Committee Goals & Objectives

XIII. Investment

Funds Management Policy & Investment Guidelines And Objectives

The funds of the Association will be managed by an Investment Committee.

The Investment Committee will operate under the Guidelines approved by the Board of Directors of the association. The Guidelines will be reviewed by the Board of Directors at least once every three years.

The Investment Committee will have three (3) members with three-year staggered terms. One member will always be the Association’s Treasurer who will also serve as Chairman of the Investment Committee. The Association President will also serve as an ex-officio member of this committee.

The guidelines and objectives are:

To preserve capital and liquidity, and to optimize the investment return within the constraints of the policy approved by the Association’s Board of Directors.

The Association’s funds shall be invested in cash, fixed income investments, and equity mutual funds:

a. **Cash** – The amount of funds invested in cash shall at all times be sufficient to provide for timely payment of the Association’s obligations. These funds shall be deposited in financial institutions whose deposits are insured by an agency of the U.S. Federal Government. The use of an overnight sweep account, and purchasing U.S. Treasury and Federal Agency obligations shall be an acceptable noninsured investment.

b. **Fixed Income** – Board of Directors-approved investments include U.S. Treasury obligations, Federal Agency obligations, and Certificates of Deposit which are backed by the full faith and credit of the U.S. Government. It shall be the Investment Committee’s goal to “ladder” these investments for a period not less than seven or more than ten years. Based on anticipated needs and/or market conditions, the Board of Directors may instruct the Investment Committee to invest in funds shorter than seven and and longer ten years.

c. **Equity Mutual Funds** – Investment of up to 20 percent of the Association’s funds will be divided into a maximum of three separate equity mutual funds. If the mutual funds’ value exceeds the 20 percent limit, no additional general funds are to be invested. This limit shall not require the sale of equity funds, for the sole purpose of not exceeding the 20 percent limit. Dividends received from equity mutual funds may be reinvested into the equity funds from which they were earned. This decision will be made by the Executive Vice President and Treasurer jointly.
Funds shall be allocated:
Cash – As required for operations
Equities – Approximately 20 percent of total funds
Fixed Income – Amount not included in cash and equities
A report of the investments shall be given annually during the Fall Convention Board of Directors Meeting.