

APPROVED June 29, 2021

Recommendation to the Friends of Nachusa Grasslands Board of Directors: Revenue and Distribution Designations

Background:

Cash Flow: Friends' revenues include donor gifts, grants, Conservation Reserve (CRP) payments, and distributions from our two CFNIL Endowments. Donor designations are always honored.

Distributions: The following Endowments and Fund make distributions:

- Friends Endowment for Nachusa Grasslands (held by CFNIL) makes an annual distribution to Friends.
- Friends Endowment for Nachusa Science (held by CFNIL) makes an annual distribution to Friends.
- Friends Fund for Land Protection (held by Friends) will make occasional distributions to TNC toward land acquisitions.
- Nachusa Grasslands Stewardship Endowment (held by TNC) makes an annual distribution directly to TNC, without Friends' involvement, for operations at Nachusa.

Recommendation:

Because (1) our two CFNIL endowments generate dramatically higher returns than the TNC endowment, and (2) the CFNIL distributions are controlled by Friends, we recommend to the Board the following policy:

- (1) After donor designations are honored and expenses are paid, all remaining gifts and grants will be directed to either the CFNIL endowments or the Land Protection Fund. All CRP receipts will also go to the CFNIL endowments.

We intend that revenue will be allocated to the two CFNIL endowments and the Land Protection Fund such that progress toward the goals for those accounts will advance in a roughly proportional manner from year to year. See <https://www.nachusagrasslands.org/mission-and-leadership.html> for our financial objectives.

Current year Science Grants will be funded as an expense before distributions to CFNIL endowments and the Land Protection Fund occur.

- (2) The annual endowment distribution from the Friends Endowment for Nachusa Grasslands (CFNIL) will be paid to TNC for operations at Nachusa Grasslands. The distribution from the Friends Endowment for Nachusa Science (CFNIL) will be paid to Friends to fund science grants

This policy will remain in effect until revised by the Board.