



INVESTMENTS

7.4. INVESTMENTS

The purpose of this policy is to establish general guidelines for managing the Commission on Secondary Schools’ investment portfolio. The investment objectives are to maximize total return consistent with a low risk exposure and to invest primarily for the purposes of capital preservation.

7.4.1. Approval of Policies Regarding Investment Vehicles

The Finance Committee shall recommend and the Commission shall approve policies regarding the types of vehicles in which Commission funds may be invested. Selection on investment vehicles will be based on the best financial advantage to the Commission, including rate of interest and level of risk.

Savings, checking, and other investment accounts may be established by the Executive Director within the guidelines of the policies approved.

7.4.2. Management of Investments

The MSA Association Business Manager will invest excesses in cash flow as directed by the Commission on Secondary Schools.

The Executive Director shall make regular investment recommendations to the Finance Committee.

The Finance Committee shall review investment recommendations and bring recommended actions to the full Commission on Secondary Schools for approval.

7.4.3. Investment Allocation Strategy and Ranges

Investments shall be allocated according to the following ranges:

Investment Vehicle	Investment Range
Equity Portfolio: Equity Funds <ul style="list-style-type: none"> • Equity Index • Growth and Income • International Equity • Small-Cap Value • Mid-Cap Growth 	20%-40%
Fixed Income Portfolio: Bond Funds, Treasuries, Certificates of Deposit, and Money Market	60%-80%
Real Estate Funds	0%-5%

7.4.4. Movement of Funds Between Investment Vehicles

The Executive Director, with the advice and approval of the Commission Chair or the Finance Committee Chair, shall have the authority to move monies between

Commission-approved investment vehicles consistent with the allocation strategy identified in 7.4.3. A report on these actions shall be made at each Commission meeting.

7.4.5. Investment Guidelines

7.4.5.1. Equity Portfolio: The equity portfolio will consist only of mutual funds. No single equity mutual fund should constitute more than 30% of the portfolio.

7.4.5.2. Fixed Income Portfolio: The fixed income portfolio may hold both investment and non-investment grade fixed income mutual funds, but non-investment grade exposure shall not exceed 25% of the total fixed-income portfolio.

7.4.6. Responsibilities of the Finance Committee Regarding Investments

The Finance Committee shall assume the following responsibilities with regard to investments.

- a.) Review and recommend changes to investment policies.
- b.) Review investments on an annual basis.
- c.) Report annually to the Commission on investment strategies and vehicles.
- d.) Ensure that all unused or unallocated money, at the end of each fiscal year, is invested according to policy.

Policy # 7.4.1-7.4.3. _____

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