

Section Name: Structure & Organization

Section Number: 3.05

Title: Investment Guidelines

Description: To ensure the proper investment of New York State Women, Inc. (NYSWI) funds, the following procedures are to be followed by the Board of Directors.

Section 1: Definitions

Risk Rating: A rating assigned by any nationally recognized and credible company which rates mutual funds (among other things) for their risk of return of initial investment. Acceptable risk ratings will be Average, Below Average and Low.

U.S. Government Securities: Any investment whose principle is guaranteed by the U.S. Government or its agencies.

Government Bond Fund: Any fund comprised totally of debt issued by the U.S. Government, its agencies, the State of New York or any local municipalities.

Section 2: Guidelines

Cash assets of NYSWI shall be invested to maximize safety of principal and income. Alternative investments can be considered for excess funds. Excess funds are those funds not required for use in one (1) year's budgeted expenses.

Funds required for use during one (1) year's expenses:

- a. shall be invested in the following types of investments
 - 1) FDIC-insured Savings or Money Market Accounts
 - 2) U.S. Government Securities
 - 3) Government Bond Funds
 - 4) NCUSIF-insured Savings or Term Share Accounts
- b. Funds needed within six (6) months shall be invested in a liquid, interest bearing account (e.g. savings or money market)
- c. Funds to be used during the second half of the year may be invested in liquid accounts or higher yielding, short term – 3 month or 6 month - U.S. Government securities or Certificates of Deposit.

Funds in excess of those required during one (1) year's expenses may be considered for more aggressive types of investments with projected higher rates of return within the following parameters:

- 1) 100% of the funds may be invested in FDIC-insured Savings Accounts, Money Market Accounts or Certificates of Deposit; U.S. Government Securities, Government Bond Funds or NCUSIF-insured Savings or Term Share Accounts.

OR

- 2) A maximum of 35% of the excess funds may be invested in Fixed Income Securities (bonds) with Moody's or S&P ratings of A or higher, or Funds comprised predominantly of securities or bonds rated Baa or higher or, Funds with a risk rating of Average or higher shall be considered.
- 3) A maximum of 35% of the excess funds may be invested in Equities (stocks) or Equity Funds with an investment objective of Growth and Income with a risk rating of Average or higher. Other types of Equity Funds shall not be considered for these funds.
- 4) A maximum of 35% of the excess funds may be invested in Growth Funds with an investment objective of Growth with a risk rating of Average or higher shall be considered.
- 5) The balance in those investments, if any, in any combination of FDIC-insured Savings/Money Market Accounts; U.S. Government Securities, Government Bond Funds or NCUSIF-insured Savings or Term Share Accounts.

Note: the Federal Deposit Insurance Corp. (FDIC) insures aggregate bank balances up to \$250,000 in the event of bank failure. The National Credit Union Share Insurance Fund (NCUSIF) insures credit union balances up to \$250,000 in the event of credit union failure. The Securities Investor Protection Corp. (SIPC) insures brokerage accounts up to \$500,000 (up to \$250,000 in cash) in the event of broker failure but not fund failure or return. Neither corporation protects against changes in market value except in the case of fixed rate instruments (i.e. CDs) until their maturity date.

Section 3. Checks and Balances

Investments shall be reviewed quarterly.

- a. The Treasurer shall prepare a report for review by the Board of Directors.
 - 1) For the current year's expenses held in a secure, interest generating account(s), the Treasurer shall research the rate of return from at least three (3) different sources.
 - 2) Additionally, the Treasurer shall prepare information on alternative investments for the excess funds, if applicable. To explore bond or stock investments, she may confer with an Investment Advisor to determine what type of investments may be considered in the current market environment.
- b. The Treasurer shall submit a report on her findings to the Board of Directors at the Board Meetings and State Conference.
- c. The Executive Committee and Finance Chair shall vote and approve all investments.
 - 1) They shall evaluate various options and approve the investments.
 - 2) For excess funds, they shall consider the suitability of the alternative investments and the financial requirements of the Board's long term plans.
- d. The Board of Directors shall vote and approve a change of strategy to invest excess funds.

Date of Board Approval: 3/04/12
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