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## EXECUTIVE SUMMARY

|                                     |                                |
|-------------------------------------|--------------------------------|
| <b>Type of Plan</b>                 | <b>Short Term Foundation</b>   |
| <b>Current Assets:</b>              | \$                             |
| <b>Time Horizon:</b>                | 1 - 2 Years                    |
| <b>Expected Real Return:</b>        | 0-1%                           |
| <b>Recommended Spending Policy:</b> | To be determined by each Donor |

### Asset Allocation

| Lower                           | <u>Limit</u> | <u>Strategic Allocation</u> | Upper<br><u>Limit</u> |
|---------------------------------|--------------|-----------------------------|-----------------------|
| Domestic Large Cap Equities     | 0.0%         | <b>0.0%</b>                 | 0.0%                  |
| Cash & Cash Equivalents         | 70.0%        | <b>80.0%</b>                | 90.0%                 |
| Domestic Small Cap Equities     | 0.0%         | <b>0.0%</b>                 | 0.0%                  |
| Core International Fixed Income | 0.0%         | <b>0.0%</b>                 | 0.0%                  |
| Fixed Income                    | 10.0%        | <b>20.0%</b>                | 30.0%                 |
| Domestic Mid Cap Equities       | 0.0%         | <b>0.0%</b>                 | 00.0%                 |

**EVALUATION BENCHMARK:** 90 DAY TREASURY BILL RATE

### SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy, objectives, and constraints of the entire JCF.

### PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by The Finance Committee of the Juneau Community Foundation in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives of Fund assets.

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3. Offer guidance and limitations to all Investment Managers regarding the investment of Fund assets.
  4. Establish a basis for evaluating investment results.
  5. Manage Fund assets according to prudent standards as established in common trust law.
  6. Establish the relevant investment horizon for which the Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

## **DELEGATION OF AUTHORITY**

The Finance Committee of the Foundation is a fiduciary, and is responsible for directing and monitoring the investment management of Fund assets. As such, The Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.
2. Co-Trustee. The Finance Committee may appoint an outside individual or entity, such as a bank trust department, to be co-trustee. The Co-trustee will assume fiduciary responsibility for the administration of Fund assets.
3. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by The Finance Committee to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Fund as deemed appropriate and necessary.

## **DEFINITIONS**

1. "Fund" shall mean the Juneau Community Foundation.
2. "Financial Committee" shall refer to the governing board established to administer the Fund as specified by applicable ordinance.

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3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the Fund assets.
  4. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this statement.
  5. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Fund is 1 to 5 years.

## **GENERAL INVESTMENT PRINCIPLES**

1. Investments shall be made solely in the interest of the beneficiaries of the Fund.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

## **INVESTMENT MANAGEMENT POLICY**

1. Preservation of Capital.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, The Finance Committee recognizes that some risk is necessary to produce investment results that are sufficient to meet the Fund's objectives. However, the Finance Committee are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Stocks or Bonds received as part of a gift must be liquidated within fifteen days of receipt.

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## **GOAL OF SHORT CASH ACCOUNT**

The Finance Committee feels that grants to be made in the future are as important as grants made today. This is consistent with the philosophy that this Foundation is to exist in perpetuity, and therefore, should provide for grant making in perpetuity. To attain this goal, the overriding objective of this foundation is to maintain liquidity.

## **SPENDING POLICY**

This Foundation places highest emphasis on meeting its grant making obligations. As such, the following is the process.

1. Payments will be made each calendar quarter.
2. Funds will be delivered no later than five working days after the end of each quarter.
3. JCF requires a two week notification prior to an organization needing funds.
4. There is a \$500.00 minimum on each check written.

## **INVESTMENT OBJECTIVES**

In order to meet its needs, the investment strategy of the Juneau Community Foundation is to emphasize the highest return indicative of money market and short-term fixed income.

## **MARKETABILITY OF ASSETS**

The Finance Committee requires that all of Fund assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Fund, with minimal impact on market price.

## **INVESTMENT GUIDELINES**

### **ALLOWABLE ASSETS**

1. Cash Equivalents
  - Treasury Bills
  - Money Market Funds
  - STIF Funds
  - Commercial Paper A1, P1
  - Banker's Acceptances
  - Repurchase Agreements
  - Certificates of Deposit
2. Fixed Income Securities

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- U.S. Government and Agency Securities
  - Mortgage Backed Bonds

#### **GUIDELINES FOR FIXED INCOME INVESTMENTS AND CASH EQUIVALENTS**

1. Fund assets may be invested only in investment grade bonds rated AAA (or equivalent) or better.
2. Fund assets may be invested only in commercial paper rated A1 (or equivalent) or better.
3. Fixed income maturity restrictions are as follows:
  - Maximum maturity for any single security is 5 years.
  - Weighted average portfolio maturity may not exceed 1.5 years.
4. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's.

#### **INVESTMENT POLICY REVIEW**

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, The Finance Committee plans to review investment policy at least annually.

This statement of investment policy was adopted on June 16, 2009 by The Finance Committee of the Juneau Community Foundation.