



**TREE FUND**  
Cultivating Innovation

## **TRUSTEE HANDBOOK SECTION SEVEN: BUSINESS CONTINUITY AND RISK MANAGEMENT POLICIES (MAY 2019)**

### **INTRODUCTION**

The purpose of this policy is to establish protocols and procedures to ensure continuity of TREE Fund operations under a variety of emergency, transitional, disaster, or other unusual circumstances that may impact the organization from time to time. TREE Fund's priorities under such circumstance are to secure the safety and well-being of all volunteers and staff, to protect the organization's physical, financial and intellectual property, to communicate cohesive, complete messages effectively and transparently to all constituents, to comply fully with all local, state and Federal laws and regulations governing the organization's operations, and to demonstrate respect for the privacy and dignity of all people involved or impacted by the unusual circumstances.

### **EMERGENCY RESPONSE TEAM (ERT)**

To provide centralized, consistent management of unusual circumstances, TREE Fund's Emergency Response Team (ERT) will be mobilized at the direction of the Chairman of the Board when situations dictate a coordinated response to emergent incidents. Should the Chairman be unable to quickly mobilize the ERT due to vacancy, absence, incapacity or other circumstances, the responsibility for this action will move down the following hierarchical roster until the first qualifying member is available and able to issue the mobilization directive:

- The Board of Trustees' Chairman Elect;
- The Board of Trustees' Vice Chairman;
- The Board of Trustees' Secretary/Treasurer;
- The President/CEO.

Should the qualifying incident involve member(s) of the ERT, the relevant member(s) will be recused from participation until the other members of the ERT determine whether such

participation is legally and ethically appropriate or advisable. That consideration aside, the baseline membership of the ERT is defined as follows:

- All members of the Board of Trustees' Executive and Governance Committee;
- The Chairman of the Board of Trustees' Communications Committee; and
- The President/CEO.

The ERT should be convened as quickly as possible via teleconference or video conference as soon as the Chairman or other convening officer determines that a qualifying event has occurred for its mobilization. At its first meeting, the ERT may determine that additional members will be required. At a minimum, the following additional members should be considered:

- For incidents involving TREE Fund's principal community engagement event, the Tour des Trees: The principal officer of the contracted Tour Director (Paul Wood of Black Bear Adventures as of May 2019);
- For incidents with potential legal liability to the organization: The attorney(s) representative(s) of the Board of Trustees (Brett Heinrich of Vedder Price as of May 2019);
- For incidents involving information and computer security and office technology: The contracted IT manager (Russ Dehlinger, RD Cutting Edge Tech Solutions as of May 2019);
- For incidents involved fraud, waste, abuse or mismanagement of assets, or failures of internal controls systems to protect the organization from same: Representatives of the contracted independent audit firm (Sassetti LLC as of May 2019).

The ERT's key roles and responsibilities in managing a qualifying incident are as follows:

- Information Gathering and Initial Assessment:
  - Secure the safety of people and property to minimize impacts and loss;
  - Gather information quickly, with focus on relevant and accurate details;
  - Assess the need for immediate intervention and mobilize resources; and
  - Evaluate damage and possible consequences, and develop strategies to return to normal operations as quickly as possible.
- Communication:
  - Organize a network to inform people of necessary information on both public and need-to-know bases;
  - Respond promptly to all relevant constituencies to calm fears, stop rumors, and reduce uncertainty; and
  - Craft and release public statement(s) and/or press release(s) that ensure the privacy and dignity of all people and protect the organization's credibility and reputation.
- Assessment:

- Conduct and document post-incident evaluation; and
- Revise this policy as necessary.

## **COMMUNICATIONS PRINCIPLES AND ACTIVITIES**

TREE Fund is committed to open and honest communication regarding the release of information, under both normal operations and when responding to a qualifying incident. Within this guiding principle, TREE Fund will always protect the privacy of personal information and dignity of its constituents, and will not comment on individual or personal situations on a routine basis, but rather will present a statement of organizational position as and when needed. All records (physical and electronic) containing personal and business sensitive information are legally protected confidential records and must be treated as such.

Any and all media inquiries must be immediately referred to the President/CEO. If he/she is not available or is recused from the ERT, all media must be referred to Chairman of the Board, or the officers listed in the convening list above should the Chairman be recused or unavailable. The President/CEO will serve as the principal spokesperson for the organization, though he/she may designate other Trustees, staff members or volunteers to represent TREE Fund with the media on a case-by-case basis. As a general rule, such delegation should not occur when the ERT is mobilized.

Not every qualifying incident merits a press release or other public communications response. As a general rule, though, the ERT should actively consider such a release for the following types of incidents, though this list is not all-inclusive:

- Damage to office facilities or technology that seriously impedes staff's ability to operate;
- Workplace violence, death or serious injury/illness, criminal activity or improper conduct involving staff members, volunteers, or Trustees;
- Widespread staff or Trustee resignations;
- Fraud or major theft;
- Breach of financial systems that results in disclosure of contact, credit card, banking or any other personal information of any donor or other constituent;
- Unfavorable action by a funder, auditor, or regulatory body;
- Suspension or loss of state charitable registrations and/or Federal nonprofit status; and
- Proprietary information, rumors, or falsehoods spread through social media

If the ERT does determine that a public release is required, the following steps will be taken:

- The ERT will determine what points are to be covered in the press release;
- The President/CEO or his/her designate will draft the press release for ERT review;

- The ERT will determine the audiences for the release; TREE Fund's priority audiences for communications under a qualifying incident are as follows:
  - Staff, volunteers, board members, and their families (if appropriate or necessary);
  - Business partners, donors and other closely affiliated organizations; and
  - The media and the general public.
- The Chairman (or acting head of the ERT) will oversee key phone calls or other direct, personal communications to key impacted staff, volunteers, Trustees and family members (as appropriate); and
- The President/CEO will oversee distribution of the press release through organizational media list, email list, website, and social media accounts.

To support the ERT in the event of a qualifying incident, the President/CEO and his/her staff must keep the following lists up-to-date on a routine operating basis, and they all must be readily available to several people (including the ERT members) in multiple locations:

- Contact lists for staff, trustees and key volunteers;
- Contact lists for key contacts at partner businesses and other closely affiliated organizations;
- Current staff schedule and travel information; and
- Contact list for key media partners.

## **SPECIFIC RISK FACTORS AND CONTROLS**

**General Financial Principles:** TREE Fund strives to maintain at least ~30% of its annual operating budget in liquid assets (i.e. fully accessible within one year) and also has \$100,000 in credit card balances available to carry expenses should cash flow circumstances require. Additionally, per the instrument of gift between TREE Fund and Chicago Community Trust (which administers TREE Fund's endowment), the TREE Fund Trustees may, on occasion, request additional financial distributions from the endowment beyond the contracted spending plan. Beyond these cash sources, TREE Fund maintains a robust insurance portfolio, and the Trustees' Audit/Finance Committee conducts an annual review to ensure that coverage is adequate to protect TREE Fund from any reasonable financial liabilities.

**Loss of Office Space:** TREE Fund leases its office space, and has no real property of note beyond office servers, computer, copiers, and furniture, the vast majority of which are either below the capitalization threshold, or are already fully depreciated. In cases where staff, volunteers or Trustees were unable to access the office space, as long as servers are still functioning, all files and documents can be accessed from outside of the building via a virtual private network. Email and calendars can also be accessed and maintained remotely, allowing for routine operations to continue. TREE Fund maintains paper files per its approved document retention policy in fire retardant file cabinets or safes. While loss of such documents in the event

of fire, flood or other catastrophe would be unfortunate, all mission critical documents at this point have been scanned or digitized, so real operational impact would be negligible.

**Data Storage and Security:** TREE Fund's server is backed up remotely offsite on a daily basis, so in the event of a catastrophic loss, the vast majority data would be recoverable as soon as the organization brought another server online. Most financial data systems (e.g. QuickBooks, eTapestry, EverydayHero, etc.) and TREE Fund's website are all cloud-based or externally hosted at this point, mitigating the likelihood of any irrecoverable losses. Staff members must be diligent about not saving key organizational information to their individual computers, at home or in the office, since loss of those computers would be the only likely ways for digital documents to be permanently lost. All computers with direct access to TREE Fund's server are required to have full cyber-security protection, and TREE Fund's contracted IT provider routinely reviews incident logs, provides security updates and patches, and maintains current software applications that are robust and compliant with generally accepted security practices.

**Personnel Transitions:** The Board of Trustees is responsible for hiring, supervising, compensating and (if necessary) terminating the President/CEO. The President/CEO in turn bears all of those responsibilities for all other staff members. When staff members depart, for routine or non-routine reasons, the President/CEO is responsible for ensuring that all operating functions are reallocated, rescheduled or reassigned to ensure continuity of routine activities. In a case where an employee's departure is in anyway related or perceived to be related to TREE Fund's Harassment or Whistleblower Policies, as defined in the Board-approved Employee Handbook, the President/CEO's responsibilities may be shifted to the ERT, and the President/CEO may be recused from its deliberations. The President/CEO is required to notify the Chairman of the Board in any events potentially involving such matters, as well as any other staff issues involving fraud, waste, abuse, theft or mismanagement of resources. In the event that the President/CEO resigns, retires, is terminated or is incapacitated, the Chairman will determine whether his/her replacement will be hired via an internal hiring process (if the departing President/CEO is leaving on favorable terms and is willing, the Chairman should encourage him/her to participate in the hiring and transition process), or via a contracted search process. As of May 2019, Noetic Executive Search ([noeticsearch.com](http://noeticsearch.com)) has been vetted as a viable professional search partner which could be engaged on relatively short notice to steward the organization through transition.