

RECOMMENDATION TO THE BOARD: Revenue and Distribution Designations - June 2021

APPROVED JULY 2021

Background:

Cash Flow: Friends revenues include gifts, grants, CRP payments, and distributions from two 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 the 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) the 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 revenue will be directed to either the CFNIL endowments or to 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.

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

(2) The annual endowment distribution from Friends Endowment for Nachusa Grasslands (CFNIL) will be paid to TNC for operations at NG. 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.

