, please notify the President/CEO before 8:00am to report your absence or lateness. Absence without notice for three consecutive days may be considered a voluntary termination. In cases of inclement weather that result in closure of Naperville schools, TREE Fund offices will be closed as well. Should employees feel that road conditions or other natural hazards present a threat to their health and safety, they may arrange to work from home with President/CEO approval on a day-to-day basis.

## **Payroll**

Employees are paid semi-monthly on the 15th and the last day of the month. If the 15th or the last day of the month falls on a weekend, then paychecks or direct deposits will be available on the previous Friday. Federal and state law requires certain deductions be made via payroll, including Federal Income Tax, Social Security Tax, Medicare Tax, State and Local Income Tax (where applicable). Any statutory garnishments, attachments or payroll deductions ordered by a Court of Law are complied with by TREE Fund and handled via payroll processing.

## **Timesheets and Allocations**

Employees are responsible for providing timesheets and allocations, as appropriate, in a timely fashion to support identified payroll processing deadlines. Timesheets are Company records, and care must be exercised in recording the hours worked, overtime hours, and absences. Non-exempt employees are responsible for completing and submitting timesheets to the President/CEO for approval. The President/CEO must also approve each overtime entry in advance of its accrual. Exempt employees do not report hours worked on an hourly basis and do not complete timesheets.

Prior to each payroll, all employees will provide a good faith percentage estimate on how their time was allocated between program/mission activities, fundraising activities or administrative activities during the pay period. Guidance will be provided on how different assignments should be allocated. Questions should be referred to the President/CEO.

## **Performance Reviews**

The President/CEO will provide regular opportunities for real-time feedback with all employees, in both written and verbal formats. On an annual basis, the President/CEO and each employee will establish goals for the next year of employment, and will track performance against those goals. Documentation of ongoing performance assessment may be made by standardized or situational forms, e.g. letters of commendation or correction.

## **Compensation Changes**

Changes to compensation (including bonuses) are at the President/CEO's discretion, based on a variety of factors, and may or may not occur on a strictly annual basis or immediately following any performance evaluation. All salaries are gross salaries, and are subject to mandatory and voluntary deductions. Bonuses, when paid, are a matter of discretion, not of right, and may or may not recur in the future.

## **Personnel Files**

The President/CEO maintains personnel files for each employee, containing information relevant to the individual's employment at TREE Fund. All employee information is considered confidential. An employee may have access upon request to his or her own file, with the exception of references provided by previous employers.

## **Section Five: Employee Benefits**

### **General Benefits Policy**

TREE Fund reserves the right, at its discretion, to change the nature of the benefits offered to employees, or to change insurance carriers, deductibles, premiums, or other features of any benefit with reasonable notice.

### **Paid Holidays and Paid Time Off**

In recognition of the importance of strong work and home life balance, TREE Fund provides employees with Paid Holidays and Paid Time Off (PTO).

TREE Fund offers 13 paid holidays per year for full-time employees. Part-time employees may receive paid holidays at President/CEO discretion, as defined in writing in the initial employment offer. The 13 days will be defined and promulgated by the President/CEO each December for the following year. Paid holidays must be taken on the defined dates, and may not be banked or booked for future pay periods. If they are not taken, they are lost.

PTO beyond the 13 paid holidays accrues to each employee's account every pay period based on the employee's length of service and employment status with TREE Fund. Employees must accrue PTO in advance of its use. If an employee needs more time off than they have accrued, such time generally will be without pay. Employees are therefore cautioned to build reserves sufficient to cover unexpected needs.

Part-Time Employees may be eligible to earn PTO on a prorated basis based on the number of hours worked per week per terms defined by the President/CEO in their initial employment offers. PTO automatically accrues at the following rates for Full-Time Employees, calculated on an average effective five-day work week of 40.0 hours:

From Date of Hire to Second Anniversary of Hire:

- 5.625 hours per pay period, for a total of 135 hours per year, which is equivalent to:
- ~17.0 days or ~3.4 weeks per year.

From Second Anniversary of Hire to Fifth Anniversary of Hire:

- 7.000 hours per pay period, for a total of 168 hours per year, which is equivalent to:
- ~21.0 days or ~4.2 weeks per year.

Fifth Anniversary of Hire and Beyond:

- 8.333 hours per pay period, for a total of 200 hours per year, which is equivalent to:
- 25.0 days or 5.0 weeks per year.

Non-exempt employees (both hourly and salaried) will request and record PTO in hourly increments. Exempt employees will request and take PTO in half-day (four hour) increments, recognizing that their work schedules may expand and contract in a given week depending on time required to complete assigned tasks.



The maximum unused accrued PTO balances that may be left on the books for each employee on December 31 each year are as follows:

- From Date of Hire to Second Anniversary of Hire: 100 hours
- From Second Anniversary of Hire to Fifth Anniversary of Hire: 135 hours
- Fifth Anniversary of Hire and Beyond: 160 hours

Employees are strongly encouraged to manage their PTO throughout the year to ensure that these balances are not exceeded on December 31. Balances above the defined levels will be removed from the employees' PTO balance on January 1 and will not be recovered.

The use of PTO will be pre-approved by the President/CEO, though TREE Fund understands that there are cases of sudden onset of illness or other unanticipated emergency where such approval will be documented after the fact. As a general rule, regular planned PTO requests should be submitted for approval at least one week in advance of desired time off to allow effective work planning. PTO requests of one week or longer consecutively should be submitted for approval at least one month in advance.

Beyond Paid Holidays and PTO, TREE Fund offers the following specialized time off benefits:

- Bereavement Leave: Paid leave of up to three days may be granted by President/CEO to full-time employees who experience the death of a close family member.
- Family and Medical Leave: TREE Fund will grant an eligible employee up to a 12 work weeks of unpaid leave during any 12-month period for one or more of the following reasons:
  - The birth and care of the newborn child of the employee;
  - For placement with the employee of a son or daughter for adoption or foster care;
  - To care for an immediate family member with a serious health condition; or
  - When the employee is unable to work because of a serious health condition.
- Jury Leave: Employees selected for jury duty you will be placed on Jury Leave. Regular, full-time employees will be paid the difference between their jury compensation and their regular TREE Fund pay. Employees should give their supervisor notice of their selection for jury duty within three business days of receiving the notice. Employees must document and submit to President/CEO any compensation paid for serving as a juror.
- Military Leave: Employees called up for active duty in the armed services will be placed on Military Leave. TREE Fund complies with federal law regarding re-employment of persons who leave work to serve in the uniformed services.
- Leave of Absence: Full-time and part-time employees may request unpaid leaves of absence, not covered by any of the other policies included herein, by filing a written request with the President/CEO. The President/CEO may grant or deny the request, at his/her discretion, depending on the circumstances of the request and/or the needs of TREE Fund. Generally, employees are required to exhaust accrued PTO before requesting an unpaid leave of absence. An employee does not accrue vacation leave or sick leave while on unpaid leave of absence. If a request for unpaid leave of absence is granted, the President/CEO will determine whether any benefits will continue through the leave, and at what cost, if any, to the employee. This will depend upon a number of factors, including the nature and extent of the leave.

## **Retirement Plans**

Upon hire, employees may begin making pre-tax employee contributions to a company 403(b) retirement plan up to the current limits defined by the Internal Revenue Service. Employees may allocate their contributions within options defined by the plan administrator. After three months of employment, TREE Fund will pay into the employee's 403(b) account an employer match of 50 cents for each employee dollar contributed, up to an annual employer contribution of 4.25% of employee salary or \$3,500, whichever is lower. Employer contributions are fully vested upon deposit into employee accounts.

## **Healthcare Insurance**

TREE Fund offers regular full-time employees an opportunity to enroll in a group coverage health insurance plan after three months of employment. TREE Fund covers 100% of employee cost, with employees covering 100% of any additional costs for spouse or family enrollment. Employee contributions to healthcare costs are taken as pre-tax deductions via payroll every two weeks. Further information about the plan may be obtained from the President/CEO or her designee.

## **Other Insurance**

Life insurance and accidental death insurance policies are provided for full time employees, in the amount of \$25,000 for each policy. Worker's Compensation Insurance premiums are paid by TREE Fund for each employee. Payment of Workers' Compensation claims to all employees who are disabled because of an injury arising out of and in the course of performing their duties with TREE Fund will be governed by the Illinois Worker's Compensation Law.

## **Section Six: Other Policies**

### **Travel Expenses**

Employees must obtain the advance consent of the President/CEO before incurring travel expenses. Expenses must be documented, with receipts attached, and submitted within five days of the date on which the employee returns to the office from travel. Employees may be reimbursed up to \$50.00 per day for meals and other incidentals. Airfare, lodging, and rental car expenses must be pre-approved and paid with TREE Fund credit cards, where possible. TREE Fund will not reimburse the purchase of alcoholic beverages.

### **Employee Conduct**

In addition to expecting employees to perform their jobs competently and reliably, TREE Fund expects employees to conduct themselves in a professional, ethical and responsible manner that reflects well upon the organization. Employee conduct should promote a spirit of cooperation and teamwork and be respectful of the volunteers and members of the public with whom TREE Fund interacts. Failure to do so may lead to corrective action, including dismissal.

Although it is impossible to anticipate in advance every possible kind of misconduct that would be of concern to TREE Fund and that could lead to corrective action, including dismissal, the following conduct is expressly prohibited:

- Violation of any of the policies described in this handbook or otherwise communicated.
- Conduct, including speech, which physically harms or threatens others or which is abusive to or disrespectful of anyone associated with TREE Fund.
- Failure to adhere to established work schedules, including absence without notice, except where an emergency prohibited such timely notice.
- Failure to be honest in communications and/or falsifying records or other documents.
- Theft or misappropriation of property owned by TREE Fund, co-workers, constituents, or others contacted through TREE Fund employment.
- Unlawful conduct during non-work hours that might lead constituents or the public to lose confidence in the employee or TREE Fund.
- Insubordination to the President/CEO or Board of Trustees.
- Failure to maintain a professional and cooperative manner while carrying out your duties.
- Any other failure to perform responsibilities in a manner acceptable to TREE Fund.
- Neglect or abandonment of position.

When performance issues are identified with respect to an employee, when instances of unacceptable conduct occur, or when for any reason the employment relationship has become problematic from the point of view of TREE Fund, any of a variety of steps might be taken, up to and including termination. In some cases, the employee might be given an oral or written warning. In other cases, immediate probation, suspension (with or without pay), termination or other corrective action might take place. TREE Fund reserves its right to determine what it believes is an appropriate response, and to implement it.

### **Separation from Employment**

All employees of TREE Fund are employed at will, meaning that they or the President/CEO may terminate the employment relationship at any time, with or without cause. Employees are asked to give at least two weeks' notice of resignation. TREE Fund reserves the right to pay a resigning employee for the notice period, but to prohibit the employee from working during that time. Upon termination of the employment relationship, regardless of the reason, the employee will be paid any wages earned but not yet paid, and any accrued PTO, within 15 days of final employment.

### **Confidentiality**

TREE Fund and its employees have an ethical and legal obligation to respect the privacy of all constituents with which the organization works, both individual and organizational. All records (physical and electronic) containing personal and business sensitive information are legally protected confidential records and must be treated as such. Such information may not be discussed with or disclosed to anyone except:

- Co-workers who are specifically authorized under TREE Fund's Confidentiality Policy to have access to such information;
- The President/CEO;
- Any person authorized by the constituent to obtain information about the constituent (any such authorization must be in writing);
- Any person with whom the President/CEO has authorized you to share the information; or
- Any person defined under a court or otherwise required by law.

If someone seeks information from you about a constituent, immediately refer the matter to the President/CEO. Violations of this policy may result in disciplinary action, including dismissal.

### **Section Eight – Employee Acknowledgment**

By my signature below, I acknowledge that I have received a copy of TREE Fund Employee Handbook, have reviewed it fully, and have had the opportunity to discuss it with the President/CEO. I understand the policies described in the Handbook and agree to abide by them.

I understand that this Handbook does not represent a contract of employment, but rather serves as a guideline, and that no representative of TREE Fund has promised me employment for any definite period of time. I understand that I am employed at will by TREE Fund, meaning that either I or TREE Fund may terminate my employment at any time, with or without cause.

I understand that this Employee Handbook, and the policies and benefits described in it, may be changed from time to time, with or without advance notice, at TREE Fund's discretion.

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_



**MEMORANDUM FOR FILE**  
**DOCUMENTING THE ESTABLISHMENT OF THE**  
**TREE AND SOIL RESEARCH FUND FOR LANDSCAPE ARCHITECTURE**

Pursuant to a meeting on June 18, 2017, between J. Eric Smith and Jim Urban – representing Tree Research and Education Endowment Fund (TREE Fund) – and Nancy Somerville and Susan Cahill – representing American Society of Landscape Architects (ASLA) – TREE Fund is committed to establishing, fundraising for, and managing grant-making programs under a new endowment fund called the Tree and Soil Research Fund for Landscape Architecture (TSRF), with the following statement of purpose:

*TSRF will be a permanently restricted endowment fund supporting areas of research of interest to the landscape architecture community with special focus in the area of trees and soils. Supported research will include the following: the design and specification of trees and soils in urban landscapes; propagation and nursery practices that impact the establishment and long term growth of trees; improving species diversity; tree root and canopy structure improvement; soil and drainage design and modification; tree planting practices; tree planting space design; tree establishment and maintenance practices; and planting soil management and maintenance.*

This new fund will begin issuing annual grants of at least \$25,000 per year in perpetuity after the new fund reaches its activation level of \$500,000, with a target date of December 31, 2019 for completing the fundraising goal. Should the goal be completed by that date, first grants will be awarded during TREE Fund's Spring 2020 grant-making cycle. TREE Fund's Research and Education Committee will determine in 2020 and subsequent years whether a single award or multiple awards with an aggregate value not to exceed \$25,000 will best meet research needs. The annual award level for the fund will be evaluated as TSRF grows beyond \$500,000 in \$100,000 increments, e.g. award value will remain at a maximum of \$25,000 per year until such time as TSRF's principle reaches \$600,000, then \$700,000, etc., at which point the maximum award amount may be increased at the discretion of TREE Fund's President and CEO in consultation with TREE Fund's Finance Committee as part of the annual budgeting process. The target award goals should be at approximately 5.0% of principle.

TSRF will be established with an initial gift from Jim Urban, and additional gifts from other individuals or organizations may be added to the fund with donor designation. TREE Fund's

President and CEO may also apply undesignated gifts made to TREE Fund's general endowment to TSRF. TSRF will be managed by the Chicago Community Trust (CCT) as part of TREE Fund's permanent endowment, where it will be held in perpetuity and charged standard investment and administrative fees. While income and principle of TSRF may be commingled with other TREE Fund endowment pools at CCT for investment management purposes, TSRF assets shall be accounted for separately and any earnings from the common fund accruing to TSRF will be credited to the TSRF account.

All distributions must be for research purposes, and consistent with the exempt purposes of TREE Fund as specified in the Restated Declaration of Trust approved by TREE Fund's Trustees in December 2016. Should its fundraising goals not be met by December 31, 2027, or should its research purpose become unnecessary, incapable of fulfillment, or inconsistent with the research needs of the Landscape Architecture community, TSRF's then-current assets will be merged into the John Z. Duling Endowment, which provides start up or seed funding to support innovative research and technology transfer projects.

J. Eric Smith, President and CEO