



# Directions

The digest of the Association of Nature Center Administrators

## In This Issue:

<b>Position Openings</b>	<b>page 4</b>
<b>Program Planning and Evaluation</b>	<b>page 4</b>
<b>Residential Center Conference</b>	<b>page 5</b>
<b>Educational Farm Symposium</b>	<b>page 6</b>
<b>Launching and Sustaining a Successful Volunteer Program</b>	<b>page 6</b>
<b>Summit IX</b>	<b>page 7</b>

For more information on ANCA call our toll-free number:  
1-800-490-ANCA (2622)  
www.natctr.org

*Directions* Editor  
Larry Brown  
lbrown@audubon.org

*Directions* is a quarterly publication of the Association of Nature Center Administrators, distributed to members of ANCA as a membership benefit. ANCA is a private, non-profit organization, dedicated to promoting and supporting best leadership and management practices for nature and environmental learning centers.

©2003 Association of Nature Center Administrators



Printed on Paper with  
Recycled Content

## Investment Policy and the Total Return Concept of Management

*(Editor's Note: The template mentioned in the first paragraph of this article is available on the ANCA web site – Member's Only area, or by contacting me at 1-800-490-2622; email lbrown@audubon.org)*

In a companion piece written for ANCA, a generic non-profit investment policy template based upon the Total Return Concept of endowment management was presented. (Total Return refers to basing the payout from the endowment on the market value of investments as well as dividends and interest.) That template provides nature centers and their boards of directors a method to evaluate or construct their own policies. This article presents the underlying rationale and theory behind the non-profit investment policies detailed in that article.

As a starting point, it is important to address how endowment management philosophy has changed in recent years. It wasn't that long ago that a typical nonprofit investment strategy focused on protecting against a loss of principle with the generation of annual income as almost a secondary consideration. As a consequence, investments portfolios contained a predominance of bonds and other fixed-income investments. If stocks were part of the portfolio, they would likely be in utilities or other "safe" companies that paid regular, consistent dividends. The interest and dividend income earned each year would be distributed to provide that year's

investment income for operations.

While such an investment strategy protects against the risk of declining stock values and a corresponding decline in the value of principle, it has several drawbacks:

1. It does not protect against interest rate risk. For example, a nature center with a \$5,000,000 endowment (and very little other revenue) invested in bonds during the late 1970's and 1980's, when interest rates were high, was earning over 10% on its endowment. The organization's annual budget grew to \$500,000 and then interest rates declined, its bonds matured, and the proceeds were invested in bonds yielded then current rates of 5%. It had to invade principal to maintain its operation. Eventually, the Board engaged in major surgery and half of the staff were laid off.

2. It does not protect against inflation-based risk. While bonds have historically provided returns above the rate of inflation, over short periods of time, bonds issued with, e.g., a 5% coupon rate would lose value in "real" dollars if inflation were over 5%.

3. It does not completely protect against investment-based risk to principle. If bond funds are purchased and interest rates rise, the underlying value of the bonds in the fund will decline as will the market value of the investment, thereby placing endowment principle at risk.

(continued on page 2)

January - March, 2003

## 2 Directions

### Investment Policy (continued from page 1)

4. If the endowment income available for operations is the amount of actual dividend and interest income during a fiscal year, the amount available for distribution won't be known until after the end of the fiscal year, making budgetary control difficult.

5. Historically, bonds have earned less than equities over extended periods of time. From 1926 to 2000, the average annual return on stocks was 11.4% and 5.1% on bonds. Assuming an average inflation rate of 4%, an endowment invested entirely in bonds during this time could only distribute 1% of its value to operations each year without suffering a loss of real (or purchasing) value over time. An endowment invested entirely in stocks, however, could have distributed 7.4% of its value each year without compromising the purchasing power of the principal, thereby providing more resources for accomplishing an organization's mission.

*"From 1926 to 2000, the average annual return on stocks was 11.4% and 5.1% on bonds."*

A significant advantage of bonds is that they do provide more predictable returns over short periods of time than do stocks. If annual payouts from the endowment are based only on current year valuations, the wide swings in stock valuations that occur from time to time would also lead to irregular income flows, which would make it difficult to budget for organizational needs and programs that require stable funding over extended periods of time.

In recognition of the above, the Total Return Concept of endowment management was developed.



The Total Return Concept is characterized by an investment portfolio designed to reduce volatility while providing sufficient returns on investment to permit a significant annual spending rate without reducing the endowment's inflation adjusted purchasing power. It bases the payout from the endowment on the average value of the endowment over some prior period of time, typically from three to five years. The advantages of this method are that (1) the amount available to be used each fiscal year is known in advance and can be incorporated into preparation of the annual budget; (2) since annual income is not the basis of payout, it facilitates investing in stocks which over time should provide more resources for accomplishing an organization's mission, and (3) since the payout is based on an average of several prior investment periods, it dampens the volatility associated with interest rate changes and stock valuations.

In order to effectively implement a Total Return Policy a number of underlying issues must be addressed:

1. Assets in the endowment must not have restrictions placed on them by the original donor that would exclude using the method.

2. The organization has to be comfortable looking at an investment return that extends over a long period of time, at least 5-7 years (as current stock market fluctuations demonstrate).

3. The rate of spending and rate of endowment growth must be in balance.

4. The organization has to be able to track endowment values so as to calculate the annual payout rate. Some types of "alternate" investments are difficult to value.

In order to establish a Total Return Investment Policy, a number of steps must be followed. In general, these steps are all embedded in the Generic Investment Policy template:

(continued on page 3)

## Director's Guide to Best Practices



The *Director's Guide* includes chapters on five essential areas: leadership, strategic planning, boards, staff, and fund raising.

ANCA developed this book for busy directors and staff people with many roles and responsibilities. It is a handbook for those new to the profession and will also challenge and inspire the most experienced directors and their staffs. ANCA members have also found it valuable to give to board members, and volunteers.

Directors from 23 states and 40 different facilities reviewed and commented on the chapter drafts and evaluated the book's effectiveness.

Price of the book is \$60.00 plus \$5.00 shipping and handling.

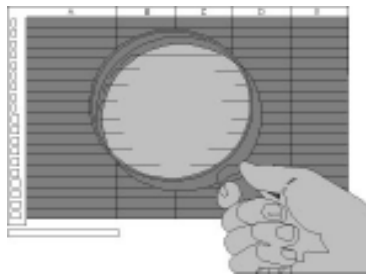
Send to:  
ANCA  
1000 Aullwood Road  
Dayton, OH 45414  
Or call 1-800-490-2622

1. A time period over which the endowment's average value is calculated must be selected. The more periods selected, whether in years or quarter-years, the more stable will be the resulting valuations and payouts. The longer the time period used, the more stable and conservative (assuming stocks increase in value over long periods of time) will be the payout. One common approach is to use the average value over the 12 to 20 fiscal quarters that proceed the date on which the Finance Committee is asked to approve the next year's budget, thereby providing a definite, predetermined amount for inclusion in the budget.

2. Establish the expected spending rate for the time period. For example, with 0.5% investment management expenses, 4% annualized inflation, and a 9.5% annual investment return, a payout rate of 5% would not erode the purchasing power of the endowment. In practice, many foundations and non-profits try to maintain a spending rate within a range of 4 - 6%. While staff often want to have a higher rate in order to have more funds to work with in the immediate future, from an organizational perspective, a lower payout rate will mean larger payouts in the future. For example, with a \$1,000,000 endowment, a 5.5% payout rate (including 0.5% in investment management fees) would provide \$55,000 in year one, while \$65,000 would be available with a 6.5% payout rate.

A study by the Council of Foundations showed that after 19 years more funds would be available for distribution each year using the lower payout rate because of the compounding effect of the 1% retained each year in the endowment. That same study showed that the least risky portfolio likely to maintain the endowment's purchasing power over time while paying out 5% would have to have about one-third of its assets in bonds and two-thirds in equities.

3. Determine how the annual payout will be distributed, i.e., monthly, quarterly, annually and on what dates. One nature center, for example, invests primarily in equities, but maintains sufficient cash (money market) and fixed income investments in its endowment to be able to pay its annual payout without having to liquidate equities during the course of the year. The ANCA Board of Directors decided to preferentially pay its endowment distribution from current year donations to the endowment so as to avoid liquidating equities during downswings in the market and to reduce transaction costs associated with buying and selling investments.



4. Analyze past contributions to the endowment fund to determine which contributions stipulated restrictions on usage and which didn't. If all endowment assets are pooled into an investment pool, devise a method for tracking the relative value of the restricted portion of the endowment fund so that that portion of each year's payout can be calculated and used for the restricted purposes for which it was originally given.

5. Compute the annual amount to be paid out.

6. Establish a mechanism for reviewing and modifying the policy on a regular basis.

While the Total Return Concept provides a strategic framework for investing and managing endowment

contributions, the tactical implementation of a total return policy requires careful investment planning and execution. For organizations with large endowments, one or more money managers are often engaged to professionally manage the funds. The organization's investment policies should be crafted to provide an essential guide to these investment managers as to how they may invest the funds and as to how their performance will be evaluated. For organizations with smaller endowments, the size of the endowment may not justify the expense of hiring a money manager and it is not uncommon to see endowments invested in mutual funds.

While the Executive Director would be well advised to develop some financial acumen, he or she should never be put into a position of having to make or assume responsibility for the actual investment decisions. It is all too easy to imagine situations where a chief executive would be tempted to invest inappropriately, or what could after the fact seem to be inappropriate, when budgetary resources are tight. It is essential that the organization have an active and financially sophisticated finance/investment committee to oversee these activities. 🌿

Greg Lee  
Development Officer  
University of Minnesota  
Foundation  
peef2@juno.com



*"We shall never achieve harmony with land, any more than we shall achieve absolute justice or liberty for people. In these higher aspirations the important thing is not to achieve, but to strive."*

Aldo Leopold

## Position Openings

### DIRECTOR OF EDUCATION

Teton Science School  
Kelly, WY

Compensation

Commensurate with experience

Contact:

April Landale  
Search Committee  
Teton Science School  
PO Box 68  
Kelly, WY 83011

Please send letter of interest, current vitae, three (3) letters of recommendation

### WEEKEND NATURALIST

Houston Arboretum & Nature Center  
Houston, TX

Compensation:

Commensurate with experience

Contact:

Pat Marks  
Director of Education  
4501 Woodway Drive  
Houston, TX 77024  
pmarks@neosoft.com

## ANCA on the Web

Visit ANCA's web site at:

[www.natctr.org](http://www.natctr.org)

**Be sure and check the site for expanded "Member's Only" information.**



## Program Planning and Evaluation

The staff at the Silver Lake Nature Center, like centers everywhere, is constantly designing programs. During a phases in our operation where we were moving from a governmental paradigm to one more aligned with the non-profit world, we came to the conclusion that we needed to understand our programs appeal to the visitor. Yet, participant evaluations forms for all the 200 +/- programs, many of which experience repeat visits as our facility is very much a community focused facility, would be too cumbersome. At the same time, we wanted to ensure staff were preparing well for their programs.

To this end, a committee composed of board members and staff created the form included with this article. (*See insert*)

Side one is a program planning form. It provides space where specific educational objectives are established for each program and a column where the presenter/coordinator could mark down comments as to if they felt the program met the objective. I will admit that my staff never actually use this column.

In the planning process, we want the staff to be ever cognizant of the mission, so the major components of the mission are provided with the opportunity for the planner to check off the mission areas addressed by the program. Not formally part of the mission; we want the programs to be fun and educational as well as attracting members.

We also want staff to project the cost of each program. As a governmental facility, we are required to provide some programs for free, but there are costs. We need to make sure there is adequate revenue to cover the salaries of our Friends of Silver Lake Nature Center employees. To that end, while planning a program, all staff members are to calculate teaching,

preparation and clean-up time. Plus, they are to anticipate a number of participants where the minimum fee covers all costs or to provide a compelling reason it does not (required free program).

Side two is the Program Information and Evaluation Form. The top of this page is used by the editor of the newsletter and program fliers to prepare necessary write-ups. The staff person in charge of PR can use the information contained within to prioritize and prepare press releases. At one staff meeting our editor challenged the staff to write this whole section for all their programs without using the word "Explore." It made us spend a little more time to be creative on the description section.

After the program is over, each staff person fills out the bottom of the sheet. The idea is to understand who came, if the program met its objectives, if the program came in on budget and what PR efforts are working. Equally important are factors that may have impacted attendance. This section is sent to a volunteer who prepares a detailed report. A typical report would include a summary page with a breakdown of the number of programs per type and a profit/loss to the Friends of Silver Lake Nature Center per type of programs. For example, our free Sunday Strolls always lose money, but we hope it is less than \$1/participant. This is shared with the Board quarterly.

The second report sheet is all the data arrange by type. I find this useful when planning activities. Each topic for a walk for instance can be compared to see which topics attract more participants.

The third sheet is dated chronologically. When several years are laid out next to each other, one can look for trends in participation by date (i.e. what dates to avoid).

This form (staff reaction – “Oh darn another form”) has helped us at the Silver Lake Nature Center monitor the public programs we offer. It is multi-purposed, relatively simple and helps keep everyone focused on the mission. It keeps the information needed by our newsletter editor in a consistent format, making her job easier. A key component to its success has been the willingness of a retired person who was very knowledgeable in Excel spreadsheet and is willing to enter the data and form the reports.

We have been collecting data for about 5 years. The information is more revealing as time passes. ANCA members are welcome to use or modify any and all of the information contained on these forms. 🌿

Robert A. Mercer  
 Director  
 Silver Lake Nature Center  
 ramercer@co.bucks.pa.us

---

## Endowment Update

Through your generous support the ANCA endowment fund continues to grow. Recent contributors to the fund include:

Mike Riska  
 Ken Voorhis  
 Kathleen Brady  
 Alan Barnhardt  
 Barbara Gordon  
 Richard Parker  
 Jenny Harmon  
 Jim Fitzpatrick  
 Gordon Maupin  
 Charity Krueger

If you would like to make a pledge please contact the ANCA office at 1-800-490-2622 or email at lbrown@audubon.org.

---

## Resident Environmental Learning Center Conference

On January 29 - February 2, 2003, Bradford Woods - Indiana University's Outdoor Center, and ANCA, will host a conference for directors and administrators to explore issues and trends related to running residential programs and facilities.

This will be a great opportunity to share information and discuss issues and trends related to running residential programs and facilities. Wednesday will be a travel day with check-in, introductions, and conference logistics.

On Thursday, we are very fortunate to have the National Center on Accessibility provide a day of training focusing on the Principles of Universal Design as the primary method of inclusion of all visitors to environmental education programs and facilities. At Bradford Woods we constantly strive to be global leaders of inclusive action learning environments. A tour of the Bradford Woods facilities will highlight session topics and our efforts toward accessibility.

Friday and Saturday will be sessions built on the Open Space concept. The conference group as a whole will create the agenda by identifying topics that are important to the individual regarding residential environmental education. Participants attend sessions most applicable to their interests and concerns. Sunday we will wrap up the conference, plan for the next, and travel home.

There will be free time set aside in the afternoons for participants to relax and explore Bradford Woods. Evenings will be a chance to come together on a more social note to conclude the day's events.

For more information and registration materials contact Jim Rogers at (765) 342-2915 or email at jarogers@indiana.edu.

## EdGateway Discussion Group

Here is the procedure for signing up to the ANCA listserve on EdGateway.

- In your browser, go to www.edgateway.net
- Click on “enter here>>>”
- In the My EdGateway box select “My Profile”
- Select bullet #2 – registration form
- Complete the form and submit
- When the screen returns, select “My Profile”
- Update your profile
- When the screen returns, select “My Discussions”
- Choose “list discussions”
- Select “ANCA Association of Nature Center Administrators”
- Choose “subscribe”

You should begin to receive “posts” in your email as soon as one is made.

---

## Calling All Authors!!

If you have a desire to share your ideas and experiences with the ANCA membership. We Need You!!

The best articles come from you - the members. Articles need to be 1 - 2 pages ( 700 - 1,400 words ). Technical language can be used as needed, but, remember your audience may not have your level of expertise in the subject. Fun, light-hearted, and inspirational articles are always welcome as well.

Submit your articles to:

ANCA  
 1000 Aullwood Rd.  
 Dayton, OH 45414  
 lbrown@audubon.org

## Educational Farm Symposium

On January 30-February 1, 2003, the National Audubon Society, with support from ANCA, will hold a symposium for directors, educators, or farmers who operate educational farms, at Aullwood Audubon Center and Farm located in Dayton, Ohio.

Join us to discuss current topics and trends in this fast changing field. Workshops will be offered in green architecture, holistic management, and "Food, Land, & People". Field trips will visit Cincinnati Nature Center's Gorman and Long Branch Farms, Stratford Ecological Farm, Carriage Hill Farm, or Aullwood's own organic working farm.



We will have a variety of facilitated discussions with subject matter experts from around the country on hand. Topics such as:

- Starting an educational farm
- Organic farming techniques
- Volunteers
- Farm profitability & accounting procedures
- Special events, and many more

Our keynote speaker will be John Ikerd from the University of Missouri. He will enlighten us on the subject of sustainable agriculture and agricultural education. With "Open Space" sessions you will have the opportunity to create your own group to discuss a topic near and dear to your heart.

Each evening there will be some light entertainment to help you to unwind, relax, and have some fun. And as always, opportunities to meet

new colleagues and renew old friendships will abound.

Registration materials are available on the ANCA website, News & Notes page, or, Aullwood's website homepage ([audubon.org/local/sanctuary/aullwood](http://audubon.org/local/sanctuary/aullwood)).

---

## Launching and Sustaining a Successful Volunteer Program

At ANCA Summit VIII, Dave Catlin, National Audubon Society, and Ann Rilling, Durango Nature Studies offered this topic as a facilitated discussion. Thanks to Ann and Dave for submitting these notes. The following is a summary of some of the issues, solutions, and experiences contributed by the group.

### Benefits of Volunteers to the Organization

- Work for "free"
- Can be great advocates for the organization
- Volunteers are prospective donors
- Bring positive energy and attitudes to the organization
- Bring expertise with them
- Offer new avenues of networking and contact with different audiences
- Can provide good feedback from a fresh perspective

### Drawbacks of Volunteers

- Require staff time to manage
- Some may take more time from the organization than they give
- May need to be fired
- May not be as reliable as staff

### Benefits to Volunteers

- Gain education/ enrichment

- Socialization
- Recognition
- Contribute to a worthy cause

### Where To Find Volunteers

- Organization's program participants
- Recruited by Friends group/board/staff/other volunteers
- Other nature centers
- Voluntary action groups
- Community service organizations (Rotary, Lions, Kiwanis, etc.)
- Interns/Students
- Master Gardeners/Naturalists
- Service Learning groups
- Scouts
- Senior Center
- Fraternities/Sororities
- Friends and family

### How to Find Volunteers

- Press releases in local papers
- Flyers around town (churches, restaurants, grocery stores, light poles, post office, etc.)
- Announcements on radio
- "Volunteers needed" in organization's newsletter
- Local community service supervisor (mandatory volunteerism for DUI, etc.)

### Responsibility of Organization to Volunteer

- Provide thorough orientation and training
- Every volunteer needs to know and understand the mission of the agency
- Volunteers must understand how the task or work being done relates to the mission
- Treat volunteers the same way you treat paid staff
- Be specific and clear about job definitions and expectations
- Provide clear structure to volunteers (To whom do

- they report, etc.?)
- Provide appropriate staff support
- Make sure the volunteer's job is meaningful and interesting

Responsibility of Volunteer to Organization


- Volunteer must be responsible to the rules/structure/discipline of the organization
- Volunteer has obligation to fulfill job commitment, work required hours, be on time
- Volunteers should expect to move into positions of leadership if they desire

How to Have Good Relationships with Volunteers

- Get to know your volunteers
- People give to people
- Introduce volunteers to staff
- Give volunteers a sense of community with the organization
- Include volunteers (when appropriate) in staff and committee meetings

- Get ideas and feedback from volunteers
- Include volunteers in organization's social functions when appropriate

Recognition

- Always give credit and express appreciation
- Share your success and glory
- Say the volunteer's name in meetings, in newsletters, on bulletin boards
- Write a note
- Provide a perk
- Recognize a Volunteer of the Month
- Have a volunteer appreciation lunch/party/outing
- Give certificate of appreciation
- Send to training 

Dave Catlin, National Audubon Society  
 dcatlin@audubon.org  
 Ann Rilling, Durango Nature Studies  
 ann@durangonaturestudies.org

**ANCA Board of Directors**

**PRESIDENT**  
**Gordon Maupin**  
 Wilderness Center  
 gordon@falcon.stark.k12.oh.us

**V.P. - DEVELOPMENT**  
**Elizabeth (Buffy) Cheek**  
 Schlitz Audubon Center  
 echeek@schlitzauduboncenter.com

**V. P. - PROF. SERVICES**  
**Richard Haley**  
 Goodwin Conservation Center  
 haleysfielding@earthlink.net

**TREASURER**  
**Ruth Lundin**  
 Jamestown Audubon Nature Center  
 jaudubon@netsync.net

**SECRETARY**  
**Bo Glover**  
 Environmental Nature Center  
 boglo@aol.com

**Kathleen Brady**  
 Birdsong Nature Center  
 birdsongkat@aol.com

**L. Wayne Clark**  
 Ft. Worth Nature Center & Refuge  
 clarkw@ci.fort-worth.tx.us

**Saul Weisberg**  
 North Cascades Institute  
 saul\_weisberg@ncascades.org

**Annie Guion**  
 Connecticut Audubon  
 aguion@ctaudubon.org

**Tracy Kay**  
 The Schuylkill Center for Environmental Education  
 tkay@schuylkillcenter.org

**Bill Rose**  
 Kalamazoo Nature Center  
 brose@naturecenter.org

**Tim Sandsmark**  
 Lookout Mountain Nature Center  
 tsandsma@jeffco.us

**Ken Voorhis**  
 Great Smoky Mountains Institute  
 ken@gsmit.org

**ANCA Headquarters**  
 Charity Krueger, Coordinator  
 Larry Brown, Publications and Communications Manager  
 lbrown@audubon.org



**Summit IX**  
**The Wilderness Center**  
**August 21 - 24, 2003**

Planning for the 2003 ANCA Summit IX is underway. The host nature center is The Wilderness Center (TWC) located in Northeast Ohio near the village of Wilmot (south of the Canton-Massillon area). The budget for the Summit is not yet complete, but registration fees should be in line with previous years. Those who are flying should plan flights to the Canton-Akron Airport. The featured keynote speaker will be John Flicker, President, National Audubon Society.

TWC is located in the heart of Ohio's Amish County, the number one tourist area in Ohio. The center sits on a 619 acre site that includes old growth beech maple forest, planted prairie, marsh, streams, and lake habitats. TWC recently completed a \$5 million capital campaign that resulted in a complete renovation and expansion of the interpretive building, construction of an astronomy education building with a planetarium and observatory, two picnic shelters that can serve a classrooms, and a maintenance building. You can view TWC's web site at: [www.wildernesscenter.org](http://www.wildernesscenter.org)

## ANCA Membership Form

If you would like to become a member of ANCA, please fill out this form and mail it to the address given. Members receive 4 quarterly issues of *Directions*, special publications, and admission to ANCA Summits and workshops. Institutional memberships allow for two staff members to receive benefits. Questions? Call 1-800-490-2622.



Name: \_\_\_\_\_

Title: \_\_\_\_\_ Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Please check the desired membership level

\$60 Individual

\$90 Institutional

Additional staff member \_\_\_\_\_

Make checks payable to ANCA and  
send with this form to:

ANCA

Aullwood Audubon Center

1000 Aullwood Road

Dayton, OH 45414

---

### Directions

c/o Aullwood Audubon Center

1000 Aullwood Road

Dayton, OH 45414