**Rotary Club of Oberlin OH**

**Investment Policy**

# Purpose

 This policy establishes investment objectives, policies, guidelines, and eligible securities related to all assets held by ROTARY CLUB OF OBERLIN primarily for charitable purposes. In doing so the policy:

* Clarifies the delegation of duties and responsibilities concerning the management of these funds.
* Identifies the criteria against which the investment performance of the organization’s investments will be measured.
* Communicates the objectives to the Board, staff, investment managers, brokers, donors, and funding sources that may be involved.
* Confirms policies and procedures relative to the expenditure of charitable funds.
* Serves as a review document to guide the ongoing oversight of the management of the organizations’ investments.

# Delegation of Responsibilities

The Board of Directors has a direct oversight role regarding all decisions that impact the ROTARY CLUB OF OBERLIN’s charitable funds. The Board has delegated supervisory responsibility for the management of our charitable funds to the (Investment Oversight Committee). Specific responsibilities of the various bodies and individuals responsible for the management of our charitable funds are set forth below:

# Responsibilities of the Board

The Board shall ensure that its fiduciary responsibilities concerning the proper management of ROTARY CLUB OF OBERLIN charitable funds are fulfilled through appropriate investment structure, internal and external management, and portfolio performance consistent with all policies and procedures.

The club President shall annually appoint or remove the members of the Investment Oversight Committee, with the approval of the board.

Approve investment policies and objectives that reflect the long-term investment-risk orientation of the charitable funds.

# Responsibilities of the Investment Oversight Committee

Members of the Investment Oversight Committee are not held accountable for less than desirable outcomes, rather for adherence to procedural prudence, or the process by which decisions are made in respect to charitable funds assets. In consideration of the foregoing, the Committee is responsible for the development, recommendation, implementation, and maintenance of all policies relative to ROTARY CLUB OF OBERLIN charitable funds and shall:

* Develop and/or propose policy recommendations to the Board with regard to the management of all charitable funds.
* Recommend long-term and short-term investment policies and objectives for our charitable funds, including the study and selection of asset classes, determining asset allocation ranges, and setting performance objectives.
* Determine that charitable funds are prudently and effectively managed with the assistance of management and any necessary investment consultants and/or other outside professionals, if any.
* Monitor and evaluate the performance of all those responsible for the management of charitable funds.
* Recommend the retention and/or dismissal of investment consultants and/or other outside professionals.
* Receive and review reports from management, investment consultants and/or other outside professionals, if any.
* Periodically meet with management, investment consultants and/or other outside professional’s management, investment consultants and/or other outside professionals.
* Convene regularly to evaluate whether this policy, investment activities, risk management controls and processes continue to be consistent with meeting the goals and objectives set for the management of charitable funds.

# Responsibilities of Management

Management shall be responsible for the day-to-day administration and implementation of policies established by the Board and/or the Investment Oversight Committee concerning the management of charitable funds. Management shall also be the primary liaison between any investment consultants and/or other outside professionals that may be retained to assist in the management of such funds. Specifically, management shall:

* Oversee the day-to-day operational investment activities of all charitable funds subject to policies established by the Board and/or the Investment Oversight Committee.
* Contract with any necessary outside service providers, such as: investment consultants, investment managers, banks, and/or trust companies and/or any other necessary outside professionals.
* Ensure that the service providers adhere to the terms and conditions of their contracts; have no material conflicts of interests with the interests of Rotary Club of Oberlin and, performance monitoring systems are sufficient to provide the Investment Oversight Committee with timely, accurate, and useful information.
* regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook, and investment strategies; monitor asset allocation and rebalance assets, as directed by the Investment Oversight Committee and in accordance with approved asset allocation policies, among asset classes and investment styles; and, tend to all other matters deemed to be consistent with due diligence with respect to prudent management of charitable funds.
* Comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments, especially alternative investments. Prepare and issue periodic status reports to the Board and the Investment Oversight Committee.

## Investment Considerations

The Investment Oversight Committee) must consider the purposes of both the Rotary Club of Oberlin. and our assets in managing and investing charitable funds. All individuals responsible for managing and investing ROTARY CLUB OF OBERLIN charitable funds must do so in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In making any decision relative to the expenditure of charitable funds, each of the following factors must be considered, and properly documented, in the minutes or other records of the applicable decision-making body:

1. general economic conditions;
2. possible effect of inflation or deflation;
3. expected tax consequences, if any, of investment decisions or strategies;
4. the role that each investment or course of action plays within the overall investment portfolio of the fund;
5. expected total return from the income and appreciation of investments;
6. other resources of the organization;
7. the needs of the organization and the fund to make distributions and preserve capital; and,
8. an asset’s special relationship or special value, if any, to the organization’s purposes.

## Guidelines for Investing

Investment Objectives:  Balanced Growth with emphasis on capital appreciation over current income.  Returns should exceed the totals of the spending rate, inflation, management fees and a modest increment for growth.   The Charitable funds will have professional outside management to avoid any conflicts of interest and achieve the desired rates of return.

Risk Tolerance: Moderate with acknowledgement of potential for large losses in the short term.

Time Horizon:  Long term.  Greater than ten years.

Asset Allocation Strategies: A single, recognized fund manager will be used to invest the Charitable funds, with the asset class diversification that matches our goal of very long-term growth with moderate risk.

Liquidity Needs: Funds available for distribution will be maintained in the checking account of the Fund.

Permissible Investments: Mutual Funds, Exchange Traded Funds (“ETFs”) and Target Date Funds can be used to provide good asset class diversification.   Individual stocks or bonds will not be held in the account and any received as gifts will be immediately sold with proceeds invested.

Diversification:  There may be just one fund or ETF but the underlying investments should be diversified by asset class and sub-asset class.

Performance Measurement: Traditional blended benchmarks for funds with similar asset allocations will be used to compare investment returns to the goals and objectives.  Also returns will be compared with the Consumer Price Index for the relevant periods.

## Expenditure of Charitable Funds

All decisions relative to the expenditure of charitable funds must assess the uses, benefits, purposes, and duration for which the charitable fund was established:

For each decision to appropriate charitable funds for expenditure, an appropriate contemporaneous record should be kept and maintained describing the nature and extent of the consideration that the appropriate body gave to each of the stipulated factors.

**Approved by Board: Nov 4, 2020**