



## **Assistance League® of Omaha Investment Policy**

### **Purpose**

The purpose of this investment policy shall be to define investment objectives, set forth investment guidelines and assign responsibility for their implementation. This investment policy shall serve as the cornerstone by which all investment purchases and sales shall be monitored for suitability and performance.

The Board of Assistance League of Omaha holds all funds of Assistance League of Omaha as a fiduciary and is therefore responsible for sound financial management. The following investment policy is to be considered in light of an overall sense of stewardship.

### **Delegation of Authority**

The Board delegates supervisory authority over its investments to the Finance Committee. The Finance Committee is responsible for regularly reporting on investments to the Board. In carrying out its responsibilities, the Finance Committee and its agents shall act in accordance with this investment policy and all applicable laws and regulations. Any changes to this investment policy shall be approved by the Board.

The Board and the Finance Committee are authorized to retain one or more investment professionals to advise the chapter in the investment management of funds and assets owned or administered. The investment professional shall be qualified in the securities industry and a registered broker/dealer. With the approval of the Board the Finance Committee is authorized to receive reports from, pay compensation to and enter into agreements with such professionals. The representatives from D. A. Davidson serve as the Assistance League of Omaha's investment professionals.

### **Investment Objectives**

The primary investment objective of a chapter is to preserve and protect its assets by earning a total return appropriate to the chapter's time horizon, liquidity needs and risk tolerance. Assistance League of Omaha assets have been classified into the following five (5) tiers:

**Tier 1: Current Operating Funds.** The purpose of this tier is to assure adequate liquidity and safety for current operations. To achieve this goal, the Finance Committee shall match maturities of Tier 1 investments to the chapter's cash flow draw-down requirements for the current year. The Tier 1 investments shall be "risk-free" in nature and maturities shall not exceed 180 days.

**Tier 2: Operating Budget Reserve Funds.** The purpose of this tier is to ensure adequate resources for a one-year operating budget reserve. When investing these reserve funds, emphasis will be placed on safety, liquidity and yield in that order.

**Tier 3: Endowment Funds.** The purpose of this tier is to maximize total return consistent with safety of principal. Liquidity is a secondary objective.

**Tier 4: Capital Campaign Funds.** The purpose of this tier is to assure adequate liquidity and safety for contributions received for a new building project until funds are needed.

Tier 5: Building Reserve Maintenance Funds. The purpose of this tier is to assure adequate liquidity and safety for contributions received for necessary required improvements to our building.

After consultation with the Budget and Finance Committees, the Board shall specify to the Finance Committee the dollar amounts to be maintained in each tier.

### **Investment Asset Allocation**

	<u>Acceptable Ranges of Investment</u>	
	<u>Equities &amp; Mutual Funds</u>	<u>Cash &amp; Cash Equivalents</u>
Tier 1 Operating Funds	0%	100%
Tier 2 Operating Budget Reserve Funds	0%	100%
Tier 3 Endowment Funds	0-80%	0-20%
Tier 4 Capital Campaign Funds	0%	100%
Tier 5 Building Reserve Maintenance Funds	0%	100%

### **Investment Guidelines**

Allowable Assets – To accomplish the corporation’s investment objectives, the following types of investments shall be allowed: Equity Securities, Mutual Funds and Cash & Cash Equivalents.

Asset Quality and Diversification – All investments shall be diversified in accordance with this investment policy and shall be purchased for cash.

Equity securities should include common stock, preferred stock and convertible preferred stock. The quality of rating of stocks shall be B+ or better, as rated by Standards & Poor’s or other equivalent rating services. No single stock or company security shall exceed 5% of the total portfolio at the time of purchase.

Mutual Funds shall be limited to equity funds that have a Morningstar rating of four (4) stars. Attention shall be paid to the fee structure of any mutual fund purchased.

Cash & Cash Equivalents should be “risk-free” assets and may include U.S. Treasury Bills, certificates of deposits from institutions insured by the FDIC and money market funds.

### **Assignment of Responsibility**

The Board of Assistance League® of Omaha responsibilities include, but are not limited to projecting the chapter’s financial needs, approving and periodically reviewing this investment policy and reviewing the Finance Committee’s annual report.

The Finance Committee shall have full discretion to make all investment decisions for the assets placed under its jurisdiction, while adhering to the specific limitations and guidelines set forth in this investment policy. Specific responsibilities of the Investment Committee include, but are not limited to:

1. Decisions to buy, sell or hold individual securities and to alter asset allocation within the guidelines established in this investment policy.
2. Monitoring and evaluating performance results to ensure that policy guidelines are being adhered to and that objectives are being met.

3. Reporting investment performance results to the Board on an annual basis, with the assistance of our investment professionals.
4. Meeting, at least annually, with the investment adviser to review past account performance, observe current market conditions and adjust as necessary the coming year's allocation mix.
5. Reviewing and evaluating investment professionals every two years.

The investment broker is required to adhere to the specific limitations and guidelines set forth in this investment policy. Specific responsibilities of the investment broker include, but are not limited to:

1. Placing buy and sell orders at the direction of the Finance Committee.
2. Providing monthly statements in writing to the Finance Committee.
3. Communicating any change in market conditions to the Finance Committee and making specific recommendations for consideration.
4. Disclosing to the Finance Committee all sales charges and fees prior to any transaction.
5. Meeting annually with the Board to review account performance.