



Governance Policy

Purpose

This policy addresses Department timber sale contracts and delegates certain decision-making authority to the Director for endowment related matters including routine and other land investment decisions.

Agency Contact

Division Administrator – Trust Land Management

Policy

I. Timber Sale Contracts

- A. The Department will present the Annual Timber Sale Plan to the Land Board for approval each year at the April Land Board meeting.
- B. Except for salvage sales, the Department will present individual proposed timber sales that fall outside of established Land Board policies to the Land Board for approval such as:
 1. Sales with clearcut silvicultural prescription units which exceed 100 acres,
 2. Sales with development credits that exceed 50% of net appraised sale value (33% of gross sale value), or
 3. Sales for which the Department has received written public comment.
- C. Fire, wind, and insect and disease salvage sales are exempt from Item I.B. requirements above.
- D. The Department will display names of all proposed timber sales and salvage sales for the next month in the monthly Director's Timber Sales Report.

II. Routine Land Investment Decisions (e.g., access acquisition, forest and range improvements, reforestation, building maintenance)

- A. Transactions <\$1,250,000 the IDL Director may authorize.
- B. Transactions >\$1,250,000 require Land Board approval.
- C. An audit of IDL procedures shall be conducted every 3-5 years.

III. Other Land Investment Decisions (e.g., land disposal, land acquisition, new tenant improvements)

- A. Transactions <\$250,000 the IDL Director may authorize; however, those that are complex or controversial may be vetted by the Land Investment Advisor.
- B. Transactions >\$250,000 require Land Board approval and may require review by the Land Board's Land Investment Advisor at the Board's discretion.
- C. Transactions >\$1,000,000 shall be subject to a post-audit every five (5) years. The Land Board's Land Investment Advisor shall review such transactions post-audit.

Revision History (Board Action)

- 12/15/2014 Adopted a governance structure as recommended by the Subcommittee on Endowment Investment Governance Strategy. First approved iteration of this policy.
- 09/15/2015 Modified the governance structure with an exception for salvage sales.
- 12/15/2015 Clarified the governance structure is a combination of the action originally approved on 12/15/2014 and the exception for salvage sales approved on 9/15/2015.
- 11/15/2022 Increased the delegated authority for routine land investment decisions to \$1,250,000 per transaction, increased the delegated authority for other land investment decisions to \$250,000 per transaction, and changed the time period for post-audits of other land investment decisions over \$1,000,000 in value to five (5) years.

