

PINELANDS PRESERVATION ALLIANCE

**BOARD OF TRUSTEES
AMENDED RESOLUTION
RE ENDOWMENT FUND**

Revised July 28, 2015

I, Michael Gallaway, Secretary of the Pinelands Preservation Alliance (“PPA”), do hereby certify that the following is a true and complete copy of certain resolutions duly adopted by the Board of Trustees of the PPA at a meeting duly called and held on July 28, 2015, at which a quorum was present and acting throughout and such resolutions have not been amended, modified or rescinded and remain in full force and effect:

WHEREAS, the Pinelands Preservation Alliance (PPA) maintains a board-directed Endowment (hereafter “Endowment”) of funds contributed to or earned by PPA and allocated by the Board of Trustees to the Endowment; and

WHEREAS, PPA desires to manage and use the endowment in a prudent fashion that advances PPA’s mission by serving the following specific purposes:

- a. Provide funds to PPA’s annual operations in the amount of up to 5% of principal of unrestricted funds as of the end of the prior fiscal year;
- b. In the case of restricted gifts and grants, to carry out the agreed purposes of such restricted funds;
- c. Fund capital projects approved by the Board of Trustees from time to time;
- d. Provide funds for repair and maintenance of properties and facilities owned or controlled by PPA; and
- e. Provide funds to address emerging advocacy, outreach and organizational needs of PPA as the Board of Trustees determines is necessary and appropriate.

WHEREAS, the Board of Trustees desires to establish and update the procedures and standards for the use and investment of the Endowment;

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. The Pinelands Preservation Alliance Endowment shall be managed and administered as a board-directed fund as provided herein.
2. The initial principal amount of the Endowment is \$200,000 received from the Eleanor B. Reiner Foundation in 1998. This initial \$200,000 gift is established as the Eleanor B. Reiner Endowment Fund within the Endowment.

3. In addition to the initial contribution, such other contributions as donors may specify or the Board of Trustees may from time to time designate have been and in future shall be added to the Endowment.

4. Future contributions of \$100,000 or more may be designated as named funds within the Endowment. Such donations may be dedicated, at the donor's wish and approval by the Executive Committee of the Board, to particular purposes consistent with PPA's mission and resources.

5. Endowment funds may be used as follows:

a. Up to \$40,000 shall be available to meet either of the following needs, at the discretion of the Executive Director:

i. Long term betterments or repairs to buildings or properties owned by PPA. Such expenditures should provide benefits to PPA for more than one year. Any Endowment funds used for this purpose shall be repaid to the Endowment within four years;

ii. Short term cash needs due to timing of expenditures and receipt of income. Any Endowment funds used for this purpose shall be repaid to the Endowment within one year.

Any expenditures for the above purposes shall be reported to the Executive Committee at its next regular meeting.

b. The balance of unrestricted funds in the Endowment, including the original principal and any additional contributions, interest or appreciation beyond the \$40,000 building and reserve fund, will remain in the PPA Endowment as principal. The market value of the Endowment principal will be determined as of September 30 each year, but shall not include any restricted funds as described in Paragraph 5.c. below. Such principal may be expended only upon the following terms:

i. The Executive Director may budget up to 5% of the market value of the Endowment (as determined above) as operating income in the ensuing fiscal year budget, subject to approval of the budget by the Board of Trustees.

ii. Additional principal may be expended in support of PPA's mission with the approval of three-quarters of the full membership of the Board of Trustees, at a regular or special meeting, to spend such money for a purpose designated by the Board. Notice of a meeting at which expenditure of such principal is to be voted upon shall be given at least ten days in advance of the meeting to all Board members, and the notice must specify that the expenditure and its purpose will be voted upon at the meeting.

c. Any restricted funds, such as gifts or grants given and received only for specified purposes, will be used for the purposes for which the funds were received and may be invested as set forth in PPA's Investment Policy as adopted by the Board of Trustees. Such restricted funds will not be included in the calculation of market value for the purposes set out in Paragraph 5.b. above.

6. The Board of Trustees of PPA adopts the attached Investment Policy to guide its investment of the Endowment so as to serve the above-stated goals and the direct PPA staff in the investment of Endowment funds.

7. This resolution and the Investment Policy adopted hereby are not legally binding on PPA or its Officers or Trustees and creates no legal rights or expectations on the part of any persons or organizations with respect to the management or use of the Endowment.

IN WITNESS WHEREOF, I, the undersigned, Michael Gallaway, Secretary of the PPA, have hereunto subscribed my name.

Michael Gallaway, Secretary
Pinelands Preservation Alliance
17 Pemberton Road
Southampton, NJ 08088

Date

PINELANDS PRESERVATION ALLIANCE

INVESTMENT POLICY

JULY 28, 2015

1. PURPOSE OF THE INVESTMENT POLICY

This Investment Policy statement explains the manner in which the Pinelands Preservation Alliance (PPA) will manage and invest its board-directed Endowment (the “Endowment”), which is composed of funds which have been donated to or earned by PPA and allocated by the Board of Trustees to the Endowment. This statement provides a general framework, goals and principles for the management and investment of the Endowment. Specific investment actions will be recommended by the Finance Committee, approved by the Executive Committee or full Board of Trustees, and carried out by the Executive Director.

2. PPA’S GOALS FOR THE ENDOWMENT

PPA desires to manage and use the Endowment in a prudent fashion that advances PPA’s mission by serving the following specific purposes:

- a. Provide funds to PPA’s annual operations in the amount of up to 5% of principal as of the end of the prior fiscal year;
- b. In the case of restricted gifts and grants, to carry out the agreed purposes of such restricted funds;
- c. Fund capital projects approved by the Board of Trustees from time to time;
- d. Provide funds for repair and maintenance of properties and facilities owned or controlled by PPA; and
- e. Provide funds to address emerging advocacy, outreach and organizational needs of PPA as the Board of Trustees determines is necessary and appropriate.

3. INVESTMENT OBJECTIVES OF THE POLICY

In order to ensure that the Endowment will serve the goals for the Endowment listed above on a sustained basis, this Investment Policy aims to achieve:

- a. The preservation of long term purchasing power;
- b. The maintenance of restricted funds in a manner consistent with the agreed terms of the gift or grant from which such funds came; and
- c. A real annual rate of return of CPI + 5%, necessary to support the annual withdrawal of 5% of the fund for operating purposes, and to the extent consistent with the first two objectives.

4. INVESTMENT POLICY

The Endowment will be managed and maintained in two kinds of accounts:

- a. Funds maintained in a money market or other readily-accessed and highly stable investment; and
- b. Funds invested in mutual funds or other long-term investment vehicle.:
These funds include (a) unrestricted Endowment funds, and (b) restricted Endowment funds for which the terms of the applicable restriction are consistent with such an investment.

a. Funds maintained in a money market account or other readily-accessed and highly stable investment.

These funds include (a) an amount of up to \$40,000 kept available for property and facility repairs or cash flow needs as set forth in the Board resolution governing the uses of the Endowment, and (b) Endowment funds received but not yet otherwise invested pending decision by the Board of Trustees or Executive Committee on the manner in which they will be invested. (In addition, PPA will use such accounts to maintain non-Endowment funds that are designated for specific capital projects or other near-term expenses, either by the Board of Trustees or by the terms of a gift or grant accepted by PPA on such terms.)

b. Funds invested in mutual funds or other long-term investment vehicle.

These funds include (a) unrestricted Endowment funds, and (b) restricted Endowment funds for which the terms of the applicable restriction are consistent with such an investment. Examples of the former are unrestricted gifts PPA has received in the course of the Brendan T. Byrne Fund for the Pinelands. An examples of the latter would be a gift restricted to generating funds for a specific purpose, such as supporting outdoor education programs, through the use of interest and dividends or a percentage of principal, assuming PPA agreed to such restrictions at the time of receiving the gift (PPA has a separate policy governing such situations).

Funds falling into this category will be invested in diversified portfolios of equity investments, fixed income securities, cash equivalents and other investment types. Though these assets are long-term in nature, a reasonable amount of liquidity should be maintained to ensure funds are available if needed.

PPA will typically not make individualized decisions as to whether to purchase or hold specific investments, but the Board of Trustees may make exceptions to this practice in its discretion. PPA will typically invest the Endowment in mutual funds or funds managed by professional asset managers. Invested assets are to be managed in a manner, which complies with the “Prudent Person” rule concerning fiduciary oversight of assets. This Policy does not specify asset allocation targets or permitted ranges, but such targets and permitted ranges may be incorporated into the contracts or policies of funds in which PPA invests the Endowment.

The Finance Committee will recommend funds in which to invest the Endowment to

the Executive Committee and will oversee the management of the invested funds by following the provisions set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). If the Finance Committee is unable to carry out this role, then the Executive Committee will do so.

As of the adoption of this Policy, PPA has invested Endowment funds in investment funds maintained by the Community Foundation of New Jersey and the Princeton Area Community Foundation.

6. Review

This Investment Policy should be reviewed at a minimum annually by the Finance Committee, which will make recommendations to the Board of Trustees as to any changes it may consider in the Policy in light of experience. If any material changes occur within any funds in which the Endowment is invested, a review of the Investment Policy and allocation of Endowment funds should be conducted immediately.