

**Ice Age Trail Alliance, Inc.**  
**Policy: Endowment**  
**Approved: Board of Directors**  
**As Amended Through: January 23, 2021**

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**1.0 Purpose**

The endowment fund of the Ice Age Trail Alliance, Inc. (“IATA”) is intended to be a permanent fund to support the mission of the IATA to create, support and protect the Ice Age National Scenic Trail as a thousand-mile foot trail tracing Ice Age formations across Wisconsin.

**2.0 Background and Authority**

With the agreement of former Congressman Henry Reuss, the proceeds from the sale of certain donated real estate by the IATA (then known as the Ice Age Park and Trail Foundation, Inc.) to Waukesha County were used to establish an endowment fund in the 1990s. The proceeds from subsequent real estate sales also were added to the endowment fund. Since that time, the Board of Directors of the IATA (the “Board”) has authorized additional funds to be held in the IATA endowment fund.

All assets held by the IATA endowment fund, together with any new endowed funds contributed in the IATA that are not under the control of a community foundation or similar organization listed in Exhibit B, are referred to as the “Fund” and are subject to the direct control of the Board. The Endowment Committee of the Board (the “Committee”) is responsible for oversight of the Fund. The Committee is also responsible for the investment oversight of other endowed assets of the IATA held in a community foundation or other fund set forth in this policy, as well as assets held in non-endowed funds set forth in this policy although those funds may have different goals and policies than the Fund.

### **3.0 Goals of the Fund**

- A. Provide an additional source of income for immediate and long-term needs of the IATA.
- B. Preserve the principal of the Fund as adjusted for inflation.
- C. Provide a reasonable balance between a conservative investment policy and the need to provide growth of the Fund for IATA needs.

### **4.0 Duties of the Endowment Committee**

- A. The Fund's investment allocation strategy is attached as Exhibit A. The Committee may recommend changes to this strategy from time to time, subject to approval by the Board.
- B. The Committee shall oversee the Fund (and any components) as a segregated fund or funds of the IATA. The Committee's responsibilities shall include the following:
  - 1. Recommend investment goals and strategies of the Fund for Board approval;
  - 2. Oversee the Fund in accordance with applicable laws, donor restrictions and investment policies;
  - 3. Select and employ one or more investment manager(s) as necessary;
  - 4. At least quarterly, monitor and evaluate investment performance and review the asset allocation mix; and
  - 5. Interact with IATA staff, who shall be responsible for:
    - (a) Ensuring that procedures are in place to maintain a permanent database of any donor-restricted endowment funds and their utilization.
    - (b) Ensuring that any restrictions on gifts from donors are honored.
- C. While it is expected that persons with professional, legal and/or investment experience may be members of the Committee, no material conflict of interest shall be allowed. The Committee shall require disclosure of any direct or indirect conflicts of interest. The Board in its discretion may waive such conflicts if it determines that they are not material.
- D. Accounting and Reporting
  - 1. An audit of the Fund shall be completed as part of the annual IATA audit.

2. The findings of the Audit shall be shared with the Committee and any matters requiring attention would be directed to the Board.
3. The Committee shall provide the Board with quarterly reports and a summary of Committee activities. The Executive Director shall provide reports and information to the Committee regarding the Fund's performance and asset size and donor gifts so that the Committee may provide regular reports to the Board.

## **5.0 Restrictions on Withdrawals of Principal**

This Section 5.0 shall not apply to any assets of the IATA placed with a community foundation or similar organization listed in Exhibit B.

- A. The Fund may be pledged, with Board approval, as collateral for loans the IATA incurs from time to time when required by the lender.
- B. Withdrawals of the principal of the Fund shall be allowed from time to time as an internal loan or other purposes approved by the Board after review and advisement by the Finance Committee and with the approval of 3/4 of the Board. In case of a loan, repayment time frames will be determined on a case by case basis and interest will be calculated based on what the amount withdrawn would have earned had it remained within the Fund during the period of the loan. The interest rate for loans shall be determined by the Board upon the recommendation of the Finance Committee.
- C. Expenditure authority permits the Board to appropriate a percentage determined annually by the Board of the average of the fair market value of the Fund at the end of the preceding three fiscal years for operations at the beginning of each fiscal year.

## **6.0 Donor Restricted Funds**

- A. Any gift designated for the Fund shall be reviewed by the Executive Director to ensure that the gift is consistent with the mission of the IATA. Restrictions that do not meet with the mission or long-range vision of the IATA must be modified by the donor or declined by the Executive Director, who shall consult with the Committee as necessary.
- B. The Committee shall make a recommendation to the Board as to the acceptance of any gifts that are unusual or questionable because of the nature of the asset, the requirements of the donor, potential future obligations of the IATA or other special circumstances.
- C. A donor making a substantial gift to the Fund may have a fund named in their honor or to honor someone else. The Executive Director or his or her designee shall establish all such specially designated funds subject to the approval of the Committee and the Board.

- D. A Memorandum of Understanding or other appropriate document (MOU) shall be completed and signed by the donor and the Executive Director outlining the purpose and essential elements of the gift. The MOU shall be kept in the donor's file and shall be the governing source for any dispute that may arise in the administration of the gift.

## **7.0 Special Purpose Non-Endowed Funds**

Segregated or special purpose funds may be established from time to time (e.g., a "New Building Fund"). Any gift given with the provision that principal may be distributed or liquidated shall be accounted for separately from the Fund. Such funds may be commingled with the Fund for investment purposes. The Endowment Committee is generally responsible for investment oversight of special purpose funds, but has no authority with respect to withdrawals from these funds, which are generally overseen by the Finance Committee.

## **8.0 Dissolution**

In the event of termination or dissolution of the IATA, all assets of the Fund, after payment of all Fund obligations, shall be distributed in accordance with the then current Articles of Incorporation, Bylaws and policies of the IATA and Wisconsin law. In the case of donor-restricted funds, the IATA shall endeavor to honor the wishes of donors in accordance with their original intent.

## **9.0 Review of Policy**

The Endowment Committee shall review this policy periodically and recommend any necessary revisions in the Board for approval.

**Exhibit A**

Investment Allocation Strategy

**Name of Fund:** IATA Endowment Fund (currently invested in Vanguard Funds)

**Purpose:** Provide reasonable balance between principal preservation and growth for IATA needs.

**Investment Objective:** Growth and income.

**Risk Tolerance:** Moderate risk.

**Investment Allocation Strategy:**

Asset Class	Minimum %	Target Average %	Maximum %
Equities	45	55	75 (up to 20% in non-U.S. equity securities)
Fixed Income	25	45	55

## **Exhibit B**

### **Components of the IATA Endowment Fund**

#### **Funds not under the direct control of the IATA Board**

##### Greater Milwaukee Foundation

In implementing the original authorization for an endowment fund, the Board decided to place a portion of the endowment monies with the Greater Milwaukee Foundation in an affinity fund named “The Henry S. Reuss Fund for the Ice Age Trail.” The Henry S. Reuss Fund for the Ice Age Trail (the “Reuss Fund”) is subject to the control of the board of the Greater Milwaukee Foundation and may distribute income to the IATA. The Board of the IATA may authorize withdrawal of the principal in accordance with the current requirements of the Greater Milwaukee Foundation.

##### Madison Community Foundation

The Board authorized establishing a fund with the Madison Community Foundation on November 12, 2016. This fund is subject to the control of the board of the Madison Community Foundation. The IATA may choose to take distributions of earnings from the fund but has no access to principal.

#### **Specialized funds within the IATA Endowment Fund under the control of the IATA Board**

##### Property Monitoring Fund

The Board authorized a specialized fund on January 26, 2013 to be known as the Property Monitoring Fund. Proceeds from this fund are to be used for managing properties owned in fee by the IATA and monitoring easements held by the IATA.

Assets held by this fund are from Board designated amounts and donor-restricted gifts. The amount to be held in this fund will be determined from time to time by the Executive Director based on anticipated need as property is acquired.

##### Trail Program Fund

The Board authorized a specialized fund on July 18, 2015 to be known as the Trail Program Fund based on a donor restricted gift with this intent. Proceeds from this fund are to be used to benefit the trail program. Future gifts designated for this purpose will be placed in this fund.

## Exhibit C

### Components of Non-Endowed Funds under the direct control of the IATA Board

#### Swamplovers Fund

Under the Easement Purchase agreement dated 12/1/2004, the Amendment and Supplement dated 12/4/2017 and the Memorandum of Understanding and Supplement to management Plan for the Swamplovers Nature Preserve dated 11/24/2020, the Swamplovers Fund was established and transferred to the IATA. It is managed by the State Bank of Cross Plains Trust Department with a nonbinding agreement to maintain this management.

The use of this fund is limited by the above referenced agreements to be used principally for purposes of supporting the IATA's obligation to operate and manage the Preserve and Equipment in compliance with an applicable Annual Plan or the Management Plan, provided, however, that excess funds may be applied toward other projects benefiting the Ice Age National Scenic Trail within the Village of Cross Plains, the Town of Cross Plains, and the Town of Berry, but such excess funds shall only be applied toward non-Property expenses if, at the time such expense is incurred, the total balance of the Foundation Funds Account is not less than the total amount of the funds transferred by the Foundation to the Alliance on the Funds Transfer Date.

#### Robert and Victoria Connors Land Resource Fund

This fund is governed by the agreement dated 12/31/2018 between the IATA and Robert & Victoria Connors. The purpose of the fund is to facilitate land acquisition projects by the IATA that will host and permanently protect the Ice Age National Scenic Trail. The fund may be used without restriction to the purchase of properties in fee or by easement anywhere along the Ice Age Trail route. The cost of the land and all other costs directly associated with a project are acceptable. This includes, but is not limited to closing costs, fees, appraisals and surveys.

The fund is available for any qualifying projects approved by the Board. The preferred use of this fund be to facilitate/expedite projects when other funding sources are delayed with the fund being "reimbursed" as much as possible when the delayed funds are secured. All donations or additions directly to the Connors Fund will be held consistent with the above referenced terms.

Assets of the Connors Fund are currently invested with the assets of the IATA Endowment Fund in the Vanguard Funds, and, accordingly, are managed consisted with the objectives and investment allocation strategy of the IATA Endowment Fund. The Connors Fund is accounted for separately on IATA's financial statements.