

**THE DEADLINE FOR SUBMISSION OF ACCOUNTABILITY REPORTS
(ELECTRONIC PLUS FOUR PRINTED COPIES) IS
WEDNESDAY,SEPTEMBER 15,2004**

Accountability Report Transmittal Form

Agency Name The South Carolina Conservation Bank

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THE SOUTH CAROLINA CONSERVATION BANK

The South Carolina Conservation Bank was created by the General Assembly and signed into law by the Governor under Act. 200 in April 2002. It did not officially begin operations until January 1, 2003. The Act deferred all State funding until July 2004. It is currently operating administratively with one employee-utilizing private sector dedicated funds. It is a new agency and will begin operating on state funds in September, 2004. Additionally, there are no prior years to provide comparative data or are there any appropriate benchmarks available at this time. When the Bank receives funding and begins administering its grant program these issues will be more fully addressed..

SECTION 1-EXECUTIVE SUMMARY

1.MISSION AND VALUES

The Mission of the South Carolina Conservation Bank is to establish an ongoing program to promote conservation of significant lands and habitats in South Carolina and to improve the quality of life by conserving natural resource lands, wetlands, historical lands, and archeological sites important to the future of the State.

To accomplish this mission we will :

*Fairly and equitably distribute funding for conservation and instill public integrity and usefulness in our programs.

*Provide education and guidance to stakeholders on statutory requirements and priority conservation issues.

*Recommend improvements to the statute as needed to ensure its long term viability and efficiency.

*Support the education of the public and our customers in the role and opportunities the Bank provides in conserving natural resources.

The values of our agency are: Fairness; Integrity; Customer and Stakeholder Focus; and Accountability

SOUTH CAROLINA CONSERVATION BANK

Organization Chart

August 24, 2004

SC CONSERVATION BANK BOARD

Charles Lane, Chairman

Weston Adams, III, Elliott Close, Tom DeLoach, Ben Geer Keys,
Thomas W. Miller, Henry Tisdale, Ph.D., Hugh Weathers,
ex officio: Mike McShane, Gary Poliakoff, Chad Prosser

Executive Director
Marvin N. Davant
803-734-3986

STRATEGIC GOALS

The South Carolina Conservation Bank 's Strategic Plan is designed to focus on the following basic objectives:

*Goal-To establish sustainable amounts of diverse habitat reflecting the values of South Carolina citizens.

Objective: Within the next five years improve the abundance and distribution of conserved properties.

*Goal-To enhance the use and enjoyment of conserved habitats consistent with the mission of the Conservation Bank Act.

Objective: To increase the distribution, number, and types of opportunities for use of conserved habitats.

Objective: To develop and maintain an inventory of conserved properties.

*Goal-An informed and supportive public that has ownership in both conservation practices and benefits.

Objective: To improve public awareness and understanding of resource management issues and increased opportunities to participate in the process.

*Goal-To Develop and maintain effective and supportive partnerships that enable the Conservation Bank and its partners to reach mutual goals in conservation.

Objective: To increase successful projects and programs that involves collaborative partnerships.

*Goal-To develop and maintain effective support and planning systems.

Objective: Develop and implement an effective criteria award priority system for conservation proposals.

Objective: Develop web site with continuing updates.

Objective: Develop strategy for an integrated business and budget planning system to guide the agency in allocating services and resources.

Objective: Develop tracking system on heir's property.

Objective: Establish update system on accomplishments for stakeholders.

Objective; Establish working focus groups and technical review panels to advise agency on issues and to provide stakeholder input.

3.OPPORTUNITIES AND BARRIERS

Opportunities:

- 1.Because the Conservation Bank is a new agency and because many other states already have similar agencies the Conservation Bank has had the opportunity to study other states efforts and utilize their successes and failures.
- 2.The opportunity to partner with other government and private entities having similar goals and objectives.
- 3.Many large landowners are currently placing large tracts of land on the open market. The window of opportunity to conserve large tracts of land in SC is available now.

Barriers:

- 1.The fact that the Conservation Bank previously had no state funding and the oscillating economy may present continuing problems.
- 2.The window of opportunity to conserve large tracts of land that currently exists may be short lived.
- 3.Section Five of the SCCBank Act stipulates that if the General Assembly in the annual general appropriations act provides less appropriations than what was provided the previous year to at least half of the state agencies or departments or if the Budget and Control Board orders across the board budget cuts the Conservation Bank will receive no further funding for that fiscal year.
4. Section 11-9-95 now puts documentary stamp tax revenues on an accrual basis thereby deleting important revenues from available funding.

4.MAJOR ACHEIVEMENTS FROM PAST YEAR

The Conservation Bank has only been in existence for six months of this reporting period. It has however achieved the following:

- a) The Bank is recognized as a state agency officially and has two separate accounts in the State Treasurers office.
- b) It has re-negotiated an MOU with a state agency to provide
- c) A web site has been created and is on line.(<http://sccbanc.sc.gov>) Updating is ongoing.
- d) The Bank has already completed its second independent audit and was found in compliance.
- e) An official focus group for input and communications with stakeholders has been implemented with environmental, conservation, hunting and fishing, and business interests represented and is providing valuable input.
- f) A technical review panel has been implemented.
- g) The Conservation Bank has formulated and approved its grant application process and its awards criteria program and is on line. Legal review is now complete.
- h) An agreement with the SCDOR to have its property tax appraisers evaluate grant application appraisals.
- i) The Bank has set its filing deadlines and notified its key stakeholders.

5. HOW THE ACCOUNTABILITY REPORT IS USED TO IMPROVE ORGANIZATIONAL PERFORMANCE.

The accountability report is frequently compared to the strategic and business plans to make frequent checks on the performance of the Bank towards its progress on goals and objectives.

SECTION 11-BUSINESS OVERVIEW

1.Number of employees-one(1)

2.Operations locations-Room 316,Dennis Bldg.,1000 Assembly St. Columbia, S.C.

3.Expenditures/appropriations chart.

4.Key customers segments linked to products/services-Qualified land trusts, conservation organizations, environmental

organizations, other government agencies, businesses that qualify, and landowners.

5.Key stakeholders-Governor, General Assembly, State Treasurer, qualified eligible recipients, owners of heir's property.

6.Key suppliers-The General Assembly, other state agencies, federal government, and private foundations.

7.Organizational structure-The Conservation Bank consists of a twelve member Board appointed by the Governor, Senate, and House Of Representatives. It has one employee, an executive director. The executive director carries out the policies as set by the Board within its statutory mandates in conjunction with review by the Board Chairman.

Accountability Report Appropriations/Expenditures Chart Example

The chart form is available at www.state.sc.us/osb. Use the chart for Section II Business Overview Item 3 in the accountability report.

Base Budget Expenditures and Appropriations

| Major Budget Categories | 02-03 Actual Expenditures | | 03-04 Actual Expenditures | | 04-05 Appropriations Act | |
|-------------------------------|---------------------------|---------------|---------------------------|---------------|--------------------------|---------------|
| | Total Funds | General Funds | Total Funds | General Funds | Total Funds | General Funds |
| Personal Service | 21,101 | none \$ | 49,999.92\$ | \$none | \$65,000.00 | \$none |
| Other Operating | 944 | none \$ | 2,435.68 | \$none | \$31,728.00 | \$none |
| Special Items | none\$ | none\$ | \$none | \$none | \$8,138,094 | \$none |
| Permanent Improvements | none\$ | none\$ | \$none | \$none | \$none | \$none |
| Case Services | none\$ | none\$ | \$none | \$none | \$none | \$none |
| Distributions to Subdivisions | none\$ | none\$ | \$none | \$none | \$none | \$none |
| Fringe Benefits | 3,904 | none\$ | 9324.96 | \$none | \$15,178.00 | \$none |
| Non-recurring | none\$ | none\$ | \$none | \$none | \$none | \$none |
| Total | 25,949 | none\$ | \$61,760.56 | \$none | \$8,250,000.00 | \$none |

Other Expenditures

| Sources of Funds | 02-03 Actual Expenditures | 03-04 Actual Expenditures |
|-----------------------|---------------------------|---------------------------|
| Supplemental Bills | \$none | \$none |
| Capital Reserve Funds | \$none | \$none |
| Bonds | \$none | \$none |

Interim Budget Reductions

| Total 02-03 Interim Budget Reduction | Total 03-04 Interim Budget Reduction |
|--------------------------------------|--------------------------------------|
| \$none | \$none |

SECTION 111- ELEMENTS OF MALCOLM BALDRIDGE AWARD CRITERIA

Category 1-Leadership

Leadership of the Conservation Bank consists of a twelve- man board, a chairman, vice chairman, and treasurer. This Board sets the policies of the agency. An executive director provides the administration and management as set by the Board. Direction is set by the Business Plan and the Strategic Plan. Leadership is focused on external and internal customers by supporting the goals and objectives of the agency. These objectives are directly related to the Strategic Plan and the performance measures thereof. Management provides a monthly update to the Board Chairman. Fiscal accountability is promoted and maintained by having an outside state agency provide accounting and financial services to the Bank. Oversight is by the Board in quarterly reviews. Only the Board has authority to make grants which are reviewed by outside counsel and the CG office. The agency also has an annual audit by an outside accounting firm.

The Executive Director has been trained in quality management principles, team leadership, and Baldrige Criteria. Public trust is a vital element of maintaining voluntary participation in conservation. We maintain a high degree of business ethics by 1) communicating with and including customers and stakeholders in our planning processes proactively 2) availability for input through e-mail and advisory positions from agency staff 3) and by review of the agency processes and procedures by the Technical Review Team and outside legal counsel.

The Conservation Bank has partnered with business groups such as The State Chamber Of Commerce, SCBIPEC, Farm Bureau; state agencies such as PRT, SCDNR, and SC Forestry; and private sector groups such as The Conservation Fund, Ducks Unlimited, The Nature Conservancy, and others. This collaboration has provided private sector funding, office space, technical review, and legal counsel. We are frequently called upon to make presentations on conservation and the role the Conservation Bank plays.

Category 2 -Strategic Planning

The agency's strategic plan is the basis for the planning process. The plan is directed towards the future for business decisions,

management, and resource allocations as well as agency priority decisions. Our focus is to continue to seek input from our customers and stakeholders and to form and implement collaborative partnerships with all qualified entities. The annual business plan objectives are specifically related to the Strategic Plan.

Category 3-Customer Focus.

The Bank's implementation and planning process has identified the agency's key customers and stakeholders as those qualified entities who qualify for funding under the Conservation Bank Act such as: land trusts, environmental, and conservation organizations; the state agencies which qualify (PRT, SCDNR, SC Forestry); federal government and municipalities; elected officials, The Governor, Lt. Governor, The General Assembly; and landowners in South Carolina. We determine our customers from the services we provide. We then seek our customer feedback through our focus group and technical review team. This gives us the opportunity to determine our customer needs by defining terms, asking questions,

and allowing our customers and stakeholders to proactively be involved in setting the standards by which they will have to comply in order to partner with the Conservation bank. We will then generate strategies to address and include our customers' needs. This process not only builds public awareness and confidence but also gives the stakeholders and customers a real ownership in the process and the product. Quarterly progress reviews are given to the Focus Team and the Technical Review Team to disseminate what has been accomplished and to receive feedback and improvement suggestions. Our WEB site contains status updates and the opportunity for feedback from the general public. Many of our performance measures are tied directly to customer expectations.

Category 4- Measurement, Analysis, and Knowledge Management

The agency uses the feedback data from its Focus Team and its Technical Review Team and other partners to identify improvements that will further educate our customers and stakeholders as well as the general public as to the role of the Conservation Bank in conserving significant lands in S.C. Continued research on other state's programs will lead to common key measures and national performance measures when the data is available for comparison. The SCCBank has only one employee.

Extensive business records of all grant transactions and award criteria will be available when made.

Category 5-Human Resource Focus.

The South Carolina Conservation Bank currently has one employee, an executive director. The position description is written to tie directly to the mission of the agency. The director has direct access to the Chairman of The Board and to all Board members. Additionally, the agency has direct communication ties to PRT, SCDNR, and the SC Forestry Dept. that enhances the resource capability of the office. The executive director has attended the SC Executive Institute, The Federal Executive Institute, and many quality and leadership training skills courses. The executive director as well as the entire Board is well known and active in their respective communities. Employee well being is important to the agency and if any new employees are hired the agency will continue to stress this priority.

Category 6-Process Management

The key processes of the Conservation Bank will be the Grant Application process, the Project Priority grading process, and funding capability of the Bank. The grant application and project priority process have been established utilizing the majority of the feedback from the end users and will soon be ready to implement. It should have a high level of customer satisfaction as it was designed by a consensus of end users. Mission, service performance, and operational performance is, as yet, untested, as The Bank has not yet received any State funding with which to purchase interests in lands. When this occurs, performance measures in these areas will be attainable. Financial performance internally has relied solely on private sector funding to this point. The Bank has just completed an outside audit and has been found to be in compliance. The agency is well within its adopted budget.

Category 7-Business Results

The current short term business plan of the agency is to have its administrative responsibilities, its policies, its processes including grant application, funding cycles, and funding priorities as well as public education and awareness proactively ready for procurement of interests in land in SC as soon as State funding becomes available.

- a) Customer satisfaction-The Bank has involved the majority of its customers and stakeholders in all of its processes to date.

The level of customer satisfaction in the process has exceeded expectations according to feedback from our Focus Group and Technical Review Team. While the Bank is not yet funded when funding becomes available a different level of customer satisfaction will be expected along with different key measures to consider same.

- b) What are your performance levels and trends for key measures of mission accomplishment?-In our short term business plan our performance measures meet or exceed expectations. This is with the knowledge that funding will change this short term plan to a larger vision and accompanying key measures.

| Strategic Planning | | | |
|---|--|---|--|
| Program | Supported Agency | Related FY 03-04 | Key Cross |
| Number | Strategic Planning | Key Agency | References for |
| and Title | Goal/Objective | Action Plan/Initiative(s) | Performance Measures* |
| program 1 admn. | Establish sustainable amounts of diverse habitat reflecting the values of the citizens of South Carolina | Within the next five years improve the distribution and abundance of conserved propertis through conservation easements,low interest loans, and fee simple purchase of significant lands from willing landowners. | * |
| program 1 admn. | To enhance th use and enjoyment of conserved habitats consistent with the mission of the Conservation Bank. | By increasing the distribution,number,and types of opportunities and by developing an inventory of conserved properties. | * |
| program 1 admn. | To improve public awareness and understanding of resource management issues and increased opportunities to participate in the conservation easement process. | By improving public awareness and undstanding of resource management issues a nd increased opportunities to participate in the process by speaking engagements,educational material,and involvement in technical review and focus g rroups. | Made 16 speaking engagements. Attended 7 joint conferences. Implemented and met 8 times with technical review and focus group. |
| program 1 admn. | To develop and maintain effective and supportive partnerships that enable the SCCBank and it partners to reach mutual goals in conservation. | By increasing successful projects with qualified entities that involve collaboration between the Bank, the qualified entity, and the landowner. | set up quarterly meetings between SCCBank and Qualified Entities;created communications link by web site with all entities. |
| program 1 admn. | Develop and maintain effective support and planning systems. | develop and maintain an effective agrant award cirteria system;develop and update web site; develop tracking system on heir's property;establish accomplishment system for stakeholders;establish working focus and review groups for advice and input. | designed and implemented award criteria; dewsigned and implemented grant application;web site on line;met with SCBAR began heirs tracking system; established focus and technical review teams with quarterly updates. |
| program1 admn. | Establish update system on accomplishments for stakeholders | | system is designed and will be put on line when grants are actually made. |
| | * The SCConservation Bank is a new state agency and during 03-04 had no state funding with which to begin these projects.While we believe our performance exceeds expectations we will not be able to accurately provide performance measures. | measures until funding begins.We acknowledge that with the beginning of state funding in September of 2004 that key measures of performance will on these strategic initiatives will be effectively developed and utilized for success maasurement over time. | |
| * Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document. | | | |

Major Program Areas

| Program Number and Title | Major Program Area Purpose (Brief) | FY 02-03 Budget Expenditures | FY 03-04 Budget Expenditures | Key Cross References for Financial Results* |
|---------------------------------|--|---|--|--|
| program 1 admn. | To conserve significant properties in SC by conservation easements, low interest loans, and purchase of title. | State: Federal: Other: 25,949.00 Total: 100% Of Total budget | State: Federal: Other: 61,760.56 Total: 100% of Total Budget: | |
| | | State: Federal: Other: Total: % of Total Budget: | State: Federal: Other: Total: % of Total Budget: | |
| | | State: Federal: Other: Total: % of Total Budget: | State: Federal: Other: Total: % of Total Budget: | |
| | | State: Federal: Other: Total: % of Total Budget: | State: Federal: Other: Total: % of Total Budget: | |
| | | State: Federal: Other: Total: % of Total Budget: | State: Federal: Other: Total: % of Total Budget: | |

Below: List any programs not included above and show the remainder of expenditures by source of funds.

| | | |
|-----------------------------------|---------------------------|---------------------------|
| Remainder of Expenditures: | State: | State: |
| | Federal: | Federal: |
| | Other: | Other: |
| | Total: | Total: |
| | % of Total Budget: | % of Total Budget: |

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.