



## **Investment Policy**

### **Purpose of Investment Policy**

This Investment Policy governs the investment activities of the Roeliff Jansen Community Library (the "Library"). This policy establishes investment objectives, policies, guidelines, and allowable types of investment vehicles.

### **Investment Objectives**

It is the intent of the Library to invest its funds in a manner that will maximize the return from investments while preserving capital and liquidity and producing long-term growth with moderate risk. Distributions from investments will be used to support the Library so that it can achieve its mission to serve every sector of the community by inspiring lifelong learning and curiosity, advancing knowledge and understanding, strengthening the vitality of the Roe Jan area, and securing the Library's stability for generations to come.

### **Delegation of Responsibilities**

Acting on information and recommendations made to the Board of Trustees ("the Board") by the Treasurer and the Finance Committee of the Board, the Board shall make decisions about investments. Management responsibility for the Library's investment program generally is hereby delegated by the Board to the Treasurer and the Finance Committee. They shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer. The Board will be advised of any material decisions in a timely manner.

### **Delegation of Management and Investment Authority**

To the extent it considers prudent, the Board may delegate management and investment decisions to one or more external agents except where prohibited by the terms of a gift.

## **Guidelines for Investing**

The following investments are deemed to be suitable for inclusion in the Library's investment program. The Treasurer is authorized to invest Library funds in only those investments specifically delineated below:

1. FDIC-insured interest-bearing savings and checking accounts.
2. U.S. Treasury Bills and Notes for which the full faith and credit of the U.S. Government is pledged for the repayment of principal and interest.
3. Certificates of Deposit (CDs).
4. A Nonprofit Agency Fund under a fiduciary manager.

## **Maturity of Investments**

No investment in US Treasury Bills and Notes or CDs shall have a maturity date of more than five years from its date of purchase by the Library. To the extent possible and prudent, the Library will attempt to match its investment maturities with anticipated cash flow requirements.

## **Performance Measurement Standards**

The Treasurer and the Finance Committee will review the investment returns quarterly in comparison to corresponding benchmarks represented in the diversified managed pool of an agency fund. The Board recognizes that there are periods that may result in significant underperformance or overperformance relative to overall market performance. The Finance Committee will not be held responsible for poor investment outcomes.

## **Distribution Policy**

Distributions from investments to support the operations of the Library shall be permitted in accordance with (a) donor restrictions, or (b) if there is no donor restriction, as approved by the Board. The Treasurer and the Finance Committee shall recommend an annual distribution to the Board as part of the Library budgeting process. For investments in a Nonprofit Agency Fund, the Treasurer and the Finance Committee will use the percent in the spending policy of the fiduciary manager, which is set to preserve the purchasing power of the fund over time considering inflation, management fees, and distributions to support Library operations and capital expenditures. Larger distributions may be taken for financial emergencies or unanticipated financial needs of the Library, as approved by the Board.

## **Gifts of Securities**

Note: The portion of the Library Gift Acceptance Policy that is relevant to investments is repeated here for reference. See the gift policy for other policies relevant to gifts of cash and non-monetary gifts.

Under the Library Gift Acceptance Policy, marketable securities (publicly traded securities) may be received as gifts and transferred to the Library's account. Marketable securities shall

normally be sold as soon as practical following receipt.

### **Reporting**

The Treasurer shall provide to the Board and Finance Committee quarterly investment reports which clearly provide the following information regarding the investment portfolio: types of investment, depository institutions, principal balances, a depiction of asset allocation, rates of return, and maturities when applicable. A representative from the fiduciary manager of any Nonprofit Agency Fund used by the Library will be asked to present to the Board annually.

### **Donor Restrictions**

Donor intent shall be respected when decisions are rendered concerning the investment or expenditure of donor-restricted funds.

### **Adoption and Review of this Policy**

This Policy shall be adopted by resolution of the Board. The Finance Committee of the Board shall review this Policy at least every five years and shall propose to the Board for adoption any revisions that the Committee determines to be necessary or appropriate.

This Policy was last reviewed and approved by the Board on October 17, 2023