

Royal River Conservation Trust (RRCT)

***Policies & Practices of the Board of Directors***

*As amended April 30, 2019 with updated notes to April 30, 2019*

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## Section 1. Adoption and Annual Review (Reserved)

NOTE: RRCT's bylaws include several provisions that overlap with policy which may be relevant as this policy document is reviewed. See especially notes below on disposition of conservation interests.

Section 2. Land Trust Service Region: The Royal River Conservation Trust works in the communities that comprise the Royal River watershed. RRCT's Bylaws further characterize the region, consistent with this section.

## Section 3. Land Trust Alliance Standards and Practices

*Adopted on August 2, 2005; Amended on February 28, 2012; amended on November 14, 2017*

WHEREAS, the Board and Staff of the Royal River Conservation Trust has reviewed Land Trust Standards and Practices ("the Standards"), first published by the Land Trust Alliance in 1989, and with the most recent revision effective February 3, 2017; and,

WHEREAS, the Royal River Conservation Trust agrees that the Standards are the ethical and technical guidelines for the responsible operation of a land trust;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Royal River Conservation Trust hereby adopts and commits to implementing the Standards as guidelines for the organization's operations.

NOTE: RRCT's board has noted certain LTA guidelines that RRCT does not immediately intend to adopt as policy, especially where the cost of compliance outweighs perceived value or cost-efficacy. Especially, RRCT has not yet sought formal external financial review but instead employs an independent CPA assigned to work to an external review standard. Additionally, the Board has declined to adopt term limit policies.

## Section 4. Mission & Strategic Planning

*Adopted as amended May 22, 2012; revised May 10, 2016.*

Mission: The Royal River Conservation Trust conserves the natural, recreational, scenic, agricultural, and historic resources of the Royal River region for all residents and visitors.

Vision: The Royal River Conservation Trust envisions ecologically healthy lands and waters that support recreational and commercial activities for all of us forever.

### Goals:

I. DIG DEEP. We conserve land in the Maine communities that comprise the Royal River watershed. We envision the Royal River's communities woven together with accessible rivers, streams and corridors of conservation land. Protection of working farms supports local farmers, provides locally grown food, and maintains Maine's rich agricultural heritage. Protection of varied landscapes supports diverse wildlife, clean water, and resilient ecology.

II. ROYAL GEMS, POLISHED. The watershed's conserved lands should have exemplary management, accessibility, and promotion.

III. ROYAL RIVER EXPLORATIONS: Connected waterfronts, preserves, and forests provide a growing population with places to explore, learn, and nourish the soul.

IV. HEALTHY AQUATIC ECOSYSTEMS: We work to protect, improve and restore the water resources of the Royal River watershed and Casco Bay. Healthy aquatic ecosystems will be more resilient in the face of global climate change and will be better able to meet the ever-growing demand by humans for clean water, food, jobs, and recreation.

V. STRATEGIC ORGANIZATIONAL ALIGNMENT: We work closely with private landowners and municipalities to accomplish shared goals. We are strategically and operationally aligned with other land trusts and conservation groups that also work in the twelve communities of the Royal River watershed.

VI. STRENGTH AND CREDIBILITY: We are a regional non-profit land trust supported by a growing membership of all ages and backgrounds. We are an organization of professional staff and volunteers, guided by the national land trust community's highest standards and best practices.

#### Section 5. Record Keeping (RESERVED)

#### Section 6. Fulfilling the Board of Director's Obligations (RESERVED)

#### Section 7. Conflict of Interest

*Adopted March 13, 2007; Amended September 13, 2016.*

Preamble: Royal River Conservation Trust's (RRCT's) effectiveness is especially dependent upon its credibility. It is essential to maintain our reputation for objectivity and fairness. At the same time, it is predictable that individual board members, as landowners and community members, may be potential participants in RRCT programs or serve on municipal boards. Therefore, it is appropriate for RRCT to adopt specific policies and rules to address real or apparent conflicts of interest. RRCT's bylaws also include a prohibition against private gain and against compensation of directors.

Definitions: A conflict of interest exists whenever an insider has a material financial interest in a transaction or project under consideration by the RRCT board of directors. Insiders are defined as board and staff members, substantial contributors, parties related to the above, those who have an ability to influence decisions of the organization and those with access to information not available to the general public. The IRS generally considers "insiders" or disqualified persons under IRC §4598 to be persons who, at anytime during the five-year period ending on the date of the transaction in question, were *in a position to exercise substantial influence over the affairs of the organization*. "Insiders" generally include: *board members, key staff, substantial contributors [see IRC §507(d)(2)], parties related to the above and 35-percent controlled entities*. While these are strict definitions within the tax code, land trusts are advised to take an even more proactive approach to the potential damage that conflicts of interest may cause an organization and also include in the definition of "insiders" *all staff members and those with access to information not available to the general public* (such as certain volunteers). Related parties is defined by the IRS to include spouse, brothers and sisters, spouses of brothers and sisters, ancestors, children, grandchildren, great-grandchildren and spouses of children, grandchildren and great-grandchildren.

Director's Obligations: Each member of the board of directors has the following responsibilities and obligations:

- (1) To disclose to the board the existence of any real or apparent conflict of interest.
- (2) To abstain from discussing any issue involved in a conflict of interest, unless requested by the board, or a committee thereof, to give information on the issue.
- (3) To recuse himself or herself from board or committee discussions on any such project or transactions involving a conflict of interest, unless requested by the board or committee to give information on the issue.

(4) To abstain from voting on any such issue.

(5) If so requested by the board, to take a temporary leave or absence from the board of directors, until the matter, giving rise to the conflict of interest has been resolved.

Board's Obligations: If a transaction or project of RRCT involves a conflict of interest, whether real or apparent, by a member of the board of directors or staff, the board shall do the following:

(1) Approve of such project or transaction only if the board makes specific findings that

(A) the transaction or project

(i) is fair and benefits RRCT and its objectives; and

(ii) is approved with full knowledge of the economic benefit to the director involved in the conflict of interest; and

(B) that the affected director has not participated in the vote approving the transaction or project and was in fact absent both during the discussion of the transaction or project, and at the time the board voted thereon.

All such approvals shall be reflected and detailed in meeting minutes.

(2) If the board determines that the nature and magnitude of the conflict of interest warrants the same, the board shall request that the affected director take a leave of absence from the board of directors in writing.

## Section 8. Fundraising

### Section 8.1 Mailing List Policy

*Adopted on July 15, 2003; Amended February 28, 2012*

It is the policy of the Board of Directors of the RRCT not to share its mailing list without express approval of the Board of Directors.

## Section 9. Financial and Asset Management

*Adopted October 21, 2003; Amended February 28, 2012; Repealed and replaced April 16, 2013; Amended September 13, 2016; Amended July 17, 2018*

### Section 9.1 Financial and Asset Management policy overall purpose

The overall purpose of this Financial and Asset Management policy is to ensure that there is a clear understanding of the objectives and operation of the various categories of reserves on the part of the Board, the Finance Committee and our donors, both present and future. These policies are established outlining the objectives and goals of various reserves and funds in order that:

a) There be a clear understanding on the part of the Board of the investment objectives and policies of the reserves so as to minimize the chance of the Board being surprised by losses or gains that should be expected to occur during various stages of a market cycle.

b) Investment management decisions be made in accordance with this policy.

c) The Directors have a meaningful basis for the evaluation of management of the reserves and funds.

d) Donors be provided with consistent confidence on the intended use of their funds and the operations of the organization.

The investment and management of the various reserves is for the purpose of providing a stable financial environment within which RRCT can conduct its programs and objectives governed by its bylaws and other policies and practices.

## Section 9.2 Reserve Funds created and named

9.3: Stewardship Reserve Fund (SRF), consisting of component board-designated (BD) and donor-advised funds; donor-advised funds including both Temporarily Restricted (TR) and Permanently Restricted (Endowment) funds.

9.4: Operating Reserves.

9.5: Near-Term Opportunity Reserve Fund (NTORF).

9.5A: Land Acquisition Reserve Fund (LARF)

## 9.3 Stewardship Reserve Fund (SRF): Purpose, Objectives, Assets, Spending

9.3.a. SRF Purpose and History. When RRCT acquires conservation easements or properties, it often accepts the responsibility to monitor, enforce, and provide stewardship to the conservation values for perpetuity, as guided by RRCT bylaws, deeds and agreements, Maine law, and other guidance or law. RRCT by policy therefore aims for secure long-term sources of funds to support its mission and to care for its properties for perpetuity. RRCT aims to resist property-specific or task-specific stewardship reserve funds, but rather noting efficiency and overlapping tasks RRCT aims for pooled funds to support the entire organization and all of its properties and its mission-critical needs.

The Stewardship Reserve Fund (SRF) is created and named by this policy, and consists of funds now renamed and pooled, but consisting of two component funds which shall be accounted for separately:

- SRF board-designated component: although the principal may be drawn down by the board, the general goal for this component is to maintain the principal value and use only the income per Section 9.3.d (SRF Spending Policy)  
SRF donor-advised Permanently Restricted (Endowment) component: the original principal may not be drawn down by the board. Income shall be used consistent with Section 9.3.d (SRF Spending Policy.)
- SRF donor-advised Temporarily Restricted component: the principal may be drawn down by the board for stewardship purposes, but not for any purpose. The component is otherwise identical to the SRF board-designated component.

The RRCT investment policy for the SRF is based on the following underlying principles: the SRF has an indefinite, long term time horizon; that investments that participate in the growth of the global economy are an essential component of any long term investment mix and that inflation will erode the purchasing power

of the income from the reserves and must be factored in to any investment management and spending decisions.

9.3.b. SRF Objectives. The establishment of investment objectives does not ensure that desired results will be achieved and sustained and is instead based on the underlying assumptions set out above and current standards for prudent investors:

- Expect a minimum rate of return, over time, equal to an inflation adjusted rate on a risk-free investment such as a long term US treasury bond
- Preserve the inflation adjusted value of the SRF recognizing that for periods of time, market volatility may cause the value of the SRF to fluctuate and even decline
- Create a stream of payments that can be used to support the mission of the RRCT

The Board may at its discretion decide to retain the investment returns from the SRF until a threshold dollar value of the SRF has been reached. This may be used as a method of augmenting the growth of the SRF and not a replacement for donations and gifts.

9.3.c. SRF Asset Allocation. Because of the long term nature of the SRF, a significant portion of the funds will be invested in long term assets including the following: US equities having large, medium and small market capitalizations; international equities including developed and developing economies; US government and quasi-governmental agency debt; corporate debt having a rating from one of the major rating agencies of investment grade; international debt having a rating from one of the major rating agencies of investment grade; tangible assets using financial instruments rather than holding the assets themselves; tactical hedging strategies.

The reserve funds portfolio should be diversified and may use any structure to participate in any of the above listed asset classes including mutual funds, exchange traded funds, real estate investment trusts, individual securities as long as the investments used are widely available, highly liquid and can be purchased, sold and priced daily during normal trading hours.

9.3.d: SRF Spending Policy. The spending policy of the Stewardship Reserve Fund is based on a total return formula. "Income" will consist of interest, dividends and capital appreciation of the underlying financial assets.

The Board of Directors must approve the annual distribution of the Stewardship Reserve Fund income. Annual spending will not exceed four percent of the fund's value at the beginning of the year; and also will not exceed the rolling average of the previous sixteen quarters of the fund's annualized returns, minus the then-current US Consumer Price Index.

The Board may decide to delay the spending policy terms for the SRF until a particular dollar value of the SRF has been met.

9.3.E: SRF Asset Allocation Guidelines

	Minimum Percentage		Maximum Percentage
Total Equities	20%		60%
Fixed Income	30%		70%
Other	0%		20%
Cash Equivalents	0%		30%

Up to 30% of equities may be invested in foreign securities-

9.3.f: SRF Accounting. The regular financial reports of the Treasurer and the organization shall account for the SRF as a distinct fund, and also with two distinct component funds described above.

#### 9.4. Operating Reserves:

The Board maintains unrestricted operating reserves to provide a cushion against seasonal fluctuations in the RRCT's sources of revenue and to support the organization if there was a sustained reduction in fundraising or grant awards. The goal of the balance of the operating reserves on January first of each year is no less than seventy five percent of the prior year's operating budget and should be replenished through the year to address cash flow needs, or to address unusual spending needs such as land acquisitions. Operating reserves typically have liquidity, and shall be limited to: FDIC insured bank checking and savings accounts; bank money market accounts; money market mutual funds; Certificates of Deposit having a maturity of one year or less or longer if penalties for early withdrawal are acceptable; US treasury securities having a maturity of one year or less. Operating reserves are expected to be drawn down routinely pursuant to an annual budget and other board decisions, fluctuating significantly through the year.

#### 9.5 Near-Term Opportunity Reserve Fund (NTORF) Principles, Objectives, Assets, Spending

9.5.a NTORF Principles: RRCT maintains various donor-advised, board-advised, or undesignated project accounts for various near-term purposes. In some cases these are grants revenues that won't be drawn down immediately, or acquisition project accounts that await a closing, or parcel-specific project accounts that may be used in the near term, or revenues earmarked by the board for later initiatives. Collectively, these various project accounts call for the creation of the Near-Term Opportunity Reserve, to manage funds that may not be spent in the current year, but are not long-term reserves. The NTORF investment policy is based on the following underlying assumptions: this fund has an intermediate time horizon of one to five years; that the board expects to use some or all of the assets in this fund for various purposes in furtherance of its mission and support of the monitoring, improvement or acquisition of property within the Royal River watershed.

9.5.b. NTORF Objectives: The establishment of investment objectives does not insure that desired results will be achieved and sustained and is instead based on the underlying assumptions set out within this policy and current standards for prudent investors:

- Expect a minimum rate of return, over time, equal to the rate on a risk-free investment such as a short-term US treasury bond
- Preservation of capital so as to minimize the probability of substantial losses of principal.
- Minimize short term volatility.



Due to the near-term time horizon and uneven nature of some future distributions, assets in the fund should not be put at significant risk of loss. The NTORF is expected to be shifted into the operating reserves in the context of annual budget and other board decisions, such as land acquisition decisions. NTORF drawdowns may be integrated or replace distributions from the operating reserves to the extent that NTORF is drawn upon for cash flow purposes, as necessary.

9.5.c. NTORF Asset Allocation: Because of the near term nature of this fund, the assets will be invested in a range of possible assets limited to the following: those assets allowed as part of operating reserves; US government and quasi-governmental agency debt having maturities between roughly one and five years; US corporate debt with maturities between roughly one and five years and having a rating from one of the major rating agencies of investment grade; International debt with maturities between roughly one and five years and having a rating from one of the major rating agencies of investment grade.

The NTORF portfolio should be diversified and may use any structure to participate in any of the above listed asset classes including mutual funds, exchange traded funds, individual securities as long as the investments used are widely available, highly liquid and can be purchased, sold and priced daily during normal trading hours.

9.5.d. NTORF Spending Policy. Income from the NTORF may be used in support of normal operations or added to the fund itself to maintain an appropriate level in the fund.

9.5.e. NTORF Accounting. The accounting for the NTORF as a distinct fund may be phased in flexibly, or accounted for informally, in the context of available staff and accounting capacity and expertise.

9.5A: Land Acquisition Reserve Fund (LARF): RRCT created this reserve fund in 2016, but has not structured it as a “reserve” fund in the sense that other reserve funds (above) are aligned with investment decisions. From an investment perspective, the LARF is a subset of NTORF. The published case statement, to solicit donations, as published on the website and other material should be reviewed and revised depending upon successes and review. Beginning in Summer 2016 the published case statement has been: *“to build a war chest allowing us to lean into land acquisition or conservation easement possibilities. Even as we raise new money for this fund, we are spending from the fund each time we reach agreement with a landowner on a new conservation project. Donations aren’t toward any specific parcel, but rather toward opportunities that arise. Funds go toward land acquisition, due diligence, and long-term stewardship needs of new parcels or new conservation easements, following board votes and specific parcel budgets. By adopted board policy, RRCT sets aside long-term funds to care for its properties in perpetuity.”*

## 9.6 Investment Supervision and Investment Committee Oversight

The Investment Committee is created by this subsection, formed by the Treasurer, the Executive Director, at least one other board member named by the President, and no more than two non-board members named by the President.

The Investment Committee will be responsible to the full RRCT Board of Directors for the oversight of all Reserve Funds and making any recommendations for changes to this policy.



The Investment Committee will review at least annually this policy to ensure that it continues to be appropriate to the needs of the organization, that it reflects the nature of current thinking in the field of investment management for non-profit organizations and that no additions or clarifications are necessary.

The Investment Committee will review the operation and results of the reserve funds periodically and will report to the full Board at least annually. The Treasurer shall report to the Board the performance of all reserves as part of the Treasurer's regular reports. The Investment Committee shall make recommendations to the Executive Committee regarding how to invest the funds of the Trust. The Executive Committee shall approve the specific investment of funds in various investment vehicles. The Treasurer shall make the specific investments, unless the Executive Director is specifically delegated by the Executive Committee, noting that investment accounts typically require additional oversight.

#### 9.7: Policy on the Receipt, Ownership, Sale and Transfer of Financial Instruments.

From time to time, RRCT may receive, by charitable gift, by bequest, financial instruments, such as securities or mutual funds. Donations of corporate securities, bonds, mutual funds or other financial instruments shall be sold upon receipt, and the proceeds of sale transferred to the appropriate account to fulfill the donor's intent, and to the appropriate Reserve Fund to advance RRCT's financial management goals. Exceptions to this approach (such as a non-designated use of a restricted gift from a donor) must be approved by the Executive Committee following review by the Investment Committee.

9.8: Conflict of Interest on Financial Matters. Note that RRCT Policies & Procedures Section 7, Conflict of Interest, prevents any Director from materially financially benefitting from any investment or budget decision of the board, without exceptional disclosure, recusal, and other safeguards as prescribed by that policy.

#### Section 9.9. Financial Management Policy

*Adopted on January 21, 2003; Amended on February 28, 2012; Renumbered April 16, 2013; Repealed and replaced and renamed July 17, 2018.*

The following items are board-adopted policy and procedure for financial management of the organization:

9.9.a: **Executive Committee authority to Conduct Business.** Consistent with Article X. 1 of the Bylaws, the Executive Committee shall have the authority to conduct any financial business of the organization that cannot reasonably wait for a regular board meeting, except that the Executive Committee shall publish to the Board its minutes for ratification.

#### 9.9.b: Check Signing, Bank Transactions, Debts, Withdrawal of Reserves.

- The Executive Director may sign any check or conduct any transaction that is consistent with a budget, a board vote, or an authorization by the Executive Committee.
- Expenses greater than \$1,000 that are not within budget parameters shall have the express consent of the Treasurer such as by an email.
- The Executive Director may transfer funds between accounts provided that the transfers are consistent with minutes and recommendations of the Finance Committee and parameters assigned to any account. NOTE: many banks or accounts do not claim to be able to enforce requests for

double signatures; some do.

- The President and Treasurer shall have signature authority as possible on all bank accounts or other accounts. The President and Treasurer shall not generally be authorized to use this authority unless there is a vacancy or incapacity of the Executive Director position, or unless double authority is required. Upon vacancy or incapacity, the full board shall be notified in advance of exercise of signature authority by the President or Treasurer
- The organization shall not assume any debts or comparable financial transactions without express resolution by the Board of Directors.
- The organization shall not make withdrawals from or leverage any of the various Stewardship Reserve Funds – beyond adopted policy on annual withdrawals – without express resolution by the Board of Directors.

#### Section 10. Administrative & Human Resources

*Adopted February 28, 2012, amended (Health Insurance Plan update) September 24, 2013. Amended September 13, 2016. Amended April 30, 2019.*

##### Section 10.1: Hiring and Termination

- a. The Royal River Conservation Trust (the Trust, or RRCT) provides equal opportunity to all employees on the basis of individual qualification without regard to race, sex, religion, color, age, national origin, disability, sexual orientation, or other protected factor and does not discriminate in the recruitment, hiring, compensation, promotion, transfer, benefits or any other condition of employment.
- b. The Executive Committee will appoint a Search Committee of at least two people to assist the Executive Director to hire employees, or, in the case of the hiring of the Executive Director, the Executive Committee will appoint a Search Committee of at least three Directors. The Board must approve the hiring of the Executive Director. The Executive Director and Executive Committee will jointly make the decision on hiring other employees, provided compensation and benefits are within adopted budget and policy parameters. Nothing in this section shall be construed to give the Board or the Executive Committee a role – other than budget authority – in the engagement of independent subcontractors, seasonal employees or interns with no expectation of employment beyond 90 days, or employees working ten hours or less per week.
- c. Employees and Board members of the Royal River Conservation Trust cannot be closely related family members such as parents, children, spouses, siblings, in-laws or first cousins. Family members of the Board and contractors who are family members of employees or the Board can be hired on a temporary basis with the approval of the Executive Committee.
- d. Royal River Conservation Trust maintains an employment-at-will policy. Just as employees are free to end their employment with the Trust at any time for any reason, the Trust is free to end the employment relationship with any employee at any time. Any verbal statements made by any employee or Board member of the Trust to the contrary are void. An employment contract may be made only in writing and must be authorized and signed by the President of the Board.

- e. The Executive Committee must approve the termination or acceptance of resignation of all employees, including the Executive Director. The Executive Director may place an employee on paid or unpaid leave pending approval of termination by the Executive Committee.

## Section 10.2: Benefits

10.2.a. The general office hours of the Trust are 8 AM to 5 PM, Monday through Friday.

10.2.b. The Royal River Conservation Trust employee benefits include:

- i. Paid Leave: Holidays; Paid Time Off; Bereavement leave
- ii. Contributions to a Health Insurance Plan
- iii. Professional development
- iv. Family medical leave
- v. Leave of absence
- vi. Jury duty
- vii. Retirement savings plan

The Trust does not provide the following benefits: Employee Assistance Program; Life Insurance; Disability Insurance. The Trust reserves the right to change the Benefits at any time.

10.2.c. Eligibility for Benefits. The Board of Directors determines the benefits levels for various levels of employees. Employees working 30 hours or more per week are considered full-time and thus eligible for full-time benefits, except that calculated days or hours of Paid Time Off and Holidays shall be pro-rated accordingly notwithstanding any language below.

10.2.d. Holidays. Holidays are days off with pay. The Trust has 11 paid holidays. The Trust offices will be closed on the following days or their commonly observed work holiday if the holiday falls on a weekend, and the Executive Director may close the office and grant time off with pay infrequently for periods such as Christmas Eve afternoon:

- New Year's Day
- Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans' Day
- Thanksgiving Day
- Friday following Thanksgiving
- Christmas Day

If an employee works on a holiday the employee may take an alternate day off in lieu of the holiday worked. Paid Holiday time cannot be carried over to another year.

10.2.e. Paid Time Off: The Trust offers Paid Time Off (“PTO”) for its eligible employees. The Board can change the PTO policy at any time. All PTO is earned at a rate of 1/12<sup>th</sup> of the calendar year allotment per month. However, PTO may be taken earlier in the calendar year before it is fully earned, with approval of the Executive Committee. Employees must confer with the Executive Director or Board President about

their planned PTO. Up to ten (10) PTO days not taken in a calendar year can be carried over only until April 30<sup>th</sup> of the next calendar year. PTO earned and/or carried over that is not used is forfeited.

Full-time employees receive the following PTO per calendar year:

- Calendar year of hire: earn 1.66 day per month including month of first work day. In the calendar year of hire, vacation can be taken only as earned.
- First four full calendar years: 20 days
- Subsequent calendar years: 25 days

Employees should track PTO on a standardized form. Upon termination of employment, employees will be paid for any earned but unused PTO. The Trust retains the right to charge employees for used but unearned PTO upon termination of employment.

Part time employees will receive no PTO.

PTO includes the concept of Get Well days. If you are not feeling well enough to come into the office or if you are contagious, please stay home. Out of courtesy, you should let the Executive Director or Board President know that you will not be in the office due to illness

10.2.f. Bereavement Leave: The Trust offers paid leave in the event of the death of an immediate family member or life partner. Full time employees are allotted up to five paid days off per event for bereavement leave. Need for bereavement leave for eligible part-time employees will vary on a case by case basis, and is therefore at the discretion of the supervisor.

10.2.g. Contributions to a Health Insurance Plan: The Trust contributes to health insurance for employees. The employee and the Trust work together to find a plan that provides good coverage yet is economical for both the employee and the Trust. Given the dynamic nature of the health insurance market, the Trust reserves the right to modify the programs offered, the provider, and to adjust its employee premium payment policy in response to market changes and the financial situation of the Trust. The Trust will contribute or compensate the Executive Director up to \$6000 and other full-time employees \$4000 per calendar year for health insurance, but no more than plan rates or the employee's out-of-pocket cost for the employee's health insurance only plus taxes. Health insurance reimbursement – if any -- for part time employees will be determined by the Trust.

For out-of-pocket costs for employee health insurance, the RRCT employee may be required to provide to the RRCT Treasurer or Executive Director proof or assurance that medical insurance is in force for the employee and that premiums for the period involved have been paid by the employee.

To maintain health plan participation requirements, as a condition of employment, RRCT may require that employees either participate in RRCT's health care plan, or show proof that the employee has health insurance coverage from another source.

10.2.h. Professional Development: As part of the Trust's staff development and performance review process, the Trust encourages all employees to take responsibility for their professional development. In the event that any employee has a specific professional development interest (e.g., course, workshop, seminar, conference, etc.) that is directly relevant to their work at the Trust, the Trust encourages the employee to submit a brief proposal for Trust support to the Executive Director or the President of the Board. Such a proposal should include a summary of the professional development activity, its relevance to the employee's current and/or future service to the Trust, the cost and the proposed Trust contribution. The

Trust will consider such proposals on a case-by-case basis based on their relevance to the Trust and the Trust's current financial capacity.

10.2.i. Family Medical Leave: During the first twelve (12) months of employment, employees must use earned Vacation and PTO for a serious health condition of the employee or for the serious health condition of the employee's child, parent or spouse or the birth of the employee's child or the adoption of a child 16 years or younger or the donation of an employee's organ for a human organ transplant. Additional time required must be approved by the Executive Committee of the Trust and is unpaid leave up to a maximum total leave time of 10 weeks. Trust employees who have worked for twelve (12) consecutive months for the Trust may be eligible for up to 10 consecutive work weeks of unpaid leave during a two-year period for the conditions described in the preceding sentences. The Trust will continue to pay the health insurance premium costs that would be paid if the employee were working. Should a medical leave exceed 10 weeks in length, the portion in excess of 10 weeks will be considered a "Leave of Absence" for which separate policies exist. Employees considering leave under this provision should confirm the terms of the leave with the Board President.

10.2.j. Leave of Absence: A leave of absence is defined as an excused absence due to personal, professional development or administrative reasons. This provision includes all non-family medical leave absences. Employees may request a leave of absence without pay up to a maximum of 12 weeks. Granting requests for a leave of absence without pay is at the discretion of the Executive Committee, with notice to the Board for any leave beyond five days in one year, after consideration and determination of the following:

The Executive Director may approve for subordinates up to 40 hours of unpaid leave in a calendar year with no involvement of the Executive Committee.

The Executive Committee may or may not guarantee an employee's return to their prior position, at the Executive Committee's sole discretion. If a leave of absence is granted, the employee must first utilize all accrued paid time available to him/her including PTO. All accruals cease when a staff member moves to an unpaid status. Employees granted a leave of absence for personal, professional development or administrative reasons will receive a continuation of their health care benefits to the end of the month in which the leave commenced. Thereafter, an employee on leave may elect to continue health care and other benefits, as permitted by law, regulation and/or benefit provider policy, by paying the full cost of the benefits, including the share ordinarily paid by the Trust. This Leave of Absence policy applies to full-time and eligible part-time employees.

10.2.k. Jury Duty: The Trust will provide a leave of absence for mandatory jury duty in the State of Maine. Employees will be compensated for the difference between juror's pay and their Trust pay for up to twenty days of jury duty. In return for such compensation, the Trust expects that the employee will work with their supervisor to cover the responsibilities and tasks of their position to the greatest extent possible. Compensation is available to full-time and eligible part-time employees.

10.2.l. Retirement savings plan: The Trust has established a SIMPLE IRA retirement plan for employees. The plan allows each employee to set up a SIMPLE Individual Retirement Account (IRA) (not a Roth) at the financial institution of the employee's choice. Employees can elect to make salary reduction contributions as a percentage of salary (up to ceilings established by the IRS) and the Trust will match up to 3% of the employee's salary per year. Employees must elect to contribute within windows established by RRCT.

### 10.2.m. Benefit Payments & Adjustments upon Termination of Employment

When an employee leaves the Trust, PTO earned in a partial employment year is calculated. Unused earned PTO is paid to the employee in their final paycheck. Used but unearned PTO may be charged to the employee at the Trust's discretion. Any payments to the employee are contingent upon the employee leaving in a professional manner: returning all keys; returning any work materials or computer equipment from home; making no changes to Trust computer systems such as email, contact lists, financial records, donor records systems, passwords, etc.; taking no written material, equipment or systems that belong to the Trust from Trust offices; etc. The employee must work with the Trust on a plan for the transition to the replacement employee.

Health Insurance: The Trust's responsibility for paying any part of health insurance premiums ends upon termination of employment.

Other: Other benefits will terminate upon termination of employment except as required by law.

10.2.n. Compensation: The Board has sole discretion to determine the wages of all employees. The Board will review the performance of the Executive Director annually and determine any changes to compensation based on Executive Director performance and the financial situation of the Trust. The Executive Director will review the performance of employees and recommend compensation changes to the Board. The Board must approve all compensation changes. Employees shall ensure that their work hours are limited in a manner such that they are not eligible for overtime wages; overtime work hours are not authorized without the express written authorization of both the Executive Director and the Treasurer.

### Section 10.3: Employee and Board Behaviors

10.3.a: Harassment/Discrimination: It is the Trust's policy to provide a work environment free from all forms of discrimination, including sexual harassment. No employee or Board member should be subjected to unsolicited or unwelcome sexual overtures or conduct, either physical or verbal. Nor should they be required to work in an environment in which there is obscene or crude behavior or conversation related to sexual matters. Any threat or insinuation that a refusal to submit to sexual advances will adversely affect employment, wages, or the conditions of employment is strictly prohibited. In addition, employees and Board members shall not engage in conduct of a sexual nature, either physical or verbal, which is unwelcome, personally offensive, intimidating, or hostile. Any employee or Board member who thinks he or she has been the subject of sexual harassment should report the event immediately to the Board President. All such information shall be held in strict confidence, and will only be disclosed on a need--to-know basis in order to investigate and resolve the situation. If an investigation establishes that sexual harassment has occurred, the offending employee will be disciplined up to and including termination.

10.3.b: Personal Telephone Calls and Computer Use (Email and Internet). RRCT's computing and communication resources are the property of RRCT. They are to be used for the official business of RRCT. Employees should not have an expectation of privacy in anything they create, store, send, or receive on the computer or telephone systems. It is recognized that some personal business may need to be conducted on RRCT equipment. This should be kept to a minimum and, again, there should be no expectation of privacy. No long-distance telephone calls resulting in extra charges may be made. The use of RRCT equipment for excessive personal communications or shopping, pornography, or criminal activities is prohibited and will result in disciplinary action up to and including termination.

10.3.c: Illegal Substances and Intoxicants. The use of, possession of, distribution of, or working under the influence of illegal substances, alcohol, drugs, or other intoxicants (including operating a motor vehicle on



RRCT business), is strictly prohibited in RRCT offices, on RRCT properties and while conducting RRCT business. The Executive Committee may provide exceptions related to alcohol for special occasions or special events. A standing exception is established for the annual holiday potluck and annual celebratory fundraising events, and fundraising house parties or other fundraising events located where the host provides insurance guarantees or insurance is otherwise secured to the satisfaction of the Executive Director. Violation of this policy will result in disciplinary action up to and including termination.

10.3.d: Whistleblower Protection Policy: RRCT requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of RRCT practice honesty and integrity in fulfilling responsibilities and comply with all applicable laws and regulations. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that RRCT can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of RRCT's code of ethics or suspected violations of law or regulations that govern RRCT's operations. It is contrary to the values of RRCT for anyone to retaliate against any board member, officer, employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of RRCT. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. RRCT has an open-door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with any Board member. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to the Board President, who has the responsibility to investigate all reported complaints. The Board President is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. All parties will report all complaints and their resolution to the full Board. Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense. Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The recipient of a complaint will notify the person who submitted a complaint and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.



## Section 10.4: Board Policies

10.4.a. Board Meetings on Human Resource Issues: Each Board Meeting will include an Executive Session to discuss Human Resource issues and performance of employees. If there are no issues to discuss, such a session may be cancelled.

10.4.b. Board Personnel Committee: The Executive Committee is the personnel and human resources committee of the organization.

## Section 10.5: Travel Expense Reimbursement

10.5.a. Policy for Employee Travel Expense Reimbursement: Employees shall submit a form with receipts no less frequently than monthly for approval to the Executive Director summarizing their travel expenses to be reimbursed. The Executive Director shall submit the form to the Treasurer.

Automobile: Employees shall use their own automobile for travel for RRCT business unless the use of a rental car is approved by the President or Treasurer. RRCT business does not include commuting from home to the normal place of work at RRCT. Employees will be reimbursed at the current IRS reimbursement rate for use of their personal automobile for RRCT business. (In 2019, the IRS rate is 58.0 cents per mile). Employees are encouraged to carpool with others to share and minimize travel expense.

Meals: RRCT will reimburse employees for any meals during travel on RRCT business when total travel time is more than four hours away from the RRCT office. Employees shall use good judgment in selecting meals that are economical but healthy. Employees may pay for, and be reimbursed for, others' meals if the meals constitute a business meeting and/or it is in the best interest of RRCT to host the meals. Employees must submit receipts to the Treasurer for meals to be reimbursed.

Hotel: RRCT will reimburse employees for hotel stays that are required to complete RRCT business. Room and taxes only. Employees shall use good judgment in selecting hotels that are economical but safe and comfortable. Employees must submit receipts to the Treasurer for hotel stays to be reimbursed.

Commercial transportation: RRCT will reimburse employees for economy class air, train, bus or taxi service only on trips required to complete RRCT business. Use of commercial transportation requires prior approval of the President or Treasurer.

10.5.b. Policy for Board of Directors Travel Reimbursement: In general, Board members are expected to pay their own expenses for travel on RRCT business. This includes mileage, parking, tolls, meals, hotel and commercial transportation (air, train, bus, cab). Mileage, parking and tolls for charitable purposes generally are deductible expenses for income tax purposes. Board members will not be reimbursed for travel expense to Board and Committee meetings. For extraordinary travel expense both the President and Treasurer must approve reimbursement. An example would be RRCT business requiring air travel, hotel and meals for a distant conference or significant meeting.

## Section 11. Protection of Conservation Lands (RESERVED)

NOTES (updated April 2019):

Numerous authorities limit the disposition or amendment of conservation lands, including but not limited to RRCT Bylaws, these RRCT policies, Maine law especially regarding conservation easements, IRS guidance, LTA guidelines adopted by RRCT as guidelines, and deeded terms.

Specifically, RRCT's Bylaws ARTICLE XII includes a provision requiring supermajority membership vote prior to a broad range of real estate transactions which might alienate conservation values.

- This provision deserves unique awareness by RRCT Directors and others, to ensure compliance.
- At its June 19<sup>th</sup>, 2014, annual meeting, the RRCT membership approved a transaction related to the Littlejohn Island Preserve.
- At its September 11<sup>th</sup>, 2018, annual meeting the RRCT membership approved a motion related to a conservation easement on McCartney Street in Yarmouth.

ARTICLE XII further provides that membership votes shall not be required for alienation of interests in unrestricted land held exclusively for investment purposes.

- This provision deserves unique awareness, if only to maintain a catalog of investment properties that do not require membership votes for alienation.
- By resolutions adopted September 13, 2016, and July 17, 2018, the RRCT Board of Directors designated three acquisitions (completed in 2017 and 2018, now all parts of RRCT's Intervale Preserve, formerly Shepard-Thompson, Chandler Brothers, and Rider-Opportunity Farm parcels) as land held exclusively for investment purposes.
- By resolution adopted May 1, 2018, the RRCT Board of Directors designated a planned acquisition and its access rights (completed in 2018, formerly Baston, now known as part of the Knight's Pond Preserve) as land and access rights held exclusively for investment purposes. A resolved intent is to transfer this parcel to the Town of North Yarmouth, and to negotiate improved access rights. Seller Baston did not have a charitable posture.
- By resolution adopted September 11, 2018, the RRCT full membership unanimously (supermajority) adopted a resolution declaring the conservation easement at McCartney Street in Yarmouth to be an investment parcel, anticipating school expansion or other future needed amendments.
- These notes in this policy document are the only record of these designations, other than the minutes of several board meetings; if such designations grow, RRCT should review a record-keeping protocol for such designations. Future Board-adopted management plans will provide opportunities for awareness.

ARTICLE XII further provides that purchase money financing and sales of a portion of any larger parcel acquired, and such alienation of interests in unrestricted land held exclusively for investment purposes shall require the affirmative vote of two-thirds of the total number of directors then in office (emphasis supplied).

- This provision deserves unique awareness, should RRCT ever choose to use financing for an acquisition.
- This provision – requiring a supermajority vote of directors – deserves unique awareness should RRCT ever choose to swap or otherwise address any of the various parcels above (Intervale or Knight's Pond Baston or McCartney Street or others as the list grows).

## Section 12. Stewardship

### Section 12.1. Tobacco-Free Policy.

*Adopted February 28, 2012.*

Purpose: The purpose of this policy is to protect, preserve, and promote the health, safety, welfare, and quality of life of the guests and employees of RRCT, and to reduce fire and litter risks on properties owned or managed by RRCT.

Policy: No person(s) shall use/partake of any form of tobacco on any RRCT preserve or RRCT conservation land. This policy does not apply to those lands on which RRCT holds a conservation easement but not fee ownership.

Notice & Enforcement:

- 1) RRCT has limited resources for enforcement, but may post prohibition notices on properties, in print material, or on websites. Prohibition notices – if any – shall be within the context of best practices for informational signage and should not unduly clutter kiosks or other signage installations.
- 2) For any person(s) who violate this policy, RRCT staff and board members and their appointed designees shall request that the person(s) cease their violating practice immediately in the form of a verbal warning. If the person(s) refuse to cease, designees authorized by the same authority may request that the person leave the designated area. The refusal of any person(s) to leave such an area as requested may be considered a trespass in accordance with State of Maine law.

Practice A: “Criteria Checklist” of the Lands Committee

*Acknowledged by the board as a guideline, February 28, 2012. These guidelines may be subsequently amended by the Lands Committee, and updated in this comprehensive Policies & Practices document, without future Board votes.*

Royal River Conservation Trust  
Criteria Checklist

PROPERTY AND REVIEW INFORMATION

Property Name: \_\_\_\_\_ Date: \_\_\_\_\_

Primary Contact: \_\_\_\_\_ Reviewed by: \_\_\_\_\_

Property Description: \_\_\_\_\_

\_\_\_\_\_ Map \_\_\_ Lot \_\_\_ Acreage \_\_\_\_\_

Lands Committee Approval: YES NO Board Decision: \_\_\_\_\_

PHASE I

RRCT CRITERIA	POINTS	TOTAL	NOTES
<b>Large Undeveloped Area (select one)</b>			
1. 10-19 acres	1		
1. 20-39 acres	2		
1. 40-99 acres	4		
<input type="checkbox"/> 100+ acres	5		
<b>Connectivity to Protected Lands (select one)</b>			
<input type="checkbox"/> Within ¼ mile of currently conserved land,	1		
<input type="checkbox"/> Abutting conserved land	3		
<input type="checkbox"/> Connecting parcel between 2 conserved properties	5		
<b>Identified within RRCT’s Conservation Plan</b>			
<input type="checkbox"/> The property is within RRCT’s focus areas as identified in the Conservation Plan.	5		
<input type="checkbox"/> The property is similar in character to focus areas identified in the plan but is not included itself.	4		
<b>Natural Resource Values (select all that apply)</b>			
<input type="checkbox"/> Protection of freshwater resource (pond, lake, stream)	4		
<input type="checkbox"/> Protection of groundwater resource/aquifer	3		
<input type="checkbox"/> Prime agricultural soils	4		
<input checked="" type="checkbox"/> Inland wading bird and/or waterfowl habitat	3		

• Protection of significant forests	1		
• Working farmland	3		
• Protection of wetlands and vernal pools	3		
• Edge habitat (fields/forest or upland/shoreline)	3		
• Coastal and marine resource	5		
Public Access values (select all that apply)			
• Continue/restore traditional low impact recreational uses by the community	5		
• Access for low impact recreational uses	4		
• Coastal Access	5	•	•
Scenic values (select all that apply)			
• Open fields	3		
• High elevation vista	3		
• Scenic views	3		
• Historic view	3		
• And Visible from public road or water	3		
Historic/Cultural values (select all that apply)			
• Protection of a section of a village	1		
• Archeological feature	2		
• Historic building/place	2		
Total Score:			

Significant sand and gravel aquifers can be seen on Google Earth. Can reach a total of xx points; less than 10 points, consider not accepting (depending upon other factors, including public benefit & feasibility)

PUBLIC BENEFIT (IRS STANDARDS)

YES NO

N/A

Provides public access to land or water for outdoor recreation and/or educational use			
Contains important natural features, including but not limited to: <ul style="list-style-type: none"> <li>• Exemplary natural communities identified by MNAP</li> <li>• Inland wading bird and/or waterfowl habitat</li> <li>• Significant wetlands</li> <li>• Wildlife habitat</li> </ul>			
Contains habitat for federally or state listed endangered species or species of concern (as noted on BWH maps)			
Provides natural scenic values and is visible from public lands, roads or water (preservation of open space)			
Is an active farm or has the potential (preservation of open space)			
Contains prime agricultural soils defined by NRCS			
Is a productive working forest or has the potential (preservation of open space)			

Protection contributes to the furtherance of a clearly delineated federal, state or local conservation plan or policy. (refer to Comprehensive Plan and Maine Statutes)			
Preserves a historically important land area or certified historic structure			

MNAP: Maine Natural Area Program. Significant: resources mapped on Beginning with Habitat maps. NRCS: Natural Resources Conservation Service. Preservation of open space: public benefit category under the IRS Code.

At least two of the above public benefit tests must be met, or the Lands Committee should explain why RRCT should invest effort in a project that has limited public benefit. Explanation if needed:

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PHASE II ASSESSMENT

FEASIBILITY (TO BE EVALUATED THROUGH THE COURSE OF THE PROJECT)

YES No

N/A

RRCT has the financial resources to accept the donation or complete the purchase of the conservation interest			
RRCT has estimated the stewardship costs and determined that the easement or deed can be monitored and managed in perpetuity without irreversible depletion of RRCT's financial or human resources			
The natural resources of the property have not been substantially degraded, or there is a feasible restoration plan			
Hazardous wastes have not been identified on the property and it is free of other waste, dangerous structures or other burdens or there is a plan to address these concerns			
The easement or deed is not encumbered by rights (including mineral, development or water) reserved by the grantor that diminish the property's conservation values, or inhibit RRCT's ability to protect or use the property.			
The property has legal access. (access for RRCT to monitor the property-not the same as public access)			
The property can be protected by RRCT with reasonable effort in relation to the property's conservation value. <ul style="list-style-type: none"> <li>• There are no significant defects or problems in the title</li> <li>• There are no property encroachments or boundary disputes</li> <li>• Well-defined and prominent features mark the boundary; or either the landowner or the land trust can cover the cost of survey and/or boundary agreement</li> </ul>			
Protection by RRCT is the most effective way to achieve conservation and there is no other more qualified conservation organization available to better conserve this land			
There are positive community-based implications with accepting this easement or deed, such as: <ul style="list-style-type: none"> <li>• Is supported by a substantial number of residents in the community</li> <li>• The public benefit is clearly evident to the community (such as a scenic view is readily visible or accessible to the public)</li> <li>• Has educational value to the community</li> <li>• Its protection is consistent with traditional land use</li> <li>• Is supported in the Town Comprehensive Plan</li> <li>• Forming and using Partnerships with other entities to enhance RRCT effectiveness</li> </ul>			

<p>There are no legal, ethical or public image problems associated with the acceptance of this property.</p> <ul style="list-style-type: none"> <li>• No conflict of interest on the RRCT Board of Directors or others directly associated with the organization</li> <li>• Does not jeopardize IRS 501(c)(3) status</li> <li>• Does not impose a negative economic impact on the community that outweighs its public benefit</li> <li>• Is not part of a controversial or inappropriate land development proposal</li> </ul>			
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If any of the feasibility criteria are no, the Lands Committee should explain specific measures to be taken that will make acceptance of the project feasible. Explanation if needed:

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**THE BOARD’S DISCRETIONARY ROLE:**

All the preceding notwithstanding, the Board of Directors retains discretion over acquisition or disposition and will evaluate each project and proposal on its own merits after careful investigation of the property, its resources, and its public benefit.