

IFC's Fiscal Self-Sustainability Project
– Summary of Process and Recommendations - 2/12/08 –

The purpose of this write-up is to communicate the process and results of work undertaken to evaluate and improve IFC's long-term fiscal sustainability. It is intended to serve (along with its appendices) as a basis for Governing Council consideration and discussion of the recommendations, a process for any necessary refinements, and eventual approval of elements that require Governing Council vote at the 2008 IFC Biennial Meeting in San Antonio this October.

Summary

This write-up describes the results of what is now almost a year-long project IFC has undertaken to assess and improve its ability to sustain itself financially. IFC ExCom set up the Strategic Fundraising/Budgeting Committee to provide leadership on the topic and develop recommendations. The Committee developed consensus recommendations for the ExCom, and the ExCom refined them and approved the result unanimously. Now, ExCom is requesting Governing Council input.

This work concludes that IFC needs an additional \$40,000 in operating expenses annually to maintain the capacity and level of service currently provided. The recommendations below would generate approximately \$14,000 per year in self-generated (the best kind) operating funds, leaving a gap of \$26,000 annually that we are working to fill. These recommendations are not only for the purpose of IFC's operations, but also to improve the organization. They are:

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| ❖ Invest in CDs | ❖ Increase Governing Council Member Dues to \$400/year |
| ❖ Formalize Third Category of General Council | ❖ Solicit "Alternate" Governing Council Members |
| ❖ Create an Associate Members Category | ❖ Provide a Life Membership Option for Governing Council Agency Retirees |
| ❖ Clarify the Definition of "honorary" Members | ❖ Pursue c3 IRS Status (already being pursued) |

The remainder of this document summarizes the thoughtful and difficult process undertaken to generate these recommendations. It consists of 7 main pages and 5 appendices – 23 pages in all. The recommendations are described in more detail beginning on page 5. Please review the information at the level of detail that will allow you to provide to ExCom your answers to the following questions:

1. Do you understand the rationale for, and components of, the proposals? If not, what more information would be helpful to you?
2. Do you support the recommendations as proposed? If not, what would be necessary for your agency (you) to vote passage in San Antonio?

Thank you for your contribution to improving the current and future capacity of IFC and ensuring it has the structure and ability to meet your and your agency's future needs.

Background

Step 1 - Creating the Committee

In March 2007 ExCom created the Strategic Fundraising/Budgeting Committee (Pete – Chair, Hal, Allan, Tom, Gary, Chris, Kathleen) and charged them with three tasks, summarized as follows:

- Lay the groundwork for sufficient IFC operational dollars beyond 2008.
- Develop a recommended 07-08 budget
- Recommend bylaw changes and/or new or changed policies to resolve issues related to finances and related procedures

The Committee met several times by phone over the spring and summer of 2007. One of the Institute for Conservation Leadership trainers, Meredith Emmett, assisted the group during some deliberations. As outlined below, the Committee generated decisions and tools to help them develop recommendations to ExCom related to the first assignment above (operational dollars). ExCom reviewed and refined the Committee's work, and now requests Governing Council input.

Step 2 – Fundraising Goal

The Committee developed and adopted the goal and assumptions described below during its deliberations. The goal set the stage for the target funds that need to be raised, and is intended to serve as a fundraising goal through 2010.

Goal: Obtain sufficient funds to maintain current levels of operations, including travel scholarships, conference sponsorships, etc., and up to $\frac{3}{4}$ -time contract Executive Director and full-time dedicated office location, space, and records. IFC officers retain financial management responsibilities. ED focus is on organizational development, member services, planning, fundraising, ExCom facilitation, information-sharing, etc. $\frac{1}{3}$ of the ED time should be dedicated to general IFC operations and $\frac{2}{3}$ dedicated to IFC projects. IFC should generate this money itself, if at all possible, rather than rely on applying to foundations for operational dollars, i.e., IFC operations would be self-sustaining.

Assumptions: At the current ED contract rate, $\frac{3}{4}$ -time ED services and office space would require a budget of \$78,000, which includes all office expense, except phone calls in excess of 150 minutes per month, large copy jobs, and travel expense. Past budgeting has included \$5,000 for ED travel expense, bringing the total needed to \$83,000 per year for $\frac{3}{4}$ -time contract staffing. ... If the $\frac{1}{3}$ - $\frac{2}{3}$ split between organizational effort and projects is accurate and consistent over the years, and travel expenses are included in operating expenses, \$31,000 is needed annually in operational dollars, and \$52,000 is needed annually in project dollars. If accounting, insurance, and legal expenses total \$3,000/year each, and we continue to incur negligible annual expenses for web services, about \$34,000/year is needed for total staff/contractor operational costs. If the current membership/dues pattern continues, IFC can rely on about \$10,000/year in operational dollars from dues (\$250 each * 40 members). These dollars need to fund all IFC operational (non-project) activities (e.g., travel grants, conference sponsorships, etc.), not just staffing. If IFC felt that an estimated \$6,000/year is a good estimate of what they'd like to have available for these additional activities and as an annual travel assistance fund, that generates an **IFC additional operational funding goal of \$40,000/year, excluding project dollars**.

Step 3 – Logic Model

These are sometimes called "Impact Models" or something else, but they are used to "map out" an organization, so that those discussing it can see how and what can and should be mobilized to achieve the organization's goals. Normally, the "impact" desired is the starting point in the right column, and those developing the model work backwards (right to left) in defining what outputs are needed to achieve the outcome, then what inputs are needed to generate the outputs, etc. In this case (see Appendix A), we used IFC's vision as the starting point in the right column and worked backwards, addressing both IFC's (as an organization), and the members', strengths. This logic model is based on a model developed for the Hewlett grant, refined by KW in the ED session of the ICL training, refined by the committee, and refined again by the "Seabeck Four" (Hal, Pete, Chris, Kathleen) in the Leadership session of the ICL training in Seabeck, Washington.

Step 4 – Brainstorming

After developing some common understanding of the organization's strengths and niche in the instream flow community, the Committee developed a laundry list of possible ways to raise the target operational

dollars and conducted online group brainstorming on the list. If you have a Google account (or want to set one up to see the document we generated) go to http://docs.google.com/View?docid=dd5nb5hh_3cwtfgn. See Appendix B, Meredith's Matrix, for the list and the results of the brainstorming.

Step 5 – Guiding Principles

Based on what we learned during the previous discussions, as well as past IFC deliberations and information (e.g., membership surveys) we created Guiding Principles for Committee discussions on what was possible/desirable and what wasn't. The Committee drafted them, then refined them. They are copied below.

IFC Strategic Fundraising/Budgeting Committee Guiding Principles

- Maintain states/provinces/territories as decision-makers for IFC
- Contribute to IFC's ability to fiscally sustain itself in the long term
- Recommendations should build on existing IFC strengths and abilities:
 - o Members function at the intersection of the technical/scientific issues, politics, public values and legal issues and carry the discussion from beginning to end
 - o Cross-geographic scope
 - o Membership holds a huge amount of knowledge and information, some not yet tapped
 - o Recognized authority on ISF issues
- Consider IFC's limitations:
 - o Our critical mass is small and aging (40 members, 20 active)
 - o Members have limited time to dedicate to IFC activities
 - o Profile of issue has been low within agencies
 - o The potential for conflict between IFC principles and applicability to everywhere; there may be areas where we can't go.
 - o Most members are biologists (i.e., limited membership diversity to tap for multi-disciplinary projects)
- Honor what people value about IFC:
 - o The "safe haven" element where IFC members feel they can freely express amongst peers their strategies and frustrations
 - o The listserv is uncluttered
 - o The ability to network with people whose opinions you value
 - o Affordability
- Try to incorporate suggestions members have made for changes (e.g., more diversity, new blood, different products, greater participation, etc.).
- Don't change too much too fast; maintain flexibility.
- Recommendations should generate more benefit than they cost.

Step 6 – Refining the Ideas

Using past work, the Committee then tried to see if there were any packages they might refine from the brainstorming – any combinations of actions that might meet the Guiding Principles. They also calculated what revenue generation might occur with such options. The result (now outdated) is included as Appendix C:

Step 7 – Confer with Legal Counsel on How Exclusive we can be

There was some concern as to the extent to which IFC could limit membership being both a non-profit and an association of agencies, as noted at the end of Appendix C. They conferred with IFC's legal counsel, Chris Harris, on these questions. The result of that exchange is included as Appendix D.

Step 8 – Board Self-Assessment and the "Seabeck Four"

Preceding their July call, ExCom had the opportunity to complete a Board Self-Assessment, in part to provide some guidance to their members participating in the Leadership Team portion of the ICL training. The self-assessment showed that ExCom felt that overall IFC was least successful in "renewing the board" and "developing new leaders".

The Seabeck Four had a chance to further evaluate some organizational issues within the Workshop context and prepared a recommended set of options to bring to the Committee. Hal wrote a paper justifying the group's suggestions, which was then further refined by phone and e-mail. (See Appendix E. Please consider this appendix as representing a "snapshot in time"; recommendations listed in it were further refined by the Committee and ExCom to generate those described herein.)

Step 9 – Committee Consensus Adoption of Organizational Recommendations

The Committee adopted the Seabeck Four organizational recommendations unanimously on their 9/14 call, including related Bylaw recommendations and a revenue analysis and prepared a packet for ExCom consideration of their results. The Committee also approved a budget format and some additional Bylaw fixes to address IFC fiscal procedures, but these topics are being pursued in separate processes, so are not detailed here.

Step 10 – ExCom/Committee Preparation for Governing Council Consideration of Recommendations

The Committee's process and recommendations were introduced to ExCom on their 9/24 conference call, with the Committee encouraging adoption of the recommendations and approval to prepare them for Governing Council consideration. The recommendations were then discussed in detail by the ExCom at their October in-person meeting in Denver. The recommendations were refined and adopted unanimously, including the suggestion for a Governing Council E-Dialogue on the recommendations as a final step towards preparing a packet for vote in October. The Committee met by phone on 2/1 to craft a suggested packet for proposed ExCom dissemination to the Governing Council, including discussion questions and a process for effective e-dialogue on the proposals. ExCom discussed the Committee's recommendations on their 2/8 call and agreed to seek focused input on the proposals from the Governing Council. The recommendations, and the resulting Revenue Analysis, are summarized beginning on the next page.

Committee/ExCom Consensus Recommendation - Rationale and Revenue Analysis

Recommendation	Rationale	Revenue Analysis
Invest in CDs	IFC needs to retain a fiscal reserve, proposed at \$20,000. We can earn more on this reserve than if we continue to retain it in the checking account. The goal would be to maintain some liquidity, but earn more than the minimal checking interest we currently receive. The revenue analysis assumes investment of \$10K in a 6-9-month CD, then another \$10K 6 months later; the result being a rotating liquidity option, but some additional interest income. Conference planning may add more uncertainty to the ability to maintain sufficient reserves on a reliable basis.	Generates additional \$1,000/yr @ \$20,000 investment
Increase Governing Council Member Dues to \$400/year	Inflation brings \$250 in 1997 to \$321 in 2007. With staff, IFC is providing a higher level of service and has higher expenses, hence the recommendation to increase dues above the amount needed to correct for inflation. Many similar organizations charge much higher rates in annual dues. Along with this recommendation is the proposal to remove the dues provisions from the bylaws and put it in a policy. Drafts of these elements will be provided in preparation for San Antonio. The increased dues rates, if adopted, would take effect in 2009.	Generates additional \$6,000 per year @ \$400 dues rate and 40 member agencies per year
Formalize Third Category of General Council	IFC Bylaws currently define three classes of General Council members; emeritus, honorary, and "employees of state, provincial and territorial agencies eligible for governing council membership". The Bylaws envision these "other agency" members paying \$25/year to be General Council members. We currently have 17 non-paying "other" staff of Governing Council agencies that are on our listserv. In order to increase the diversity and volunteer pool for IFC, the Committee and ExCom felt working to increase this member class (and charge them accordingly) would achieve multiple organizational and fiscal benefits. The Revenue Analysis assumes an average of one General Council dues-paying member per Governing Council member state/province. We propose the combined Governing and General Council dues would be included in the annual renewal invoices. For example, if a state or province wished to continue to have two additional staff on the IFC listserv and that would be invited to attend IFC meetings and participate in IFC projects, their annual renewal rate would be the agency rate, plus \$50 for the two others, who would be formalized as General Council members. IFC Bylaws already allow General Council members to be elected to Regional Director positions, and formalizing this area of membership will increase active participation, and widen the number and breadth of expertise in the membership.	Generates additional \$1,000/year if 40 General Council members @ current \$25/yr rate
Solicit "Alternate" Governing Council Members	Where flow-related fish and wildlife <u>authority</u> (not just work) has been delegated (e.g., to the Department of Fisheries and Oceans Canada), the current Bylaws allow a representative of the delegatee agency/entity to become a Governing Council member (referred to in the current Bylaws as an "alternate" member). The proposal is to actively solicit these memberships, which are likely most applicable to Canada. Presumably other staff of these agencies could also join as General Council members.	Generates additional \$800/year if 2 Alternate members added at \$400/yr dues rate

Committee/ExCom Consensus Recommendation - Rationale and Revenue Analysis

<p>Create Associate Members Category</p>	<p>In addition to Governing and General Council members, there would be a third category for IFC membership, Associates. Due to concerns about moving too far too fast, and interest in keeping the listserv relatively uncluttered, a maximum of 20 would be added in 2009. For geographic diversity, regional Governing Council members (by consensus) would each be able to nominate 1/5 of the Associate members. The Associate membership invitation would be to an individual person, not an organization, who shares IFC’s mission and vision. The process would be nomination through the IFC region and invitation by the Executive Committee. The Associate membership would be non-voting and not eligible to be an IFC officer, but can otherwise participate in IFC activities and use the IFC listserv and members-only website. The membership would be approved on an annual basis by the Executive Committee. For purposes of revenue analysis, the annual dues rate for the new Associates has been assumed to be \$250. This presumes the Governing Council dues are increased, as a lower rate for Associates should be invoked due to their inability to vote or hold office.</p>	<p>Generates additional \$5,000/yr with 20 Associate members at \$250 annual dues.</p>
<p>Provide Life Membership Option for Governing Council Retirees</p>	<p>This suggestion was intended to accommodate retirees as continuing IFC members, at a rate that was commensurate with possible declining income over the retirement period. The proposed Life Membership rate is a one-time payment of \$150. However, if the candidate paid General Council dues as an IFC emeritus member after retiring from the relevant Governing Council agency, their Life Membership cost would be \$150, less the accumulated total of their post-separation General Council dues. The Revenue Analysis presumes few of these; one every other year on average (and no crediting). Presuming approval of removal of dues provisions from the Bylaws, this element would be detailed in the subsequent IFC Dues Policy, including the clarification that this applies to retiree emeritus members only.</p>	<p>Generates additional \$75/year if assume 1 life membership purchased every 2 years.</p>
<p>Clarify Definition of “Honorary” Members</p>	<p>The proposal is to clarify in the Bylaws that Honorary member (one of the three classes of General Council membership) will be those “have provided extraordinary service to IFC as determined by a vote of the Excom”. This is the result of interest in not incurring debates from those that have provided service to IFC that they should be Honorary members (i.e., non-dues-paying).</p>	<p>No specific fiscal implications</p>
<p>Pursue c3 IRS Status</p>	<p>Because of the immediacy of this need, the process is already underway to revise the Bylaws as recommended by Counsel to initiate the c3 application process at IRS.</p>	<p>No specific fiscal implications, but will save 15% in future foundation funds that do not need to go through fiscal sponsor, as well as likely partially improve overall access to private capital and individual donors</p>

Next Steps/Challenges Remaining

Operational funds from the Hewlett Foundation will run out by mid-2008. Although we will have some ongoing project funds (IIPFI), there are no secure operational funds to make up the remainder of the projected \$40K operational needs, less what the above changes can generate (approximately \$14,000 per year). So, the recommendations represent the most the Committee and ExCom felt could be reasonably added as self-generated operating income, but falls short of the goal by \$26,000 annually. In addition, the Committee did not provide recommendations related to future project funds, as the type of desired future projects are uncertain.

As a result there are several other areas in which we are currently experimenting or recommend as priority proposals to make up the difference in needed operating funds in the long term, described below. Conversion to c3, and diversifying the membership, will help in all these areas.

- ❖ National/Regional Conference(s): We are currently planning a national conference, in part to raise IFC funds. The success of this as a fundraising tool will be evaluated after the event, including whether a national focus is the appropriate scope for both topical and member benefit as well as fundraising opportunities. National conference fundraising goal is \$50,000, but we won't know for a long time if that's realistic.
- ❖ Major Donor Program: We have been successful in obtaining the Hewlett capacity-building funds, in part due to the "start-up" staffing condition over the last two years. Many private foundations are not inclined to fund organizations made up of agencies, and many have closed the door to us due to our IRS c6 status. We have translated the effort into raising funds for the 08 conference that will then become operating funds. We are also laying the groundwork to ask Hewlett for continued operational funds, and pursuing a switch to c3 IRS status. C3 status will allow us to pursue other sources of operating funds as well, beyond foundation sources (e.g., 1% for the Planet, etc.)
- ❖ Sponsored "Case Study" Publications on an Ongoing Basis: The conference model (raising sponsorship funds that can be used for overall operations) may also apply to the suggestion that IFC produce two case studies per year in booklet format beginning in 2009 – we would raise sponsorship monies for these projects in excess of the team costs necessary to produce and disseminate the products, as well as charge non-members for the products. This approach would also create an ongoing operational goal for which IFC can plan additional fundraising and member involvement. At this point, IFC has no specific plans for activities to pursue in 2009 or beyond. It could benefit the organization to define some baseline products that are pursued on a regular basis and that could be a rallying point for fundraising.
- ❖ Further Promotion of IFC Products: Other aspects from the original (2005) fundraising strategy are still being invoked, including book promotion, though no advertising has been undertaken.

The above are ideas brought forth by the Committee, which also recommends that IFC use the results of the IIFPI project, and the Action Planning at *FLOW 2008*, to evaluate what its "next chapter" will be, and how it can best benefit its members, fulfill its unique niche in the instream flow community, and be fiscally self-sustaining. The earlier some of these ideas can be generated, the sooner fundraising can be initiated to support them.

Appendix A – IFC Strategic Fundraising/Budgeting Committee Logic Model – 2007

Instream Flow Council (IFC) Working Logic Model – 9/18/07 Draft					
Sources (where the resources come from)	IFC Member Strengths	Activities (IFC)	Activities (instream flow community)	Outputs/Conditions	Impact
<ul style="list-style-type: none"> - Web - Foundation funds - proceeds from books and activities - volunteer webmaster - AFWA - Member dues 	<ul style="list-style-type: none"> - ability to provide credible information to public - an established working relationship with and legitimate role with the public - experience working with varied aspects of water management projects - summarizing and applying science - experience with (and critique of) laws and policies related to instream flow - Public Trust mandate to manage riverine resources 	<ul style="list-style-type: none"> - information-sharing between members and between IFC and public - encouraging and supporting agency action/support with respect to instream flows - supporting and encouraging members personally and in developing their instream flow programs and activities through information and networking forums and projects - bringing resources to bear to meet member needs - assisting with law and policy development (upon request) - peer review of studies and reports done by or for member agencies 	<ul style="list-style-type: none"> - design and conduct effective scientific studies - effective interpretation of scientific studies - using existing policy tools to protect and restore flows - raising public awareness of importance of instream flow - communicating the impacts of NOT protecting instream flow - advocating for more effective laws and policies for instream flow protection and restoration - advocating for open processes and transparent decision-making regarding water allocation - coordinating with others in the above activities 	<ul style="list-style-type: none"> - Public is knowledgeable and actively supportive of instream flow - Public advocates for laws and policies that recognize instream flow at least on par with diversionary uses - Appropriate forums exist for public to express support for instream flow and affect related decisions - Proper scientific tools are available and used to quantify needed flows and properly trained staff are able to interpret results and present them to public - public laws and policy provide effective tools (including budgets and enforcement mechanisms) to protect and restore flow - credible and persuasive information on the benefits of instream flow is available to public - enforcement of instream flow is provided where needed - economic and population conditions exist that allow water use beyond absolute basic human needs - Riverine conditions are effectively monitored to document the effects of negotiated/mandated flow regimes 	<p align="center">IFC Vision:</p> <p>All rivers in the U.S./Canada have instream flows that sustain important ecological processes in the long run.</p>
<p align="center">Resources (e.g., talent, money, facilities, equipment, time)</p> <ul style="list-style-type: none"> - member time and expertise - listserv - meetings - books - projects - website - ED/office - operational and project funds 	<p align="center">IFC Organizational Strengths</p> <ul style="list-style-type: none"> - Based on advancement of PTD principles - Access to deep combined knowledge, and historical perspective - objectivity (including perceived) - ability to summarize “state of the art” science and problem solving strategies - broad geographic coverage (US and Canada) - commitment to help - networking/learning from each other - “safe haven” (i.e., a relatively secure forum where members can exchange ideas without concern for retribution from other water interests or administrators) 				

Appendix B – Meredith’s Matrix

(Note that we were using \$30K as operational goal for this, instead of updated \$40K now being used.

To see all 12 pages, double-click the image to bring up the full pdf file)

INSTREAM FLOW COUNCIL REVENUE GENERAT...

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	<p>we could try to give 3-4 times a year in different parts of the country or upon request.</p> <p>kw - I agree this would require some major start-up investment, and it would require a commitment over time for instructors. The latter may be something to think seriously about. Is there some way to try it out, or do some feasibility review? When I think back to the Member Training Survey, people pretty much wanted everything. This might be a way to achieve that, but it might also be trying to cover too much at once?</p>		
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Other ideas to generate income:HB- River tours (ecotourism). This is another of those things we’d need to rely on committed staff, which might be emeritus members or other paid staff. There are rivers all over the continent - all sizes - amenable to a variety of tour types (vehicles, floats, charters). We could even team with existing non-profit nature organizations (TNC, WWF both have travel programs, both domestic and foreign). People pay \$1-3k each for such trips (more for distant trips). Overhead takes much of that. The selling point would have to be the combination of the locations and the educational perspective IFC could provide - not just the critters, but how human activities (including legal and institutional issues) and water management affect the ecology. It would be a lot of work with all the logistics and it would take advertising. Like any start-up, the chance of failure is high. Liability would throw our existing insurance out the window. kw - could we try this out by offering a small version of this associated with a regional conference (see above?); i.e., if we open up to the public part of our regional meetings, one of the options could be for (paying!) participants to accompany an IFC member (and knowledgeable associates) on an interpretive tour of the instream flow and water management issues of a nearby river? The tour associated with our biennial meeting in BC was a good example - would people pay to go on such a tour? If you’re thinking about full eco-tourism tours, it might be best to partner with an existing eco-tourism company (see <http://www.offthebeatenpath.com/> and <http://www.mythsandmountains.com/>), several of which plan "custom" journeys; we could provide the content, they could handle all the travel and logistics stuff. interesting idea... people pay lots of money for these...

kw - here’s a wild one. If agencies pay \$22K annually to be a member of AFWA, and we really only want agencies as members, why don’t we look into becoming a part of AFWA? I’ve heard this mentioned before (in terms of "we don’t want AFWA to try to take us over"), but, devil’s advocate here, could there be some benefit to that? I’d like to at least hear the reasons why that’s not desirable.

kw - We forgot to include interest income. Although we need to have some predictability as to our cash flows, as well as how much we need to retain in reserves, if we don’t mine our reserves too much, we could invest in semi-liquid CDs as has been discussed in the past. This wouldn’t generate a windfall, but it would put that money to work, and would evidence sound fiscal management to grant funders (which letting it sit doesn’t)...

Appendix C – Initial Committee Revenue Analysis

<p>Put Some of the Money in CDs Generates: \$1000/yr @ \$20,000 BRING TO EXCOM FOR NEXT CALL</p>	<p>Low risk option</p>
<p>Double the Dues to \$500 Generates: \$10,000</p>	<p>Could lose membership, keeps us small Have not changed since 1998 Informal poll – would your agency not be able to maintain membership at \$500 Need to structure the question An idea: Give a break to agencies who have officers? Would you step up as an officer in order to get the lower rate? Questions about commitment, incentive, being on the same playing field. Subsidize those who can't pay as we do with travel.</p>
<p>Third Class of General Council Generates: @ \$25 - \$1000 @ \$50 - \$2000 SET ON THE COURSE</p>	<p>Now have 17 non-paying, could have at least one per member The advantage is increasing the active participation, widen the number and breadth of expertise. No major threats identified. Need to minimize the amount of work.</p>
<p>Associate Class of Members Generates: 2 @ \$500 - \$1000 <i>(kw note – I think seeing the "2" above and the discussion to the right tells me that this line is actually a mix of our discussions of the provinces with "delegated" programs, and the broader idea of Associate members)</i></p>	<p>No voting rights Only 2 states/provinces want to be part of IFC and can't be in current definition. Impact on "safe haven" – handle so we don't have to dis-invite people from General Council meetings. Is this an invite only class? Potential impact on tax-exempt status. Open subject to approval? Need to determine the fee and numbers in universe. Create options for individuals and institutions. Increases the diversity and number of people.</p>
<p>Add the Feds Generates: \$25,000</p>	<p>Voting rights as a region with multiple federal agencies in the region Open a slot in each of the five regions - \$5000 a region Could be very complicated. Would have to appoint their reps, could easily restrict. Narrow to specific agencies? Lots of people in USGS doing in-stream flow work. Would have to have a mandate managing fish and wildlife. Greater potential for federal influence. Increases critical mass and perspective. Reduces/changes the safe haven element. Increases potential political influence Feds may be better associate members. What about the tribes? Feds will want.</p>
<p>Regional Meetings Generates:</p>	<p>Requires effort and work, may not generate significant resources Needs to be open to lots of people who pay a fee Helps increase involvement Could be a hook for sponsors</p>
<p>National Conference</p>	<p>Every other year. Would have to raise a lot of money every other year, to make other years.</p>

Generates: \$50,000	Quite a bit of effort – would the revenue be enough More work to plan than regional meetings Can be risky in terms of attendance Use 2008 as pilot.
Major Donor Program	Lines up with guiding principles Who would be major donors? Foundations like Mott, Turner. Even Hewlett was a reach. Limited membership may be a factor. Members are government. Since we are a 501c6, money has to run through others. Lots of reporting Easier source for project funds than operations. Will Hewlett fund us further?
Next Steps: <ul style="list-style-type: none"> • Gather information on how much members are willing to pay and adding an associate class, including feds. (Kathleen will draft, committee will review) • Check with legal counsel about specifying and/or limiting members. (Kathleen) 	

Appendix D – “Exclusivity” Dialogue with Chris Harris

Below is a string of e-mails regarding the Committee’s question of our legal counsel regarding how exclusive IFC can be, both due to concerns over our non-profit status, as well as our makeup of agencies as members. Read from the bottom up for continuity.

From: Kathleen Williams [mailto:k.williams@bresnan.net]
Sent: Friday, August 10, 2007 11:35 AM
To: Allan Locke; Annear, Tom (Tom Annear); Christopher Goudreau (work); Gary Whelan (Gary Whelan); Hal Beecher (E-mail); Pete Aarrestad
Cc: Meredith Emmett
Subject: FW: how "exclusive" can we be?

Hi all. See below for the exchange prompted by our conversation on the Strategic Budgeting/Fundraising call about how exclusive we can be regarding Associates, if we choose to have them. Start from the bottom to track the conversation.

- K

From: gallating@aol.com [mailto:gallating@aol.com]
Sent: Monday, August 06, 2007 9:09 AM
To: k.williams@bresnan.net
Subject: Re: how "exclusive" can we be?

Kathleen I reviewed the March 205 IRS publication on tax exempt organizations (a fairly lengthy document). It covers, of course, 501(c)(3 and (6). The only discrimination of concern to the IRS is racial, ethnic or religious discrimination. There is no mention of a need to preclude any other type of discrimination (e.g. excluding from membership persons who fail to acknowledge global warming). Indeed, there is an explicit recognition by the IRS for (c)(6) organizations to organize for a common cause. By definition, those not supporting that cause would not be expected to be invited to become members.

Accordingly, I would assert that if IFC creates an associate member category, it can either define the criteria and make it as stringent as IFC wants -- **or** establish associate membership by invitation only. In this respect, I see no adverse consequences and no difference between a (c)(3) and (c)(6), except, as mentioned above, a (c)(6) would be expected to be "discriminatory" in excluding folks not embracing the common cause.

Finally, as you know, there are lots of IRS rules governing tax exempt organizations. While IFC probably is doing everything properly, you may wish to consider undertaking a thorough review of IFC's by-laws, paperwork, etc. to be sure we pass the IRS clean glove test. This undoubtedly is an area where Mike Lilly has considerable expertise, but I would be happy to help.

-Chris

-----Original Message-----

From: Kathleen Williams <k.williams@bresnan.net>
To: gallating@aol.com
Sent: Fri, 3 Aug 2007 4:41 pm
Subject: RE: how "exclusive" can we be?

Does being a (c)6 allow us to be more exclusive than if we were a (c)3? Or is there absolutely no relation between limiting membership and our non-profit status?

From: gallating@aol.com [<mailto:gallating@aol.com>]
Sent: Friday, August 03, 2007 11:59 AM
To: k.williams@bresnan.net
Subject: Re: how "exclusive" can we be?

I would establish a criteria for associate members, probably a tough standard, and then only invite folks you want to join.

-----Original Message-----

From: Kathleen Williams <k.williams@bresnan.net>
To: gallating@aol.com
Sent: Fri, 3 Aug 2007 10:39 am
Subject: RE: how "exclusive" can we be?

Chris – The Associate idea was what we were debating. Can we create “associates”, but only allow those we invite to join as Associates? Would that be discriminatory on agencies’ part, or threaten our non-profit status?

From: gallating@aol.com [<mailto:gallating@aol.com>]
Sent: Thursday, August 02, 2007 2:20 PM
To: k.williams@bresnan.net
Subject: Re: how "exclusive" can we be?

Kathleen: My suggestion on this point would be to create a special class of members that you could call associate or honorary members. These would be non-voting members. Such a class could be excluded from deliberations on policy issues but from whom IFC could collect dues.

My trade association (NORA) has a little bit of a hybrid structure with respect to associate members (who are dues paying but non-voting). To assure that they are not cut off from policy and governance matters, two associate members are members of the Board of Directors and are elected by the voting members.

If you are more interested in new blood and fresh ideas than dues revenue, you may wish to create an advisory Board or Committee or Council. IFC could invite distinguished individuals to be members of such a body - so IFC could control the "trustworthiness" of this group.

Let me know if you need more information. -Chris

-----Original Message-----

From: Kathleen Williams <k.williams@bresnan.net>

To: Chris Harris <gallating@aol.com>

Sent: Thu, 2 Aug 2007 1:51 pm

Subject: how "exclusive" can we be?

Chris – An interesting question came up on a call with IFC’s Strategic Fundraising/Budgeting Committee today. We are talking about potential membership changes that may be in keeping with needs to raise more operational dollars, and meet some members’ desire to diversify and add “new blood”.

Whatever change we make (or not), we want to be sure to maintain what current IFC members value as an organization where there is great freedom to communicate with each other on strategies and challenges facing state and provincial fish and wildlife agencies regarding instream flow, and not have to “spin” or sanitize their comments due to representatives of other agencies, consulting firms, etc. being in earshot or on our listserv. So, we want to diversify, but not lose that “safe haven” aspect that is so valued.

One option is to expand membership, but only to select agencies or groups or individuals. That way, we could ensure that the people or entities we’re inviting in would truly be “peers” in that they share out goals and would add to the effectiveness of the dialogue, rather than suppress it. So, the question for you is... As a non-profit, OR as a group of agencies, would we be at risk with our non-profit status or otherwise, if we were to expand our membership but only on a “invite only” basis? We are “exclusive” now, in that we only allow state, provincial, or territorial fish and wildlife agencies in the US or Canada to be members. But we’re not being discriminatory within that group. If we added people based on “invite-only” we could be considered to be discriminating between certain university folks, agency staff, etc. Is there some line we can draw that would allow us to expand our active circle of members, but have some control over that?

Some of our committee members expressed concern about that, and I’ve wondered about it too. Where would the risk come in? Is it the discriminatory nature that would be worrisome, and if so, is that more worrisome because of our non-profit status, or because agencies are involved and they have non-discrimination requirements.

Please provide you counsel. If you think I should ask this (or a more specific question) of the tax guy that Mike Lilly works with let me know. I just helped Mike out with something, so maybe he would be willing, but only if this really is a tax-related (i.e., non-profit status) issue.

Thanks in advance for your counsel. I hope you’re having an enjoyable summer, despite the heat and smoke.

- Kathleen

Appendix E – Committee’s “Organization to Support Purposes” Paper

Below is a white paper initiated by Hal Beecher after the Seabeck Four discussions in Washington and later refined by the Committee. It should be considered a “snapshot in time”, as the recommendations in it were again refined by the Committee and then ExCom. It is reproduced here to provide further background on the rationale for the recommendations.

Instream Flow Council – Organization to Support Purposes - Draft (9/21/07)

After a decade in existence and some notable successes, the Instream Flow Council (IFC), through the Executive Committee, assigned a committee to consider, in part, how to sustain IFC financially. To consider financial needs and means to fulfill them, we also consider goals and purposes of IFC. Other documents created by the committee provide further background (see “How We Got Here...” document under separate cover). This committee of the 2006-8 IFC Executive Committee (Peter Arrestad (Chair), Chris Goudreau, Hal Beecher, Allan Locke, Tom Annear, and Gary Whelan) and IFC’s Executive Director, Kathleen Williams, has discussed IFC’s future and the principles that need to be considered in charting options for IFC’s fiscal future. IFC recently used Hewlett Foundation funding to send Kathleen to Institute for Conservation Leadership (ICL) training for executive directors and Pete, Chris, and Hal attended the “Leadership Team” portion with Kathleen in Seabeck, WA. This document originated with the four attendees at the Seabeck workshop. One of the instructors, Meredith Emmett, served as an advisory member of the subcommittee.

As a result of our considerations, we present several recommendations for strengthening IFC: to increase the number of people and their knowledge and skills and to increase our financial assets.

I. Instream Flow Council (IFC) Mission and Vision

The Instream Flow Council’s (IFC) mission and vision statements should guide it in its activities and changes.

The mission of the IFC is to improve the effectiveness of state and provincial instream flow programs and administrators in protecting, maintaining and restoring aquatic ecosystems. The vision of the IFC is that each stream and river in Canada and the United States would have instream flows that sustain important ecological processes.

Building on previous discussions of the Strategic Fundraising/Budgeting Committee, we (Pete, Chris, Kathleen, and Hal) recognized two different directions IFC could take: emphasize the mission and vision or emphasize just the mission. Emphasizing the mission and vision would be to continue to reach out, produce products that would help sell our vision to the wider public and partner actively with other entities. Emphasizing only the mission would be to remain small and internally focused, facilitating communication among members and sharing insights and tools. The latter would require minimal support. Both options would provide some value to some IFC members. At the ICL

training we emphasized what would be needed for an effective mission and vision-oriented IFC. The IFC Strategic Plan clearly emphasizes both and is a product of considerable deliberation by IFC. Ultimately, the vision is what motivates most IFC members and the mission is part of the path to the vision, not an end unto itself.

II. What Does IFC Want to Be and to Accomplish?

The “safe haven” aspect of IFC has been a key value to IFC members. Unlike the American Fisheries Society or other big professional societies, IFC consists only of programs trying to protect the environment in the way only provincial and state fish and wildlife agencies can. Member agencies represent all the people of their respective state or province, so we fill a different niche with different responsibilities than non-governmental conservation organizations. Our advocacy is constrained, but can be more effective because we may be perceived as less biased; we are acting as stewards for all the people and we have technical expertise, even if we lack much authority. We are the interface between the academic technical experts and the policy makers. In general, we must persuade by logic, not political force. We are the public’s consultants, not the consultants of a special interest.

A vision-oriented IFC - There are many opportunities to interact with different organizations and processes, but these opportunities require effort to maximize IFC’s effectiveness. IFC should continue to rely heavily on members (individuals) because its members are its strength. In addition, representing IFC can be a significant benefit to both the member and the organization.

In IFC’s Strategic Plan, Goal II is to promote sound instream flow science and goal IV is to increase general public awareness and understanding of instream flow issues to stimulate action and support of instream flow protection and enhancement. These two go together with goals III, encourage and facilitate exchange of information among all levels of instream flow scientists, administrators, and managers, and I, help member agencies have effective programs. Clearly, the role of IFC and its members is strongly oriented to the science of instream flows, but with an eye to managing water responsibly. Organizing and presenting instream flow science information to inform policy is a key role for IFC and its members. It is the real strength of IFC.

Achieving IFC’s vision - IFC member agencies cannot achieve the IFC’s vision alone. IFC member agencies seldom have legal authority to institute the IFC’s vision. The key to IFC member agency effectiveness in terms of the IFC vision is working with constituents and the wider public and various interests to promote a groundswell of public support for the IFC vision.

To be effective, IFC member agencies need to recognize the legal and institutional constraints and topography and be effective in public dialog, involvement, and interaction. IFC member agencies have the unique vantage point of ecological knowledge founded on the five riverine components (hydrology, biology, water quality, connectivity, and geomorphology) with an understanding of the legal and institutional landscape. IFC member agency effectiveness depends greatly on credibility in public dialog concerning the five riverine components and how they relate to other human uses of water and watersheds within the context of legal and institutional constraints.

IFC's mission of helping its member agencies be more effective in achieving IFC's vision can best be achieved by empowering the member agencies through providing resources and credibility. Providing recognition among other entities and organizations and influencing them to promote IFC's vision is a significant value of IFC. *Instream Flows for Riverine Resource Stewardship* enhances the credibility and hence effectiveness of IFC and its member agencies, both specifically and by association. Book III, which will highlight successful instream flow case studies, will further enhance IFC's credibility. Enhanced credibility of IFC peaks soon after a book or other product reaches its widest circulation, then gradually wanes if continued leadership is not shown, although it will always remain higher than before the product.

Book III will be a valuable addition to IFC member resources, but the job is not done when Book III is completed. There is more we can do to build our mutual credibility as well as to provide ourselves with better knowledge to apply to growing challenges. The IFC Strategic Plan, completed under Rod Wentworth's leadership, identifies many additional products.

Education, evaluation, enactment, and enforcement - For member agencies to be effective, we need to influence the public, not just a narrow subset of the public, to recognize that instream flows that sustain important ecological processes are in everyone's interest, not just the interest of some elitist minority. Regardless of differences, we need also to find common ground with other interests (water supply, public health, agriculture, hydropower, other). We need to work with others to educate the public about the role of water (and watershed) management for values that the public shares. The public must be able to evaluate the importance of instream flows and be able to conclude that instream flows and sound watershed management are sufficiently important and a high enough priority that the public will push for enactment and subsequent enforcement of laws to protect or restore instream flows.

III. What Does IFC Need in order to Accomplish its Purposes?

A. Basic Support and Operation

Strengthening member participation in IFC -IFC needs enough committed members to serve as officers and contribute to IFC projects. In addition, selected additional associate members that share the vision of IFC can assist in projects that serve IFC members and their objectives.

IFC has an Executive Director that provides considerable services to IFC as well as maintaining it and participating in projects, but keeping the Executive Director will require longer term reliable funding. The Executive Director has a role in a number of Strategic Plan objectives. As noted in the committee's fundraising goal, we want IFC operational funding to be self-sustaining. This is the most reliable and easiest to allocate type of funds – those which we earn ourselves. The U.S. tax-exempt classification of IFC (501(c)(6)), as well as IFC's limited membership of only agencies, have been obstacles to obtaining higher levels of operational funding.

Need for baseline funds - Funds should not drive IFC, but IFC needs should determine what funds IFC seeks. IFC funds are used to provide member services and services to IFC. Member services are primarily support of the webpage and listserv and travel to IFC functions or for members to represent IFC to another organization or entity. Services to IFC include financial and legal services, organizational development, and overall operations. IFC attempts to make biennial meetings self-supporting but IFC funds have been used to make up the difference.

Earlier deliberations by this committee identified a target of \$40,000 per year needed to support basic IFC services, including IFC Executive Director operational tasks (at about 1/3 of a total ¾ FTE), office rental, and other support for the Executive Director (see Appendix A). The committee identified several options to consider for generating additional revenue (See “How We Got Here...” document).

An option of investing IFC funds in Certificates of Deposit has been discussed intermittently over the years, but not formally acted upon.

IFC’s status as a 501(c)(6) tax exempt organization under United States Internal Revenue Service (IRS) regulations has been an obstacle to obtaining some grant funds. If IFC could qualify as a 501(c)(3) organization, also tax exempt, it might facilitate fund raising. If IFC truly wishes to be a mission + vision organization, that would further facilitate the conversion. If not, 501(c)(6) may be the appropriate IRS classification. Review of IFC historical files suggests that IFC intended to pursue 501(c)(3) during its formation.

B. Specific Projects

What IFC Needs to Achieve IFC Vision - We need to increase our effectiveness. With every passing year the pressures on aquatic ecosystems increase as human populations and water demands and land use increase.

But the people who have been most active in leading IFC projects are recognizing that IFC resources are strained. There are two resources of concern: The first is people who can devote time to IFC projects, and the second is funds to sustain those projects and products. Number of committed members should take precedence over funds; funds can be obtained for specific projects. Baseline funding should be procured as needs are identified and prioritized and the Strategic Plan implemented. It would be desirable to increase expertise of IFC membership to further enhance IFC credibility and usefulness of its products. In some cases funds may be used to hire outside help, but priority should be for IFC members to do projects because that is IFC’s strength, as well as how IFC grows in credibility and individual members learn useful skills and insights and gain credibility as they work on projects. So far, when IFC has had a project in mind, it has been able to obtain funds for specific projects. Projects need to be pursued that are consistent with the scale of member/staff capability for commitment. If active member support is not sufficient for larger scale projects, IFC may need to reduce the scale of its projects.

IV. Means to Sustain What IFC Needs

A. Options and Potential Consequences

Building IFC capacity within – We envision a three-tiered IFC structure. Some of the proposed structure is a reiteration and clarification of existing structure. New elements are optional and each element stands alone, so that rejection of one does not result in automatic rejection of all.

Governing Council – decisions and guidance of IFC

State/province fish and wildlife agency representative – agency is agency member. Agency representative’s membership is included in dues, other staff gets reduced General Council dues and are eligible to serve as officers

Agency delegated by a state/province fish and wildlife agency is authorized to be an agency member with similar status to state/province fish and wildlife agency, with other staff getting reduced General Council dues and eligible to serve as officers

General Council

Emeritus (\$150 lifetime membership option)

Honorary – have provided extraordinary service to IFC

Other staff of Governing Council-eligible agencies (see Governing Council, above)

Associate members – by consensus invitation of IFC regions and consensus of Executive Committee; trial limit of 20, divided evenly by region

Employees of other agencies who share IFC vision

Academic staff who share IFC vision

NGO staff who share IFC vision

(Commercial/consultant members who share IFC vision – considered but rejected for now)

One goal of IFC should be to bring all instream flow staff of member agencies into IFC as active General Council members. Formalizing that membership status while making sustained, directed, and sincere efforts to recruit new members from member agencies should greatly enhance the membership of IFC while helping IFC to fulfill its mission and achieve its vision. Currently, several states and provinces have multiple individuals that have participated somewhat in IFC, particularly in Region 5. We recommend that, in addition to agency membership represented by a single Governing Council member (i.e., the designated instream flow program manager or equivalent), staff membership (General Council membership) should be retained at \$25/year to allow participation in IFC activities, including the listserv and members-only website access. The “free” listserv access upon request would be eliminated.

The financial benefits of increasing Governing Council (member agencies) membership dues should be weighed carefully to guard against potential membership loss. Governing Council dues were established at \$250/year upon formation of IFC in 1998 and they have remained unchanged to date. With about 40 members, annual dues income to IFC is about \$10,000. Doubling the dues, as has been discussed by the Strategic Funding/Budgeting Committee, might result in some Governing Council members dropping out, so that doubling the dues might yield as little as an additional \$5,000 annually. If IFC Governing Council dues had been structured to keep pace with inflation, 2007 dues would be \$325 now (\$324.45; <http://www.bls.gov/cpi/>). In light of this fact, coupled with our serious commitment to take decisive action to help achieve IFC’s vision, it is recommended that Governing Council dues be increased to between \$400 and \$500. Governing Council members would be polled regarding the amount and to ensure support. Furthermore, measures should be taken to allow for the IFC Executive Committee to have authority over dues. Currently, dues are defined within the IFC Bylaws.

Emeritus members are a valuable resource of knowledge and experience. Currently, their dues are \$25/year. This rate should be retained, and an option of single payment lifetime membership at \$150 should be open to emeritus members, and this could be pro-rated with full credit for each year of dues already paid for those who had previously paid annual dues as emeritus members.

Honorary members are people outside provincial/state fish and wildlife agencies who have rendered extraordinary service to IFC. This should be continued with the clarification of the criterion. Dues are waived for honorary members.

An agency or other entity to whom the state or provincial fish and wildlife agency has delegated instream flow authority and responsibility for the province or state should be welcomed per current Bylaws as an (alternate) Governing Council member. Such recognition will strengthen the credibility of the agency and further progress toward IFC's vision.

Associate members – Invited, non-voting, Associate memberships should be considered. It will be necessary to weigh the benefits of any new membership categories against the potential risks or threats to IFC using the “Guiding Principles” (see “How we got Here” document) to inform decision-making. Some new membership categories could be subject to invitation. (Suggested procedure for nomination and invitation: Each IFC region's Governing Council members reach consensus on nominations, present nomination (with background info) to Executive Committee, Secretary compiles all nominations, Executive Committee consider and decide, and president issues invitation if approved by Executive Committee.)

Employees of federal, tribal, territorial (where not qualified as Governing Council member), and non-fish and wildlife agencies often work closely with Governing Council members to work towards the IFC's vision. In many cases they have expertise that complements that of IFC members. Their expertise would add to IFC credibility and IFC to their credibility, particularly if they contribute to IFC products. If they share IFC's vision, they may be invited by the Executive Committee following nomination by a region; dues of \$250/year per individual could allow them to be invitation-only Associate members.

Academic community members contribute to the science, law, and policy of instream flows and often work with Governing Council members. Like Governing Council members, university faculty are often perceived as unbiased experts. If they share IFC's vision, they may be invited by the Executive Committee following nomination by a region; dues of \$250/year could allow them to be Associate members.

Staff (paid or voluntary) of non-governmental organizations that share IFC's vision and sometimes work with IFC. If invited by the Executive Committee following nomination by a region; dues of \$250/year could allow them to be Associate members.

Environmental consultants come in a range of roles, from fairly unbiased technical advisors to strong advocates for their clients. Those with strong technical expertise and little bias may be valuable contributors to IFC projects. Association with IFC would be a significant value to them. Subject to invitation, dues of \$2,500/year could allow them to be General Council commercial members. Such commercial members would be required to sign a statement that they support the mission, vision, and other relevant principles of IFC. Such commercial members could be listed on the website in a way that does not detract from the primary messages IFC wants to put out. While we have considered this option, we do not believe it should be proposed at this time.

B. Committee's Consensus Recommendations (includes items that are merely clarifications or reinforcement of existing IFC bylaws) – Each recommendation, including lettered sub-items, is a stand-alone option, so that disapproval of one recommendation does not automatically affect the remaining recommendations.

1. Move toward changing IFC's IRS status to 501(c)(3) and do so in a timeframe that allows any necessary bylaw changes to be proposed to the Governing Council at their 2008 meeting. (This was the formation committee's preferred status in 1998, but (c)(6) was viewed as a stop-gap that would get us recognition as a non-profit organization, was easier to obtain, and less expensive than obtaining (c)(3) designation.).
2. Clarify the dues structure and benefits of Governing Council and General Council membership. Specifically, (a) remove the dues amount from the Bylaws and develop a policy to address, with related authority and responsibility vested in the Executive Committee; (b) query the Governing Council regarding \$400-\$500/year dues for Governing Council member agencies beginning in 2009; (c) require General Council membership dues (to be paid either by the agency or the individual) for additional (beyond Governing Council member) listserv access, eligibility for office, access to members-only website. All members, including Associates would be welcome at IFC meetings.
3. Provide a life membership option for emeritus members at \$150 with pro-rating for years already spent as an emeritus member.
4. Clarify the status of honorary members as those who have provided extraordinary service to IFC.
5. On a trial basis, create Associate membership (recommended dues \$250/year) that is non-voting and not eligible to be an IFC officer, but can otherwise participate in IFC activities and use IFC listserv and members-only website.
6. Operationalize that agencies to which states or provinces have delegated instream flow responsibility and authority can be Governing Council members (already allowed in IFC bylaws) – i.e., invite them in.
7. Allow Associate membership to federal, territorial (where not qualified as Governing Council member), tribal, and non-fish and wildlife agency employees who share IFC's mission and vision, subject to nomination through the IFC region and invitation by the Executive Committee.
8. Allow Associate membership to any academic institution faculty or staff member who shares in IFC's mission and vision, subject to nomination through the IFC region and invitation by the Executive Committee.
9. Allow Associate membership to staff of non-governmental organizations that share IFC's vision, subject to nomination through the IFC region and invitation by the Executive Committee.
10. Limit such invitational memberships to no more than 4 per region for a trial period. Evaluate continuation of such invitational memberships at the end of the trial period.

V. Risks of Instituting Recommendations

The greatest risk is that the “safe harbor” element of IFC will be reduced with expanded membership. All new categories are subject to invitation and Executive Committee review, intended to minimize the risk. Any Governing Council member can be subjected to political pressure, and that risk increases with effectiveness of IFC or the member. Potentially, political pressure could also be brought to bear in invitations, although Executive Committee review and approval should minimize that risk. IFC’s Governing Council would remain as it is, with the same degree of control as in 2007.

VI. Revenue-Generating Capacity of the Recommendations

The recommendations described above could generate an additional \$18,000 annually in unrestricted funds to IFC, as described below. This total excludes additional funds that may be generated via the trial methods at the bottom of the matrix.

Revenue Analysis – Committee Consensus Recommendation Package	
Invest in CDs Generates: additional \$1000/yr @ \$20,000 investment	Committee agreed on 8/2 to recommend to ExCom
Increase Dues Generates: @ \$400 - \$6,000 @ \$500 - \$10,000	Inflation brings \$250 in 1997 to \$325 today. We suggest we confer with the membership to determine their willingness to accept a dues increase to between \$400-\$500. We discussed a financial assistance program (similar to travel assistance), so we can increase funds but not lose members, but did not develop details for that.
Formalize Third Class of General Council Generates: 40 @ \$25 = \$1000/year	Now have 17 non-paying, could have at least one per member The advantage is increasing the active participation, widen the number and breadth of expertise. Suggested bylaw amendment already allowed these General Council members to be elected to office. Would eliminate “free” element of listserv policy.
“Delegate” Governing Council Members Generates: 2 @ \$400 = \$800/yr, or 2 @ \$500 = \$1,000/yr	Where flow-related fish and wildlife <u>authority</u> (not just work) has been delegated (e.g., to DFO), a representative of the delegatee agency/entity can become a Governing Council member under current Bylaws. Presumably other staff of these agencies could also join as General Council members.

Revenue Analysis – Committee Consensus Recommendation Package

Associate Members
Generates:
20 @ \$250 = 5,000/yr

In addition to Governing and General Council members, there would be a third class, Associates, which could not vote nor be elected to office. This would be implemented on a trial basis with a maximum of 20 added in 2009. For geographic diversity, regional Governing Council members (by consensus) would each be able to nominate 1/5 of the Associate members. Annual renewal would be subject to rejection by ExCom (same as for “alternate” governing council members now). Individuals representing the following would be allowed as Associate members, each being assessed \$250/year:

- Feds, other Territories, non f/w employees
- Academic faculty or staff
- NGO staff

Continued Trial of the following fundraising strategies:

- National/Regional Conference(s): We are currently planning a national conference, in part to raise IFC funds. The success of this as a fundraising tool will be evaluated after the event, including whether a national focus is the appropriate scope for both topical and member benefit as well as fundraising opportunities. National conference fundraising goal is \$50,000, but we won’t know for a long time if that’s realistic.
- Major Donor Program: We have been successful in obtaining the Hewlett capacity-building funds, in part due to the ability to claim a “start-up” situation with staff. This was a stretch, and other foundations have closed the door to us due to government entities as members and c6 status. We have translated the effort into raising funds for the 08 conference that will then become operating funds. This model (raising project sponsorship funds that can be used for overall operations) may also apply to the suggestion that IFC produce two case studies per year in booklet format beginning in 2009 – we would raise sponsorship monies for these projects in excess of team costs to produce and disseminate the products, as well as charge non-members for the products as well. Conversion to c6, and diversifying the membership, will help in all these areas. We are also laying the groundwork to ask Hewlett for continued operational funds.
- Other aspects from the original (2005) fundraising strategy are still being invoked, including book promotion, though no advertising has been undertaken.