

**Grand Prairie Friends
Investment Policy**

Article I. Policy and Authority

Section 1. Authority over investment matters

- a. The President of Grand Prairie Friends shall have ultimate authority over all assets of the organization. The President shall have signatory authority over all bank and investment accounts.
- b. The Treasurer of Grand Prairie Friends is responsible for keeping the financial records and accounts of the organization. The Treasurer shall have signatory authority over all bank and investment accounts.
- c. The Finance Committee shall have oversight over the financial accounts of Grand Prairie Friends. At the discretion of the President and Treasurer, a member of the Finance Committee who is not President or Treasurer may also have signatory authority over some or all bank and investment accounts.

Section 2. Role of officers, committees, and others in investment matters

- a. The Treasurer is the chief financial officer for Grand Prairie Friends and as such is responsible for the prudent investment of the organization's liquid assets. It is the responsibility of the Treasurer to make recommendations for bank accounts and investment vehicles into which the organization should place its liquid assets.
- b. The Finance Committee must approve all decisions regarding investments or the establishment or closing of bank accounts. Approval must be by majority vote of members of the committee who cast votes. Votes may be obtained by electronic mail (email), but in that case the result of the vote must be recorded in the minutes of the next meeting of the committee and must be documented with copies of the relevant email correspondence. Members absent from a meeting at which a vote on investment or banking matters is to be taken may relay their vote to the President of GPF to cast in proxy. Votes cast in proxy shall be recorded as such in the minutes of the meeting and correspondence, electronic or otherwise, indicating the vote to be cast must be kept by the Treasurer. The number of votes cast shall be at least a quorum of the committee in order for the voting to be valid.
- c. The Board of Directors must approve all banking and investment decisions recommended by the Treasurer and approved by the Finance Committee before any such decisions may be implemented.

Article 2. Investment Guidelines

Section 1. General Guidelines

- a. The objective of investments made by Grand Prairie Friends is growth of capital consistent with reasonable safety of principal. Speculative or risky investments of any kind are forbidden. The Finance Committee and the Board of Directors must define for themselves what is speculative or risky. A majority vote of the Finance Committee and the Board of Directors is required in order to approve an investment of any kind. In no case may an investment be made in any venture in which any member of the Finance Committee or the Board of Directors has a vested interest or stands to gain financially or otherwise from such an investment.
- b. In order to assure the financial stability and safety of GPF, GPF must have available in unrestricted bank checking or savings accounts, money market accounts, or Certificates of Deposits, an amount equal to or greater than the amount of its annual budget before any general use funds may be invested in mutual funds or other investment vehicles.
- c. These Guidelines may be revised by majority vote of the Finance Committee and the Board of Directors. The voting rules to be followed by the Finance Committee are those set out in Article 1, Section 2b. Any proposal to revise the Guidelines must be presented to members of the Finance Committee in writing at least one week before the meeting at which it will be discussed. If the proposal is passed by the Finance Committee, the proposal must be presented to members of the Board of Directors at least one week before the meeting at which it will be discussed.

Section 2. Reinvestment

- a. Mutual fund investments or Certificates of Deposit may be set up so that interest, dividends, or capital gains payments are reinvested in the mutual fund or CD. Such reinvestment does not require any Finance Committee and Board of Directors approval beyond that necessary when the investment and its terms are initially approved. The Treasurer may roll Certificates of Deposit over into new Certificates when the Certificates mature, without further approval.

Section 3. Endowments

- a. Funds donated specifically for an endowment shall be invested and accounted for separately from general funds.
- b. Donations to endowments may not be used for any purpose other than to grow the specific endowment to which the donations are made. Endowment funds and their purposes are listed in the By-laws of GPF.
- c. Income generated by endowment funds may be returned to add to the principal of the endowment or used to further the purposes of the endowment.
- d. Endowment funds may be invested in any investment vehicle approved by majority vote of the Finance Committee and of the Board of Directors.