

BOARD POLICIES



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ARTICLE 1 INTRODUCTION

1.1 Bylaws. The Bylaws of the Rocky Mountain Conservancy, as Amended and Restated, were approved by the Board on February 28, 2025. These Board Policies are to be considered in conjunction with the Bylaws of the Rocky Mountain Conservancy, as Amended and Restated. The Board Policies are intended to define and guide the operations and activities of the organization in carrying out of its mission. In the event of conflict or inconsistency between the Bylaws and the Board Policies, the Bylaws shall take precedence.

1.2 Definitions. Capitalized terms used herein shall have the meanings set forth in the Appendix attached hereto.

ARTICLE 2 COMMITTEES AND OFFICERS

2.1 Authorization. As stated in Section 2.12 of the Bylaws, the Board shall designate an Executive Committee and such other committees as are considered necessary and prudent to carry out its governance responsibilities. The Board has designated the following committees:

Executive Committee: This Committee, comprised of the President, Vice President, Treasurer, Secretary, and Immediate Past President of the Rocky Mountain Conservancy, meets on a regular basis with the Executive Director. If the Immediate Past President serves as a current Director, they shall have full voting rights. Otherwise, they shall serve in a non-voting capacity. The President will serve as chair of the Executive Committee. The Executive Committee is authorized to act on behalf of the Board on matters that may arise between Board meetings. It conducts an annual performance review of the Executive Director and sets their compensation. The Executive Committee also exercises those other functions delegated to it by the Board as set forth in these Board Policies.

Audit Committee: The Audit Committee recommends to the Board the appointment of the independent auditor; approves its fees, scope of work and approach; receives its report and conducts a post-audit review of the auditor's statements, findings, and recommendations; reports those findings and recommendations to the Board and oversees their implementation. The Committee also performs general oversight responsibilities to improve the Rocky Mountain Conservancy's financial reporting and management practices, including its internal controls.

Investment Committee: The Investment Committee is responsible for overseeing the management of the Rocky Mountain Conservancy's invested assets. It regularly reviews and evaluates the performance of current investment accounts and managers against the Board's investment policy guidelines, and reports that performance to the Board. It recommends changes in investment policies, investment accounts and/or investment managers to the Board, for ultimate approval by the Board.

Nominating Committee: The Nominating Committee solicits the names of prospective Board members and recommends their election to the Board. In making recommendations, the Committee gives attention to the alignment of the experience, abilities, and skillsets of the candidates with the mission of the Rocky Mountain Conservancy and the needs of the Board. The

Nominating Committee also nominates officers for election—the President, Vice President, Secretary and Treasurer. At the discretion of the President, the Executive Committee may serve the function of the Nominating Committee.

Operations and Finance Committee: The Operations and Finance Committee provides current and long-range operational, budgetary, and financial oversight and guidance with respect to Rocky Mountain Conservancy activities. Working with staff and other Board committees, it reviews the annual work plan for approval by the Board, monitors that plan and its budgetary expenditures on a periodic basis and approves changes in compensation and benefits. It also assesses the adequacy of risk management programs and exercises operational oversight of the staff's annual workplan and its metrics, particularly with respect to progress in meeting the goals and objectives of the Rocky Mountain Conservancy's Strategic Plan. This progress will be reported to the Board on an annual basis.

Philanthropy Committee: The Philanthropy Committee provides oversight and leadership with respect to the Rocky Mountain Conservancy's fundraising and membership activities. It works with staff in the development of fundraising and membership policies, plans, budgets, activities, and goals for recommendation to the Board; monitors their implementation; and tracks and reports their success. To ensure that the Rocky Mountain Conservancy achieves its full potential as a philanthropic organization, it provides leadership and inspiration in making all Board members engaged participants in fundraising activities.

Ad Hoc Committees: Committees not considered "standing" or permanent may be formed to address specific tasks of immediate and direct benefit to the Board, to conduct further study of a given subject or concern, to recommend Board policy or action on that subject or concern, and/or to deal with special issues or circumstances when they arise. Ad Hoc Committees sunset at the Annual Meeting in each calendar year unless renewed by the President with the concurrence of the Board.

2.2 Appointment of Committee Chairs and Members. Except for the Executive Committee and the Nominating Committee, during any period that the President has opted to have the Executive Committee function as the Nominating Committee, committee chairs and members shall be appointed (and reappointed) by the President at the Annual Meeting in each calendar year, subject to the approval of the Board. The President is authorized to appoint new committee members between Board meetings as needed upon request of committee chairs, subject to approval of the Board. It is expected that each Director will serve on at least one committee. The President shall elect to be either a regular member or ex-officio member of all Board committees.

2.3 Composition of Committee. Committees shall include at least two current Directors. Except for the Executive Committee and the Nominating Committee, during any period in which the President has opted to have the Executive Committee function as the Nominating Committee, whose composition is as provided above, non-Directors, including staff, may be appointed to Board committees based on their experience and expertise, but Directors must constitute a majority of the membership of all committees. Committee members who are not current Directors shall not be entitled to vote on committee matters.

2.4 Responsibilities of Committee Chairs. It is the responsibility of committee chairs to work with the Executive Director and staff (and, to the extent necessary, with Officers) in establishing annual committee goals and objectives, scheduling committee meetings, setting meeting agendas, and making sure that minutes are kept. The chair presides over committee meetings and prepares and distributes committee minutes and/or reports to the Board on a regular basis.

2.5 Responsibilities of President. The President shall lead the Board; convene regularly scheduled Board meetings; call special Board meetings as necessary; prepare the agenda for all Board meetings; oversee or arrange for another Officer to preside at all Board meetings; timely communicate any issues of concern of the Board to the Executive Director; oversee the Board's participation in the review process for the Executive Director; work with the Board or a committee of the Board to recruit new Board members; assist the Executive Director in conducting new Board member orientation; and consult with Directors on their roles and help them assess their performance. The President shall also perform all other duties customary to that office or as assigned by the Board.

2.6 Reliance on Committees. The delegation of authority to any permanent or standing or ad hoc committee will not operate to relieve the Board or any Director from any responsibility or standard of conduct imposed by law or the governing documents of Rocky Mountain Conservancy.

2.7 Limitations on Authority. If any committee has a voting member who is not also a current Director, it may exercise no power or authority reserved to the Board under the Colorado Revised Nonprofit Corporation Act or the Articles of Incorporation or Bylaws of Rocky Mountain Conservancy. Further, it will have no authority to incur any corporate expense or make any representation or commitment for Rocky Mountain Conservancy, unless express authority is provided in these Board Policies or the resolution establishing the committee, or unless express approval is given by the Board or the Executive Director, and in any event the expense or commitment complies with any expenditure policies of the organization.

2.8 Limitations on Authority. Rules governing procedures for meetings of any permanent or standing or ad hoc committee will be the same as those set forth in the Bylaws, these Board Policies, or the Colorado Revised Nonprofit Corporation Act for the Board, unless the Board determines otherwise in the resolution establishing or governing the committee or in these Board Policies.

ARTICLE 3 LOANS

The law prohibits loans from the Rocky Mountain Conservancy to its Directors and Officers. In addition, it is the policy of the Board that the Rocky Mountain Conservancy shall not make loans or guaranties to, or for the benefit of, Directors, Officers, employees or consultants.

ARTICLE 4 CONFLICT OF INTEREST

4.1 Definitions Pertaining to Article 4.

A. “**Financial Interest**” means the financial interest of a person that he or she has, directly or indirectly, through business, investment, or family, in the: a) ownership or investment interest in any entity with which the Rocky Mountain Conservancy has a transaction or arrangement; b) compensation arrangement with the Rocky Mountain Conservancy or with any entity or individual with which the Rocky Mountain Conservancy has a transaction or arrangement; or c) potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Rocky Mountain Conservancy is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

B. “**Interested Person**” means any Director, Officer, including the Executive Director, and member of a committee with Board designated powers who has a direct or indirect Financial Interest.

4.2 Purpose. The purpose of the conflict of interest policy set forth in this Article 4 (“**Conflict of Interest Policy**”) is to protect the Rocky Mountain Conservancy, a Colorado nonprofit and tax-exempt organization, and its interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Interested Person. It is also intended to help Interested Persons understand what constitutes a conflict of interest and to assist them in identifying, disclosing, and avoiding actual and potential conflicts of interests in order to ensure that all of the deliberations and decisions in which they participate protect and are in furtherance of the interests of the Rocky Mountain Conservancy. This Conflict of Interest Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

4.3 Duty to Disclose. In connection with any actual or possible financial conflict of interest, an Interested Person shall disclose (and be given the opportunity to disclose) to the Board all material facts concerning such a transaction or arrangement.

4.4 Procedures for Acting on Conflict of Interest Transactions.

A. **Formal Approval.** The Rocky Mountain Conservancy may enter into a transaction or arrangement in which an Interested Person has a conflict of interest if:

- i. The Interested Person has disclosed the conflict of interest in accordance with this Conflict of Interest Policy;
- ii. A majority of Directors who have no interest in the transaction or arrangement approve the transaction or arrangement at a Board or committee meeting after determining, in good faith and after reasonable investigation, the transaction or arrangement is fair and reasonable to the Rocky Mountain Conservancy and is in the Rocky Mountain Conservancy’s best interest;
- iii. Any Interested Person who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided,

however, any such Interested Person may appear at a meeting to answer questions concerning the transaction or arrangement); and

- iv. The Board relies upon appropriate comparability data, such as an independent appraisal or an independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to the Rocky Mountain Conservancy.

- B. Transaction Fair to Corporation.** It shall not be a violation of this Conflict of Interest Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as the transaction or arrangement is in fact fair to the Rocky Mountain Conservancy, furthers its tax-exempt purposes, and does not result in inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

4.5 Disclosure Statement. Each Director, Officer, key employee and member of a committee with Board designated powers shall upon their election and annually, sign a statement affirming that such person:

- A.** Has received a copy of the Conflicts of Interest Policy,
- B.** Has read and understands the Conflicts of Interest Policy,
- C.** Has agreed to comply with the Conflicts of Interest Policy, and
- D.** Understands that the Rocky Mountain Conservancy is a charitable organization which in order to maintain its federal tax exemption must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

4.6 Violations of Conflict of Interest Policy. If any Director or Officer has reasonable cause to believe an Interested Person has failed to disclose an actual or possible conflict of interest, he or she shall inform the person in question of the basis for such a belief and afford that person the opportunity to explain the alleged failure to disclose.

If, after hearing the person's response, the Director or Officer, as applicable, feels that further investigation is warranted by the circumstances, that Board member or Officer shall so report to the President. The President will promptly refer the allegation to the Board. The decision as to whether or not a conflict of interest exists will be made by the Board during a regularly scheduled or specially called meeting. After presentation of the material facts, and after any discussion with the Interested Person, that individual shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors, by majority vote, shall decide if a conflict of interest exists and, if so, decide what action, if any, should be taken.

ARTICLE 5
**ETHICAL BEHAVIOR AND CONDUCT/
WHISTLEBLOWER REPORTING AND PROTECTION**

5.1 Policy with Respect to Ethical Behavior and Conduct/Harassment. The Directors and Officers shall be subject to and comply with the provisions of the Employee Handbook titled “Equal Employment Opportunity/Unlawful Harassment.” Under the section titled “EEO Complaint Procedure” of the Employee Handbook, an Officer or Director shall report any incident to the Executive Director or the President.

5.2 Whistle Blower Reporting and Protection. The Rocky Mountain Conservancy requires its Directors, Officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and to engage in carrying out the Rocky Mountain Conservancy’s mission in a professional and ethical manner in accordance with all applicable laws and regulations. The Directors and Officers shall be subject to and comply with the provisions of Employee Handbook titled “Whistleblower Protection and Ethics Policy.” Under the section titled “Reporting Procedure” of the Employee Handbook, an Officer or Director shall report complaints or concerns about suspected ethical or legal violations to the Executive Director or President.

ARTICLE 6
CONFIDENTIALITY AND PRIVACY

6.1 Donors and Members. The Rocky Mountain Conservancy will maintain all constituent files and records in accordance with Rocky Mountain Conservancy Privacy Policy.

6.2 Credit Card/Banking Information. The Rocky Mountain Conservancy will maintain all credit card and similar banking information in accordance with Rocky Mountain Conservancy Privacy Policy.

6.3 Privacy Statement—Internet. The Rocky Mountain Conservancy believes that electronic privacy is crucial for the ongoing success of the internet as a communications medium. The Rocky Mountain Conservancy policies with respect to the information collected on its website or by e-mail, are set forth in the Rocky Mountain Conservancy Privacy Policy.

ARTICLE 7
PERSONNEL POLICIES OF EMPLOYEES AND THE EXECUTIVE DIRECTOR

7.1 Hiring and Termination of the Executive Director. The Executive Director is hired by, and serves at the pleasure of, the Board; provided, termination will not affect the contract rights, if any, of the Executive Director.

7.2 Executive Director: Major Responsibilities. The major responsibilities of the Executive Director include the following:

- a. Directs and supervises the day-to-day operations of the organization in the implementation of the Rocky Mountain Conservancy Bylaws, Board Policies, Mission Statement, and Strategic Plan.

- b. Conducts or oversees annual performance reviews of staff members.
- c. Develops initiatives for fundraising, in collaboration with the Board and staff.
- d. Supports the Board's development as the strategic, governing body of the Rocky Mountain Conservancy.
- e. Builds and leverages relationships on behalf of the organization's diverse constituents: including individuals, corporations, donors, government agencies and other nonprofit organizations.
- f. Assesses organizational capacity to implement strategies; identifies gaps in systems and staffing, and develops plans for correction, contingency and succession; anticipates factors accelerating or impacting success.
- g. Works to strengthen and grow the human capital of the organization through ongoing employee development.
- h. Elevates the organization's presence and image locally, regionally, and nationally, including the ability to make donations to other 501(c)(3) public charities in furtherance of the mission and goals of the Rocky Mountain Conservancy but subject to the limitations set forth in Section 11.2.
- i. Maintains stewardship and accountability for the organization's overall operational, ethical and fiduciary integrity, within the guidelines and policies set by the Board and applicable laws and/or regulations.
- j. Provides appropriate advocacy on public policy issues affecting the mission of the Rocky Mountain Conservancy.

7.3 Authority of the Executive Director. Subject to Section 11.2 and any limitations which may be set forth in a resolution of the Board, all leases, transfers, contracts, notes and other obligations to be entered into by the Corporation in the ordinary course of its business (i.e., that may be entered into without director action) may be executed on behalf of the Corporation by the Executive Director or by an officer, employee or agent of the Corporation designated by the Executive Director in writing and such writing shall include electronic transmissions sent by the Executive Director.

7.4 Evaluation of the Executive Director. An annual evaluation of the Executive Director's performance and accomplishments, with input from Board members, staff, and other constituents, shall be conducted by the end of each calendar year by the President and reviewed by the Executive Committee. To the extent reasonably feasible, the Executive Committee shall obtain data on the compensation of persons holding similar positions of authority within comparable organizations, shall set the compensation based on such data and an evaluation of the Executive Director's performance and experience as related to the requirements of the position, and shall document the basis for the determination including the comparison data used, the requirements of the position, and the evaluation of the Executive Director's performance and experience.

7.5 Hiring and Termination of Employees. With respect to the hiring and termination of employees, the Executive Director is responsible for ensuring against actions, procedures, policies or decisions which discriminate against any employee or applicant for employment based on race, creed, color, religion, gender, sexual orientation, national or ethnic origin, age, or disability.

7.6 Personnel Handbook Policies. The Executive Director shall assure that the written personnel policies in the Employee Handbook are consistent with Board Policies. The Employee Handbook should be reviewed biannually by the staff and updated, as necessary. Changes will be reviewed and approved by the Executive Committee. In the event of a conflict or inconsistency, the Bylaws and Board Policies will take precedence.

7.7 Personnel Evaluations. The Executive Director is responsible for directing the day-to-day operations of the organization in accordance with the Mission Statement and with generally accepted managerial principles, systems and best practices. The Executive Director shall: 1) conduct at least annually a written performance evaluation for each employee who reports directly to him or her with respect to that employee's effectiveness; 2) use a standard evaluation tool in conducting these evaluations; 3) on an annual basis establish appropriate performance development objectives in consultation with each employee; 4) ensure that each of these employees perform similar evaluations with each employee reporting directly to her or him; and 5) review annually with the President the planned compensation of employees.

7.8 Personnel Compensation Policies. The Rocky Mountain Conservancy's employee compensation policy is based on individual, team, department, and overall organizational performance. Compensation offered may include salaries, bonuses and/or other success-sharing plans that have financial value to employees and to the Rocky Mountain Conservancy.

A. General Guidelines.

- i. **Pay Rates:** In determining pay rates for individual positions, criteria will include the following: a) the nature, responsibilities, and requirements of the position; b) the credentials and experience of the candidate; c) a comparison with the pay rates for similar positions in comparable organizations; d) the existing employee salary structure within the organization; and e) the financial capacity of the organization.
- ii. **Base Pay:** Base pay is provided either on a salaried or hourly basis in accordance with the Fair Labor Standards Act ("**FLSA**"). Employees that are exempt from overtime regulations are paid on a salaried basis; those who are non-exempt are paid on an hourly or salaried basis and are subject to FLSA overtime provisions.
- iii. **Additional Compensation:** Compensation in addition to base pay may be authorized for various reasons. These include overtime pay, double time pay, and incentive/recognition bonuses.
- iv. **New Hire Rate:** New employees over the age of 18 must be paid no less than the minimum rate established by the Rocky Mountain Conservancy. This rate is reviewed annually and adjusted as needed.

- v. **Merit-based Pay Raises:** Merit increases, as recommended by the Executive Director, are based on an employee's yearly performance evaluation, and generally take effect on January 1 of each year. Recommended merit increases of more than 10% of base salary require the approval of the President.
- vi. **Promotion Raises:** Promotion raises may be granted by the Executive Director when an existing employee assumes a new position within the organization of greater responsibility or scope. Recommended promotion raises of more than 10% of base salary require the approval of the President.
- vii. **Market-Adjustment Raises:** Adjustments to an employee's base salary may be made by the Executive Director when he or she determines that the employee's salary has fallen behind those in positions of comparable responsibility or scope within the Rocky Mountain Conservancy or in the local, regional, state, or national job market. Recommended Market-Adjustment raises of more than 10% of base salary require the approval of the President.
- viii. **Timeline:** Recommended pay increases for employees are included in the proposed Rocky Mountain Conservancy budget for each new calendar year. Once that budget is approved by the Board (normally at its annual February meeting) these increases will be paid retroactively from the first of the year.

B. Discretionary Bonus Awards

At its discretion, and upon the recommendation of the Operations and Finance Committee, the Rocky Mountain Conservancy may award employees a bonus based on organizational and individual job performance. Currently authorized discretionary bonus awards take three forms: 1) Lump-sum Bonus; 2) Year-end Bonus; 3) and/or a 401(k) Bonus. Such bonuses are not intended to make up for or add to an employee's base compensation or as compensation for meeting the minimum standards of his/her job position. Recommended Bonus awards of more than 10% of base salary require the approval of the President.

- i. **Lump-sum Bonus:** A Lump-sum Bonus is a one-time payment based upon job performance. It may take the form of a monetary award, or, at the discretion of the Executive Director, vacation time added to the employee's existing balance.
- ii. **Year-end Bonus:** A Year-end Bonus is a one-time bonus awarded to a currently eligible employee made upon the recommendation of the Executive Director. A recommended eligible employee who has not been employed for a full calendar year may receive a prorated Year-end Bonus upon the recommendation of the Executive Director.
- iii. **Eligibility:** Eligibility for year-end bonus awards is limited to current full-time employees who have completed their 90-day introductory period and

who are so-designated by the Executive Director on the basis of their evaluated job performance. Upon the recommendation of the Executive Director, full-time employees on an approved leave of absence may receive a prorated portion of a bonus award. Employees must be employed on the day the bonus will be paid and have not announced intention to resign, either verbally or in writing.

- iv. **401(k) Bonus:** A 401 (k) Bonus is a one-time bonus award made directly to an employee's 401(k) Retirement Account. As specified in the 401(k) plan agreements the Rocky Mountain Conservancy matches 4% of the employee's salary throughout the year and may add an additional amount at the end of the plan year. A 401 (k) discretionary bonus must be awarded equally to all eligible 401(k) participants.
- v. **Eligibility:** Eligibility for the discretionary award is described further in the 401(k) plan agreements. All 401(k) participants who are an active participant on the award date and have worked more than 1000 hours during the plan year are eligible.
- vi. **Timeline:** The determination to make discretionary bonus awards is made by the Operations and Finance Committee at its December meeting and those awards, if any, are reported to the Board as part of the annual budget approval process.

ARTICLE 8

BOARD OF DIRECTORS: RESPONSIBILITIES AND EXPECTATIONS

The major responsibilities and expectations of members of the Board include the following:

- a. Exercise the corporate powers of, and perform the duties of, a board of directors as set forth in the Colorado Revised Nonprofit Corporation Act.
- b. Promote the mission of the Rocky Mountain Conservancy as described in the Mission Statement.
- c. Have read, and agreed to adhere to, the Rocky Mountain Conservancy's Articles of Incorporation, Bylaws and Board Policies.
- d. Review Board materials and attend and participate in meetings of the Board.
- e. Participate in Rocky Mountain Conservancy events and activities.
- f. Serve on at least one Board committee.
- g. Assist in the recruitment of new Rocky Mountain Conservancy Board members.

- h. Make an annual financial contribution to the Rocky Mountain Conservancy in an amount that is meaningful to the member.

ARTICLE 9

RECORD RETENTION AND DESTRUCTION POLICY

9.1 Purpose. The Rocky Mountain Conservancy desires to avoid the accidental or intentional disposal or destruction of documents and other records that may be relevant to its history as well as to its own internal investigations or to investigations and legal proceedings conducted by federal, state, or local government agencies. In some instances, applicable laws specifically prohibit persons from destroying, disposing of or altering records with the knowledge that they may be relevant to an anticipated or ongoing investigation or legal proceeding, or with the intention that such actions will obstruct, impede or influence such an investigation or proceeding.

9.2 Policy. The Board has adopted a record retention and destruction policy (“***Record Retention and Destruction Policy***”). The purpose of this policy is to maintain the integrity of Rocky Mountain Conservancy files and records that are of historical importance to the organization and those that may be relevant to internal investigations and to government investigations and proceedings. It applies (1) to all Directors, Officers, employees, volunteers and agents and (2) to all Rocky Mountain Conservancy files, records and documents in whatever form, whether written (paper), electronic, or audiovisual. The Executive Director shall periodically review the Record Retention and Destruction Policy and recommend changes to the Board to reflect current best practices and changes to governmental regulations.

ARTICLE 10

RISK MANAGEMENT

10.1 Board Responsibility. The Board, as part of its responsibility for oversight and planning and for the fiduciary well-being of the organization, recognizes the need to identify and control the risks and exposure that are inherent in its programs and activities and in its workplaces. This is particularly true of those risks that might jeopardize the Rocky Mountain Conservancy’s assets and/or affect the confidence of its stakeholders.

10.2 Risk Management Policies. It is the responsibility of the Executive Director to work with staff of each Rocky Mountain Conservancy program and activity area to identify, assess, and control potential risk and safety issues within those areas. The Executive Director will put in place written proactive policies, procedures, and strategies to deal with the issues identified (“***Risk Management Policies***”), and educate staff with respect to their role and responsibilities in monitoring compliance. These responsibilities include securing and protecting Rocky Mountain Conservancy property and assets; providing adequate insurance; selecting, training, and overseeing of volunteers, employees, Conservation Corps members, Rocky Mountain Conservancy Fellows and Interns, and Field Institute instructors; establishing and maintaining clear communication channels throughout the organization with respect to risk management issues; and establishing and implementing the procedures to be followed in the case of emergencies.

10.3 Annual Review. The Executive Director shall annually review with the Operations and Finance Committee the Risk Management Policies currently in place. Risk management issues or

problems that may impact the liability or reputation of the Rocky Mountain Conservancy shall be reported immediately to the President.

ARTICLE 11

FINANCIAL MANAGEMENT POLICIES

11.1 Purpose of Financial Management Policies. This Article 11 and the other policies set forth in the document titled “*Financial Policies*” describe the accounting policies and procedures currently in use at the Rocky Mountain Conservancy. This Article 11 and the Financial Policies are intended to ensure that the Rocky Mountain Conservancy’s procedures conform to generally accepted accounting principles; that assets are safeguarded; that the guidelines of grantors and donors are complied with; and that finances are managed with accuracy, efficiency and transparency. All of the Rocky Mountain Conservancy’s staff with a role in the management of fiscal and accounting operations are expected to comply with this Article 11 and the Financial Policies.

11.2 Budget Variance Approval. The Board shall approve the annual budget at the first Board meeting of the fiscal year. After such approval, variances in the total operating expenses, total capital expenditures, or total project spending from donation revenue in excess of \$50,000, measured on a transaction-by-transaction basis, must be approved by a majority vote of the Board, based on recommendations by the Executive Committee and Operations and Finance Committee.

11.3 Reserve Accounts. Reserve accounts will be established as an operating reserve to cover seasonal operating and cash flow needs and to cover aid award liabilities (“*Reserve Accounts*”). In the case of an emergency, the Board is authorized to increase the amount of Reserve Accounts as appropriate following a recommendation by the Operations and Finance Committee. The Operations and Finance Committee will monitor the balances in Reserve Accounts.

ARTICLE 12

INVESTMENT MANAGEMENT POLICIES

12.1 Purpose of Investment Management Policies. The Rocky Mountain Conservancy is a 501(c)(3) tax-exempt, nonprofit corporation committed to achieving and maintaining a strong financial base to further and sustain its philanthropic mission. In the management and investment of its assets it is committed to the policies and best practices set forth in Colorado’s Uniform Prudent Management of Institutional Funds Act (UPMIFA), CRS sections 15-1-1101 through 15-1-1110 and as further described in the Investment Policy Statement. The purpose of the Investment Policy Statement is to establish guidelines for the preservation, growth, and management of the Rocky Mountain Conservancy’s invested assets. The Investment Committee of the Board, acting as the Board’s fiduciary agent, is responsible for the investment, oversight, and distribution of these assets and for reporting investment performance and changes to the Board in accordance with the guidelines set forth in this Article 12.

12.2 Investment Accounts.

- A. Types of Accounts.** The Rocky Mountain Conservancy maintains two types of investment accounts, each with its own investment objectives:

- i. Endowment Accounts. “***Endowment Accounts***” are accounts set up to hold the endowment funds described in Article 13. These accounts are designed to appreciate over a long-term investment cycle.
 - ii. Project and Reserve Accounts. “***Project and Reserve Accounts***” are accounts designed to serve as depository vehicles for donations and designated retained earnings to fund specific Rocky Mountain Conservancy projects. Additionally, these accounts may include funds set aside in Reserve Accounts to fund Rocky Mountain Conservancy operations upon approval of the Executive Committee.
- B. Account Management.** Accounts are managed on a regular on-going basis by the Investment Committee.
- C. Fiscal Year.** The fiscal year for all accounts shall be the same as that of the Rocky Mountain Conservancy.

12.3 Distribution Guidelines for Endowment Accounts. Subject to the limitations below, the distributions amount from the Endowment Accounts will be based on a percentage of a rolling three-year average of the endowment's market value at the end of the prior fiscal year (the “***Rolling Three Year Average***”).

Endowments from which a distribution has been made within the last two years: Distribution in any year shall not exceed 4% of the Rolling Three Year Average; provided, such distribution may not reduce the market value of the endowment to an amount below the original corpus of that endowment after deducting the proposed distribution.

Endowments from which no distribution has been made during the previous three consecutive years: Distribution in any year shall not exceed 10% of the Rolling Three Year Average; provided, such a distribution may not reduce the market value of the endowment to an amount below the original corpus of that endowment after deducting the proposed distribution.

As part of the annual budgeting process, the Executive Director will recommend amounts to be distributed from the Endowment Accounts that will not exceed the distribution limitations set forth above.

12.4 Investment Policies.

A. Endowment Accounts. Endowment Accounts shall be invested to provide long-term asset appreciation in accordance with the terms of the Investment Policy Statement. All net capital gains and losses, including the income earned, will be allocated to individual accounts. The allocation to equities shall be established by the Investment Committee and be reviewed by that committee on a regular basis. Changes will be reported to the Board. The Board has established a minimum return objective of 4% + CPI-U. The Board acknowledges that this return objective will require considerable exposure to return-seeking investments which presents the potential for large swings in asset values over shorter periods. The Board

understands that these swings are expected and inevitable in order to obtain the longer-term objective of its portfolio.

B. Project and Reserve Accounts. Project and Reserve Accounts shall be invested for preservation of capital in accordance with project needs. These accounts will be invested in short-term fixed income or depository instruments of less than three-year maturity and in accordance with the terms of the Investment Policy Statement.

C. Acceptance Policy. Donated marketable securities shall be sold upon receipt within a reasonable timeframe at market value and applied in accordance with the donors' stated purpose. Unlisted stocks, real estate and personal property not readily negotiable must be, upon review and approval by the Executive Committee, approved for acceptance by the Board before the gift is received.

D. Prohibited Investments: Unless authorized by the Investment Committee, the Endowment Accounts are prohibited from investing in hedge funds, private investments, and promissory notes.

12.5 Reporting. The Investment Committee shall report annually to the Board on the status of investments. The chairman of the Investment Committee shall inform the Board on the status of the investment accounts at regularly scheduled quarterly Board meetings. The Executive Director shall distribute an annual year-end summary of investment performance to all members of the Investment Committee and, upon request, to any member of the Board.

12.6 Annual Review. The Investment Committee shall confirm annually to the Board that the management of the endowment portfolio is in compliance with the current Investment Policy Statement. Should, in the opinion of the Investment Committee, market conditions require it, a change in asset allocation range may be made with the approval of the Executive Committee acting on behalf of the Board.

12.7 Administration and Amendment. All guidelines and objectives set forth herein shall remain in force until modified by a resolution of the Board. In all cases, the Investment Policy Statement shall be reviewed and affirmed at least every four years by the Board. If at any time, the Investment Committee believes that a specific guideline or restriction is impeding its ability to implement the investment process or to meet performance objectives, the Chair of the Investment Committee shall make this fact known immediately to the Board through the President.

ARTICLE 13 ENDOWMENT FUNDS

13.1 Establishment of an Endowment. Requests from donors to establish an endowment must be documented in writing. The Executive Director, as the delegated authority of the Board, will discuss the proposed endowment in detail to establish specific terms and conditions. Written documentation shall include the purpose(s) of the endowment, the initial corpus, and agreement with the terms of the Investment Policy Statement or other specific instructions. The establishment of the new endowment is subject to Board approval.

13.2 Established Endowment Fund Descriptions.

A. Legacy Fund. The Legacy Fund supports projects or programs of long-term significance in perpetuity for Rocky Mountain National Park (RMNP). Earnings from the fund shall be used only for the benefit of RMNP projects or programs, including capital projects, land acquisition, historical preservation and long-term educational projects in RMNP.

B. Greenhouse Endowment Fund. The Greenhouse Endowment Fund was established in conjunction with the construction of the Rocky Mountain National Park greenhouse using funds from Rocky Mountain Conservancy donors. The earnings from the fund are dedicated to benefit the RMNP greenhouse and related projects.

C. Next Generation Endowment Fund. The NGF Endowment Fund was established to provide crucial permanent funding for educational programs having to do with Rocky Mountain National Park that benefit young people. The endowment is designed to provide services and programs that go beyond the capabilities of federal tax-supported funding. Earnings from the fund will be used to support such youth activities as the Junior Ranger and the American Conservation Corps programs, internships, environmental education in the park, exhibit maintenance at the Moraine Park Discovery Center, youth publications and seminars.

D. Sustainability Endowment Fund. The purpose of the Sustainability Endowment Fund is to protect, restore, maintain and preserve land and historic sites in Rocky Mountain National Park by providing adequate and continuing funding for assets of mutual interest that were constructed, restored, or refurbished as a result of philanthropy. Further details, including a list of structures, are set forth in the Agreement Establishing the Joint Sustainability Fund to Benefit Rocky Mountain National Park, dated February 1, 2008, between Rocky Mountain Conservancy and Rocky Mountain National Park. It is the intent of both parties to preserve the corpus of \$500,000 and to expand this fund through investment in accordance with Rocky Mountain Conservancy's investment and endowment management policies.

E. Land and Historic Preservation Endowment Fund. The purpose of the Land and Historic Preservation Endowment Fund is for land protection and historic preservation.

13.3 Board Designations. The Board retains the power and the duty to modify or eliminate any Board-designations of endowment funds if in its judgment such designation becomes inconsistent with the charitable needs of Rocky Mountain Conservancy.

ARTICLE 14 CONTRIBUTIONS

14.1 Solicitation and Acceptance of Gifts. The Rocky Mountain Conservancy solicits and accept gifts that are consistent with its Gift Acceptance Policy. Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations,

government agencies, or other entities. The Rocky Mountain Conservancy fully abides by the Donor Bill of Rights created by the American Association of Fundraising Professionals (AFP).

A. Right to Refuse. The Rocky Mountain Conservancy nonetheless reserves the right to refuse any gift that the Board believes is too restrictive in purpose or is not in the best interest of the organization. The Executive Director will refer questions concerning the acceptability of special gifts to the Executive Committee for a decision.

B. Counsel. Before making a gift, donors are encouraged to seek their own tax or legal counsel. Board members involved with soliciting gifts shall refrain from offering prospective donors any tax or legal advice and, instead, shall advise them to seek such counsel on their own. The Rocky Mountain Conservancy reserves the right to seek the assistance of legal or other outside counsel to assist with the acceptance of any gift. For further guidance, see the Rocky Mountain Conservancy's Gift Acceptance Policy.

14.2 In-Kind Contributions--Goods and Services. Donated goods and services shall be recorded in the accounting system as in-kind revenues and expenses. Records of each of these transactions shall be retained as stipulated by the Records Retention and Destruction Policy.

14.3 Handling of Restricted and Unrestricted Contributions.

A. Restricted Gifts. All contributions received for which the donor has specified a particular use shall be classed as "***Restricted Gifts***" and so accounted for in the accounting system and related reporting requirements. All records relating to donor-restricted contributions shall be retained in accordance with the Records Retention and Destruction Policy. Such records shall include check images, notes, letters, and any other donor-supplied documentation relating to the contribution.

B. Unrestricted Gifts. Except as described in Article 16 below, gifts that are not subject to any specified use or other restriction shall be classified as "***Unrestricted Gifts***", per the Rocky Mountain Conservancy's Friends Agreement with Rocky Mountain National Park, are to be used in support of Rocky Mountain National Park and its projects.

14.4 Temporarily Restricted Gift--Removal of Restrictions and Disposition

A. The specified particular use for certain Restricted Gifts may be temporary. In determining whether a restriction is no longer applicable, the Executive Committee shall consider the donor's (or donor representative's) original intent and one or more of the following factors: (a) the wishes, purpose, and/or intent of the donor have been met, (b) the mission was completed and (c) the restrictions were satisfied.

B. Disposition of Proceeds. When the temporary restriction of a gift is removed, the disposition of any remaining assets from that gift shall be reviewed and approved by the Executive Committee.

The Executive Committee will consider the donor's (or donor representative's) original intent, and, as determined by the Executive Committee, the donor (or donor representative) may be consulted on the use of the proceeds or remaining assets. If requested by the donor (or donor representative), the proceeds or remaining assets may become unrestricted funds or may remain as temporarily restricted funds with an adjusted use. If the proceeds become unrestricted, the Finance and Operations Committee will determine whether they will be Board-designated to a specific purpose or be left as undesignated funds.

14.5 Administrative Donation Transfer. For all donations, 15% of the donation will be transferred periodically to Rocky Mountain Conservancy operating funds to cover operational expenses, primarily fundraising. The Executive Director may waive this requirement for donations to a specific project or fund.

ARTICLE 15

AGENCY CUSTODIAL FUND ACCOUNTS

15.1 Establishment of Account. Requests from agencies to establish a custodial fund account must be documented in writing ("*Custodial Fund*"). The Executive Director, as the delegated representative of the Board, will discuss the fund in detail with agency-designated coordinators to determine specific arrangements for handling the Custodial Fund, including anticipated sources of revenue and the nature of expenditures. Documentation will include purposes of the Custodial Fund, administrative fees, termination schedule, and other similar matters. Disbursements will be made in conformity to the established purposes of the Custodial Fund. The establishment of a new Custodial Fund is subject to Board approval.

15.2 Accounting and Records. The Rocky Mountain Conservancy will provide an accounting of each Custodial Fund to the agencies. All bookkeeping and records of the Rocky Mountain Conservancy related to these funds will be made available to the Board upon request and subject to Board review.

15.3 Authorization of Expenditures. Payment or disbursement requests from a Custodial Fund shall be made in writing by the appropriate agency-designated coordinator or program manager. The Board has responsibility for all payments, though such authority is delegated to the Executive Director or appropriate staff. All expenditures shall be made exclusively for charitable purposes as defined by Rocky Mountain Conservancy's Articles of Incorporation and Bylaws and by Section 501(c)(3) of the Internal Revenue Code.

15.4 Administration. From time to time, the Rocky Mountain Conservancy, with Board approval, may serve the agency partnership by accepting responsibility for gifts on behalf of the agency. Proposed agency accounts will be evaluated by the Executive Director to determine the level of involvement which will be required by the Rocky Mountain Conservancy. For major gifts, either the Rocky Mountain Conservancy will retain the interest, dividends, or realized gains, or the Rocky Mountain Conservancy will be compensated through a negotiated fee. The administrative cost recovery includes the following:

A. For simple “donation” accounts (under \$100,000), an administrative fee equal to the interest, dividends, and/or realized gains will be income to the Rocky Mountain Conservancy.

B. Accounts requiring greater than normal administrative costs incurred by the Rocky Mountain Conservancy (due to greater numbers of transactions, tracking of receipts or orders, use of Rocky Mountain Conservancy outlets, preparation of correspondence, etc.) will be charged an agreed upon amount in addition to interest, dividends, and/or realized gains.

15.5 Termination of Accounts. Custodial Funds will be reviewed periodically. Terminations, including the disposition of funds, shall be done in consultation and in accord with recommendations of donors and/or agency representatives.

ARTICLE 16 DISTRIBUTIONS FOR RESTRICTED AND UNRESTRICTED PROJECTS

If a project may require the use of both Restricted and Unrestricted Funds, Restricted Funds shall be utilized and expended prior to utilizing Unrestricted Funds.

ARTICLE 17 REVIEW OF BYLAWS AND BOARD POLICIES

In keeping with best practices, and to reflect changes in applicable legal and regulatory requirements and changes in the programs and operations of the Rocky Mountain Conservancy, its Bylaws and Board Policies shall be reviewed by the President and the Executive Committee on a regular basis, not to exceed four years. Recommended changes shall then be submitted to the Board for its approval.

APPENDIX

Definitions

DEFINITIONS. Capitalized terms used herein shall have the meanings set forth below:

“Board Policies” means the current board policies adopted by the Board and as hereafter amended.

“Conflict of Interest Policy” has the meaning set forth in Section 4.2 of the Board Policies.

“Custodian Fund” has the meaning set forth in Section 15.1 of the Board Policies.

“Donor Bill of Rights” means the current donor policies created by the American Association of Fundraising Professionals published at afpglobal.org.

“Employee Handbook” means the employee policies and procedures set forth in the current Employee Handbook approved by the Board and as hereafter amended.

“Endowment Accounts” has the meaning set forth in Section 12.2(A)(i) of the Board Policies.

“Executive Director” has the meaning set forth in Section 3.3 of the Amended and Restated Bylaws of the Rocky Mountain Conservancy.

“Financial Interest” has the meaning set forth in Section 4.1(A) of the Board Policies.

“Financial Policies” has the meaning set forth in Section 11.1 of the Board Policies.

“FLSA” has the meaning set forth in Section 7.7A(ii) of the Board Policies.

“Friends Agreement with Rocky Mountain National Park” means the Philanthropic Partnership Agreement dated September 15, 2020, between the National Park Service and the Rocky Mountain Conservancy.

“Gift Acceptance Policy” means the current gift acceptance policies approved by the Board, and as hereafter amended.

“Immediate Past President” means the President most immediate predecessor in office.

“Interested Person” has the meaning set forth in Section 4.1(B) of the Board Policies.

“Investment Policy Statement” means the current investment policy statement and procedures approved by the Board, and as hereafter amended.

“Mission Statement” has the meaning set forth in Section 1.4 of the Amended and Restated Bylaws of the Rocky Mountain Conservancy.

“Officers” has the meaning set forth in Section 3.1 of the Amended and Restated Bylaws of the Rocky Mountain Conservancy.

“President” has the meaning set forth in Section 3.2 of the Amended and Restated Bylaws of the Rocky Mountain Conservancy.

“Project Reserve Accounts” has the meaning set forth in Section 11.5(A)(ii) of the Board Policies. 12.2(A)(ii)

“Record Retention and Destruction Policy” means the current policies related to record retention and destruction approved by the Board and as hereafter amended.

“Reserve Accounts” has the meaning set forth in Section 11.3 of the Board Policies.

“Restricted Gifts” has the meaning set forth in Section 14.3(A) of the Board Policies.

“Risk Management Policies” has the meaning set forth in Section 10.2 of the Board Policies.

“RMNP” has the meaning set forth in Section 13.2(A) of the Board Policies.

“Rocky Mountain Conservancy Privacy Policy” means the current privacy and confidentiality policies approved by the Board and as hereafter amended. The Rocky Mountain Conservancy Privacy Policy is posted on the organization’s website at <https://rmconservancy.org/privacy-policy/rmc-privacy-policy/>.

“Rocky Mountain Conservancy’s Strategic Plan” means the strategic plan adopted and approved by the Board in February 2024 and as hereafter amended.

“Secretary” has the meaning set forth in Section 3.5 of the Amended and Restated Bylaws of the Rocky Mountain Conservancy.

“Treasurer” has the meaning set forth in Section 3.6 of the Amended and Restated Bylaws of the Rocky Mountain Conservancy.

“Unrestricted Gifts” has the meaning set forth in Section 14.3(B) of the Board Policies.

“Vice-President” has the meaning set forth in Section 3.4 of the Amended and Restated Bylaws of the Rocky Mountain Conservancy.