

Cloudsplitter Foundation By-laws

The primary purpose of the foundation is to improve the environment, both physical and cultural, in the Adirondacks and to make life easier, healthier and more rewarding for the people who live here.

While over 70% of the Foundation's grants go to institutions in the Adirondacks, targeted grants are available for organizations dedicated to protecting civil liberties, humanitarian causes, and to promoting art and education.

1. Governance:
 - a. Up to 5 trustees:
 - i. Staggered 2 and 3 year terms
 - ii. Super-majority (3 out of 4 or 5, or 2 if less than 4) to elect or re-elect Trustees or to hire or remove an Executive Director
 - b. Any number of qualified advisors can be appointed to an Advisory Committee. Advisors will provide guidance on, and help evaluate grants and grant applicants. Advisors will not be compensated but all of their reasonable expenses to support their advisory role will be reimbursed.
 - c. Trustee and Advisor qualifications:
 - i. Knowledge of the Adirondacks, its communities, its institutions, its needs
 - ii. Experience working with not-for-profits
 - iii. Ability and willingness to assess grants, comment formally in writing
 - iv. Ability and willingness to attend two grant review and award meetings in person each year
 - d. Two formal meetings per year to assess grant applications and make awards. Nominally July and December.
 - e. Strict guidelines for selecting, paying, and if needed replacing an Executive Director, who will not also be a Trustee
2. Grants:
 - a. No more than 30% of any year's awards to charities not focused on the Adirondacks, mainly for those with emphasis on:
 - i. Civil liberties
 - ii. Environment
 - iii. Arts
 - iv. Humanitarian causes
 - b. Adirondack grants awarded based on:
 - i. Potential impact on the well-being, education, and health of residents of the Park
 - ii. Potential impact on the future of the Park, especially its protected lands, infrastructure, and ecology
 - iii. Project chances for success, replication, and congruity with other organizations having similar objectives
 - c. Standing (repetitive annual) grants of less than \$5,000 can be awarded without grant applications to known Adirondack institutions that meet the above criteria, e.g., libraries, healthcare facilities, municipal improvement societies, arts institutions, and the like. List to be pre-approved annually.
 - d. A majority vote of trustees is required to award grants, with or without a grant application, with the following exception: Grants of up to \$50,000 can be made by a trustee at his or her discretion but only to an Adirondack not-for-profit organization on whose board the trustee serves or has served in the past.

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3. Finance:
 - a. The Foundation Investment Policy applies (see separate document). In general, fund corpus can only be invested in money market & index funds and Exchange Traded Funds:
 - i. 10% in money market funds with ready access to cash (check writing, etc.)
 - ii. 60% in a total U.S. market index funds and ETFs with expense ratios <0.2%
 - iii. 30% in a developed world (non-U.S.) index funds with expense ratios of <0.4%
 - b. Annual rebalancing to meet the foregoing
 - c. A professional index-fund manager (e.g., Schwab, Vanguard, Fidelity) may be retained to perform the management and rebalancing so long as the all-in fees do not exceed 0.4% of average fund balance¹
 - d. Changes to 3.a through 3.c will require a unanimous vote of the Trustees
 - e. Grant checks over \$10,000 must be signed by two Trustees or the Executive Director and one Trustee
 - a. Annual Foundation expenses must be limited to .075% of the average fund balance including any fees incurred in 3.a. through 3.c.²

¹ Average fund balance based on a two-year month-by-month historical average

² [Example: investment management fees of 0.25%, corpus of \$30 million, total Foundation expenses constrained to .75% of \$30 million or \$225,000 of which \$75,000 is investment expense leaving \$150,000 for other expenses like salaries, benefits, T&E, etc.. If no general manager, i.e., self-managed, VTSAX or similar fee of .05% and VDMAX or similar fee of .1% would leave an extra \$57,000 for Foundation expenses, or a total of \$207,000 in this example].