



ADIRONDACK CHAPTER

North American Rockgarden Society

Green Dragon Tales

December 2003

Adirondack Chapter

CHAPTER CONTACTS

Chair: Michelle Jones Ham

JonesHamM@schneider.com
607-733-7034

Program Chair: Anne Klingensmith

aekling@lightlink.com
607-256-9308

Treasurer/Secretary: Carol Eichler

eme24@cornell.edu
607-387-5823

Membership: Arthur Trimble

Atrimbl1@rochester.rr.com
585-271-7820

Executive Members at Large:

-Jerry Yaeger

jay7@cornell.edu
607-844-9462

-Roseanne Moresco

jtm3@cornell.edu
607-257-6198

Plant Sales: Tom Myers

Robinia@lightLink.com
607-273-2865

Editor: Susanne Lipari

sel3@cornell.edu
607-387-9308

Plant Orders: Billie-Jean Isbell

bjj1@cornell.edu
607-539-6484

Letter from the Chair

For the past few years the Chapter has focused on investment options for our revenues from WSW2000. We have so far invested in short term CD's. Much discussion at the board meeting has revolved around investment Options and many members have given us suggestions. To be financially responsible, the board determined that short term investments were not providing us with the best return, nor were they offering us the flexibility that we feel we need to meet some of the goals and objectives of the Chapter and NARGS.

As I review those goals and objectives – insuring the financial viability of the chapter; providing educational opportunities for chapter members; dedicating funds to the maintenance of the Wurster Garden; increasing membership; educating the public on rock gardening through community outreach; participating in plant explorations and seed exchanges, etc. – the Community Fund of Tompkins County seems to be the best investment option we could find to meet our goals and objectives. Our investment would be managed by community members experienced in financial management, but directed by us as a chapter.

Our intent is to set up an endowment fund that secures the future of the chapter, while also setting aside a working fund that will be used to the benefit of all chapter members. The endowment fund is projected to earn us a return that is higher than many current market funds.

This newsletter is dedicated to the questions and concerns expressed at the annual meeting. Please read through it carefully. If you have any questions that are not answered in this newsletter, please don't hesitate to contact a board member so we can get you an answer. Chapter members will be asked to vote on this motion at the February meeting.

I wish you all the Happiest Holidays and hope you all have a safe and healthy winter season.

Michelle

Investing for the Future:

A Special Edition of the Green Dragon

At the Annual Meeting, our Board introduced the idea of creating an endowment for our Chapter as a "wise" way to protect and grow our nest egg of over \$17,000 - largely created as proceeds from hosting the Eastern Winter Study Week-end several years ago. Additionally, the Board has explored creating this endowment through the Community Foundation of Tompkins County. Many questions were raised at that time.

I have tried to reiterate these questions below and to include responses from Peg Hendricks, Executive Director of the CF. If you have further questions, please direct them through [Carol Eichler](#) (or 1562 Taughannock Bl, Ithaca, NY 14850) who will forward them to Peg.

by Carol Eichler

What is the Community Foundation?

The Community Foundation is a 501(c)(3) public foundation dedicated to fostering philanthropy focused on local needs and issues. It is one of 750 such organizations in the United States and one of the fastest growing models worldwide; many of the 750 date back to the turn of the 20th Century. This foundation belongs to the people of Tompkins County and over time will serve as its "savings account," gathering funds to be returned to the community so that the quality of life for those who live and work here will be ensured. Were the Foundation today to have \$10M in its general funds, it would be returning to the community over \$500,000 on an annual basis - imagine how those funds could have helped many organizations in T.C. this year alone!

Those placing funds at the community foundation represent individuals, families, corporations, ser-

vices, financial reporting, database management, marketing/PR, planned giving options for donors, investments, and research/leveraging other partners with shared interests or money to invest. [To further put this in perspective 17.5% return on \$10,000 generates \$1,750 in revenue to return to the Chapter]

Where are the funds invested?

We have our main Portfolio Architect account at M&T as well as our PAX investment account. We have savings and checking accounts at M&T, Tompkins Trust, and Alternatives (AFCU), and brokerage accounts at Merrill Lynch, Edward D. Jones, and also with the banks mentioned above. We try to honor our relationships with local financial institutions as a means of being a good community partner. Thus, if you have a preference as to which bank you want to hold your funds, we will work with you to honor that. But the best earnings will be gained by using the

Architect Portfolio where we have our primary funds. To put the funds elsewhere, while possible, could yield far lower returns.

Who manages the funds?

Our Finance Committee, composed primarily of financial and legal people from the Board, work with the financial institutions above to manage the funds. The Board holds the ultimate fiduciary responsibility for all financial matters of the Foundation and all our records are open for public review – upon request. We have received high praise from our independent auditors for the way our records are kept and the wisdom we are showing in how we handle the funds of the Foundation.

What about the risk of investing? Should we be taking any risk?

What is the risk? You get to place your money in a balanced portfolio of conservative investments (mutual

fund, bonds, and stocks – 30/30/40 split) and the performance factors have been strong for the Foundation, even in the wretched times of this last year or so. Were we to put the funds only in our savings account, that has been drawing 2% interest all year until November 10, when it was reduced to 1.25% – still above the market average for short-term investments. So, there really is no “risk” per se. In addition, given the Agency or Directed Fund (this gets the 1.25% interest), you will be starting, should you ever wish to withdraw the funds, all you have to do is “grant to zero” all your funds (and, of course, the money would be granted back to NARGS through a designated gift to the national or your local partners for scholarships, projects, and programming).

Why have an endowment? Doesn't that seem like generating money for the sake of generating money? What's the advantage for our Chapter?

In today's climate, nonprofits and other organizations must take a more prudent look at financial planning for the long haul, setting aside enough money to hold “on account” for the times when money coming in might decrease in size. Too long have organizations gone from year to year/hand-to-mouth, assuming that funds will be forthcoming OR that donors will continue to believe that the or school systems, nonprofit agencies and organizations, and others. The list of these funds represents the "community roll call" -- representing entities that are part of the local tapestry of leaders who form the foundation or base of services and opportunities that make

this county strong. We serve as partners to donors and we also have the ability to leverage other more extensive external fundin that nonprofits alone cannot reach. The Community Foundation is a hub for community-focused philanthropy. In the first three years of our existence our Foundation grants have totaled over \$152,000 while our donors' funds have provided \$327,000 to local and other causes or nonprofits.

Why should we place our funds with you?

Aside from a bank or financial institution, there is nowhere else where your funds can be placed to get the maximum visibility, earn healthy returns, be considered part of that rich tapestry of organizations that consider their work important to our area or region, AND be part of a community of donors, some of which will not know about or notice your group's presence unless it is in this broader gathering place. In essence, the Community Foundation is a “community of organizations and donors who care about causes that matter” (Cal Walker's words) – and our service (education, investing, and community leadership) help to promote those things from which you as a group can profit. Our investment portfolio as of Oct. 31, 2003, was performing at 17.5%; our alternative investments (PAX funds/ socially responsible investing) was at 13.5% – strong in today's marketplace of investments. Our fees are 1% – the lowest in town (Tompking Trust Company is now at 1.5% and others are much higher). To put this in perspective, 1% of \$10,000 is \$100/year – and that covers donorsorganizations are planning wisely. Not having an endowment or at least a “savings account”

means that money people have worked hard to assemble is just sitting idle, waiting for what? The agencies and organizations coming to the Foundation (Family & Children's Service, The Discovery Trail Partnership, the Dewitt Historical Society, IPEI, and now a number of others) are engaging in strong financial planning that reflects more wisdom – much as we might provide to our personal lives: a savings account and other balanced investments (our personal “endowment”) where we can earn and have rainy days covered or be ready to capitalize on unexpected opportunities, while also having the current-use accounts (checking account) to take care of day-to-day business. As a whole, donors and members of groups are far more supportive of organizations that reflect such wisdom in their planning – and donors are also on the lookout for new groups such as NARGS. The advantage for your Chapter overall is to have funds on hand to grab opportunities as they appear – perhaps bigger and different than the same-old, same-old kinds of activities year after year. Most basic of all, the advantage to your group's financial security – and earning some extra funds only makes it better. [Generating additional revenue will allow us to think “bigger” and allow us to do more as a Chapter. For example, a return of \$1,000 represents over 25% additional revenue than was generated in 2003]

Who has control over the use of the funds?

NARGS does. It names an advisory committee (two or more people), who serve as the decision-makers on the distribution of your funds. You will name a Contact Person (primary and secondary) who will work with

us to advise us of your decisions about distributions. Distributions can be made throughout the year. Once your contact person has let us know the wish for action, then the recommendation is taken to our Exec. Com or Board for approval (they must “approve” – that means be aware and be able to say they are knowledgeable about all distributions or disbursements of the Foundation – before a check is cut. This process can take as little as two or three days to two weeks. In the Agency Agreement which your organization will sign, these steps are clearly defined – and all the “what ifs” as well. [This agreement is available on request to Carol]

What if the CF closes?

This is covered as well in the Agency and Directed Fund Agreements –but essentially NARGS gets its money back. If the Foundation closes, all donors would STILL be making the choices as to how their money/funds will be distributed. I want to assure everyone again and again that CF and its donors are partners at all times! ...but should we ever close our doors, our donors would get their money and not be involved with any debts we might have accrued.

What if our organization needs to use the endowment principal?

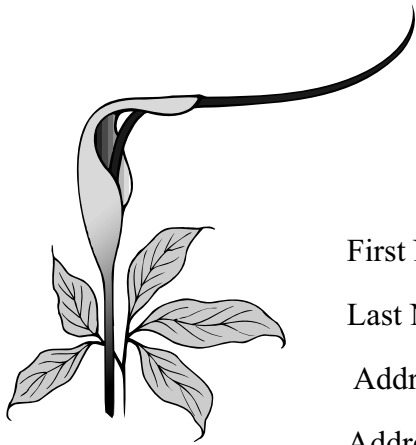
You will have the right to invade the principal at this time. We do ask that you do not go below \$5,000 on the endowed funds, and also that you replace the money or return the balance to \$10,000 minimum within the calendar year (IRS rules at play here). In time, there may be another restriction for funds being started at that time, but at THIS time and in the foreseeable future – and particularly with agency accounts or directed accounts, you can use what you need when you need it.



Comments from Art Trimble:

I am pleased the Chapter has taken the initiative in working with the Community Foundation as a way to invest what funds we have available, beyond our working capital, to establish an endowment fund. I have been on the board of the Rochester Civic Garden Center for many years and we have recently come into the position of being able to think about endowment funds. Working with the Rochester Community Foundation we have been able to take advantage of the talents of people skilled in the investment of funds for long term purposes. In addition to having their expertise, we also get greater recognition in the broader community because the Foundation is held in such high regard in the Rochester area. This is a well thought out step for the Chapter and I support it wholeheartedly. Art Trimble





ADIRONDACK CHAPTER

North American Rockgarden Society

Membership Form 2004

First Name: _____

Last Name: _____

Address 1 _____

Address 2 _____

City : _____ State: _____ Zip: _____

Date: Phone: _____ Fax: _____

email: _____@_____

new member renewal Individual life time family membership family life time nursery

Have you joined NARGS national?

Is your garden open for visitors?

Would you like to help? (Please circle below and/ or give details)

Hospitality: Host a picnic Host a speaker Provide transportation Make phone calls

Newsletter: Write or solicit articles draw pictures provide photos

Events: be a speaker (subject) _____ suggest a speaker (who?) _____

other suggestions _____

Would you like receive the Green Dragen (our newsletter) as

paper copy as a PDF file attached to an email an email providing you with a link to an online version of the Green Dragon

Please remember that you can always print out the electronic version of the newsletter if you prefer not to read it while sitting at your computer. Sending it electronically is easier and cheaper for the chapter and makes it possible to include color photos and links to great garden sites, which will not be available to those who receive the paper version.

Please fill out and include your check for \$10.00 for an individual, \$150 for individual life time, \$15 for a family, \$225 for a family life time, and \$25.00 for a one year nursery membership and send to:

Art Trimble, 39 Songbird Lane Rochester, NY