



2008 ANNUAL REPORT*

July 2009

A YEAR OF CHALLENGE, CHANGE

A Decline in Net Assets Value

Not unlike many other foundations that are invested in the stock market, the American Industrial Hygiene Foundation has experienced a significant decline in total net asset value. At the end of 2008, total net asset value had declined 15 percent. The endowment was down by 24 percent. (To date, the endowment has recovered some of its losses.) Because the losses brought the Foundation's total net asset value very near the corpus value, which is the endowment principal that is to be held in perpetuity, the trustee voted to not fund scholarships from the endowment fund for the 2009-2010 academic-year. During a typical year, scholarships are funded from the income generated by the endowment.

Our Member Organizations Come Through for the Foundation

Realizing the downturn in the economy was probably creating an even greater need for student financial aid, the AIHA Board of Directors approved a \$50,000 donation to the Foundation to be used to fund scholarships for the 2009-2010 academic-year. In addition, the Foundation received one-time scholarships from the Georgia, Alabama, Chicago, Deep South, Michigan and Northern California Local Sections. Thanks to the generosity of these member organizations, the Foundation was able to award 26 scholarships to 20 students. In all, the Foundation awarded \$60,700 in scholarships for the 2009-2010 academic year.

A Tough Year for Fundraising

In 2007, the AIHF Board of Trustees launched the *Our Legacy, Our Future Campaign for the AIHF*. The financial goal of the fundraising effort was \$3 million, which would significantly increase the Foundation's endowment and enable it to attract more talented individuals into the profession by increasing the number of available scholarships.

The trustees and friends of the Foundation began stealthily working behind the scene in late 2007, planning and laying the groundwork to ensure a successful campaign. As the campaign planning effort moved forward into 2008, simultaneously, the nation's economy was heading towards what would become its worst financial crisis since the Great Depression.

During the campaign's "silent phase," which involved volunteers contacting and soliciting potential corporate and large donors, it became abundantly clear the economic recession, coupled with

A Snapshot

- ***AIHA member organizations come through for the Foundation during a tough year.***
- ***AIHF awards \$60,700 in scholarships.***
- ***AIHF total net assets decreases 15 % over 2007.***
- ***AIHF kicks off its Planned Giving Program, The Legacy Circle.***
- ***AIHF trustee board restructures to conserve resources and to strengthen its relationship with the AIHA board.***

* The annual report covers the period between AIHA annual conferences, while the fiscal year follows the calendar.

The Foundation is advancing the profession by awarding scholarships to students in industrial hygiene and related disciplines.

significant losses in the stock market had created a difficult environment in which to raise money. Consequently, the trustee board decided to suspend most of the campaign until the economic outlook improved.

All Not For Naught

Much labor went into planning and executing the initial stages of the campaign, and an enormous amount of gratitude is extended to those who participated. While the effort did not translate into significant amount of cash donations, all is not for naught, as the contacts made to targeted corporations served to raise the level of awareness of the Foundation and enhanced the Foundation's public relations with this targeted group. None of the corporations solicited were negative regarding donating to the Foundation. They stated that they were negatively impacted by the economy and indicated that the issue could be revisited at a later time.

Our Legacy, Our Future Campaign strategy included a Planned Giving component. The AIHF Planned Giving Program (aka *The Legacy Circle*) established policies and guidelines to allow donors to leave gifts (e.g., cash, real estate, trusts, life insurance policies, etc.) to the Foundation upon death. An AIHF Planned Giving Luncheon was held during the PCIH in Tampa, FL in the fall of 2008. In the near term, the *AIHF Legacy Program* will be a fundraising focus area for the Foundation.

The AIHF Trustee Board Restructures

Today's reality is that organizations must accomplish more, and do it with greater efficiencies. Oftentimes, this reality translates into doing more with less. To better position the Foundation to achieve its mission, goals and objectives, while conserving volunteer, staff and financial resources, the AIHF Trustees proposed to the AIHA Board of Directors that it be allowed to restructure its board.

The restructuring plan included reducing the board from a maximum of 18 members to seven members. The new seven-member board would comprise a president, president-elect, a treasurer, two at-large members and two AIHA Board members to serve simultaneous terms. The restructuring plan was approved by both boards and became effective at the conclusion of the AIHce in Toronto. The new board structure facilitates a closer relationship between the Foundation and the AIHA boards. For additional details on the restructuring plan, see [AIHF New Board Structure](#).

Other Accomplishments:


- The AIHF worked to further solidify its relationship with the AIHA Local Sections, as evident by the donations received during the past year.
- The AIHF partnered with TSI, Inc. to distribute the remaining production stock of 33 PortaCount® Plus Respirator Fit Tester Model 8020's, which had recently been retired, to academic institutions to be used for instruction and research.
- The AIHF voted to revise its Investment Policy. The substantive change to the policy is that money held in the operating budget fund in excess of the total net operating budget is required to be transferred from an interest-bearing account into a better investment option.
- The AIHF voted to allow a corporate donor to endow and name a scholarship with a minimum contribution of \$25,000, which aligns with the policy for individual donors.

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American Industrial Hygiene Foundation
Statements of Financial Position

	December 31,	
	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 315,615	\$ 306,760
Endowment investments, at fair market value	1,519,352	1,877,862
Interest receivable	6,374	8,495
Pledges receivable, net of allowance of \$18,150 and \$3,150 in 2008 and 2007, respectively	134,639	109,755
Due from AIHA	<u>8,120</u>	<u>23,585</u>
Total assets	<u>\$ 1,984,100</u>	<u>\$ 2,326,457</u>
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,866	\$ -
Due to AIHA	5,457	2,197
Total liabilities	9,323	2,197
Net assets:		
Unrestricted net assets	67,841	270,797
Temporarily restricted net assets	20,000	326,856
Permanently restricted net assets	<u>1,886,936</u>	<u>1,726,607</u>
Total net assets	<u>1,974,777</u>	<u>2,324,260</u>
Total liabilities and net assets	<u>\$ 1,984,100</u>	<u>\$ 2,326,457</u>

Respectively submitted.



Curtis Hintz, CIH, CSP
AIHF President



Zeke Haslam, CIH, CSP
AIHF Treasurer

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AIHF Trustee Board New Structure

Mission

American Industrial Hygiene Foundation (AIHF) Scholarship Program awards scholarships to students studying industrial hygiene and related disciplines.

Foundation Responsibilities

- Provide effective stewardship of the Foundation assets and budget. At least annually report to Foundation stakeholders, including the AIHA Board.
- Develop and implement a strategic plan and associated deliverables that align with the AIHA Strategic Plan. Interface with the investment company to ensure that funds are secure and properly invested.
- Coordinate all major fundraising efforts with the AIHA board.
- Provide effective stewardship of the scholarship award process. Solicit applications, review applications, award applicants with scholarships.
- Engage AIHA local sections in Foundation activities at grassroots level—local section sponsored scholarships, alliances with local universities, hosting of local scholarship recipients.
- Periodically conduct independent management review of Foundation’s activities to ensure the organization’s continued relevance, viability and effectiveness.

Structure

As a 501(c) 3 organization, it is important for a Board of Trustees to be separate while maintaining a strong tie to AIHA. As such, the new board will be structured as following:

- New Board of Trustees is appointed by the AIHA Board of Directors to include representation of the following:
 - Chairman, Board of Trustees (appointed by AIHA Board, with stewardship for strategic plan, management review, concerted fundraising activities and succession planning). The Chairman will be invited to AIHA Board meetings when the Foundation is on the agenda. AIHA will cover the travel expenses of the Chairman.
 - Chairman-elect, Board of Trustees (appointed by AIHA Board, assists Chairman with stewardship for strategic plan, management review, concerted fundraising activities and succession planning)
 - Treasurer (approved by AIHA Board, with stewardship for Foundation assets and budget, supported by Diane Young, AIHA director of finance).
 - Two (2) current Trustees to remain (approved by AIHA Board, with stewardship for local section engagement, formal communications and scholarship process).
 - Two (2) AIHA Board members to serve simultaneous terms on Foundation and AIHA Board of Directors (with stewardship for local section engagement, formal communications and scholarship process).
- Foundation activities and results will be part of the new Board Performance Scorecard process as are the activities of the Academy and Local Section Council.
- Fundraising will be achieved through:

- Dues check-off
- Fun Run
- AIHce pin sales
- Concerted fundraising would be administered through the formation of a “Friends of the Foundation” committee. The Foundation Chairman would serve as the Chair of the committee.
- Staffing the Foundation will be accomplished through a partnership with the Member Services and Executive Office teams. Staff time is anticipated to drop over time from approximately 50% to approximately 20%, with a bulk of the support going to ensure that the scholarship process and financial administration duties are continued.

Terms of Office

- One year term for Chair-Elect, followed by one year as Chair
- One year term for Treasurer, renewable
- Trustees serve a three-year term.
- AIHA Board representatives will serve staggered terms so that at no time are both positions being filled the same year.
- Nomination Process
 - The Chairman and Chairman-elect will work with the Foundation trustees to identify new trustee recruits for Board consideration. E-mail notice to AIHA membership for potential new trustee recruits would be considered to broaden the base of potential candidates. Consideration will be given to including a perspective trustee who is not directly affiliated with the IH profession to ensure a broad, unbiased perspective on the Foundation and its workings.