

SAY San Diego
Finance Committee of the Board of Directors
Investment Responsibilities and Guidelines

Purpose:

The purpose of this document is to provide a clear understanding of the responsibilities of and guidelines for the Treasurer and Finance Committee of the Board of Directors (the Board) of SAY San Diego related to investment of financial assets that are not needed for day-to-day operations into a reserve fund.

In keeping with the SAY San Diego Bylaws, the CEO and Board Treasurer are responsible for developing financial plans for raising and spending the Corporation's assets. The Finance Committee has been established by the Board as a steward for the sake of reviewing financial status and questions, and stewardship of the reserve fund. The following investment objectives and directions are to be judged and understood in light of the overall sense of stewardship.

Delegation:

Although the Board is not involved in the day-to-day investment decisions, it has an inherent fiduciary responsibility for the funds. It has delegated to the Treasurer, CEO and the Finance Committee responsibility for oversight of all investment activities. As such, the Treasurer and CEO, with the guidance of the Finance Committee retain an Advisor to assume the investment management of funds and assets owned or administered by SAY San Diego and shall assign, with approval from the Board, custodial responsibility for the assets to specific financial institutions, including the Advisor as appropriate. In every instance, the Treasurer, CEO and Finance Committee shall exercise due diligence in its selection of the Advisor to recommend to the Board.

The Advisor will manage the investment account and portfolio by exercising due diligence in a manner consistent with the objectives, guidelines and constraints outlined in the Investment Policy Statement, and in accordance with State and Federal laws and the Prudent Investor Rule.

Investment Policy Statement Review:

The Advisor shall be responsible for reviewing the Investor Policy Statement with the Finance Committee at least annually to assure that it remains valid and relevant. Any recommendations as to changes will be submitted in writing to the Board by the Treasurer, CEO and Finance Committee.

Selection of the Advisor:

SAY San Diego shall exercise due diligence in the recommendation of the Advisor. Among other things, the criteria for selection will include the following:

- Industry experience
- Qualifications of principal advisors
- Formula and amount of management and transaction fees charged
- Experience with Non-Profit Organizations as clients
- Client references
- Historical results in managing assets of like clients
- Ability to meet the NPO's reporting requirements

The selected firm will enter into a written service agreement with the organization.

Transfer of Assets To/From the Investment Portfolio:

While it is the goal of the organization to make a transfer of cash annually into the reserve fund, cash flow, strategic objectives and an inadequate operating margin or surplus may interfere with the ability to do so. Based on the audited financial statements of the prior fiscal year, the Treasurer and CEO, with the guidance of the Finance Committee will make a recommendation of whether or not to deposit assets into the reserve fund, and the amount to be transferred, based on, but not limited to, prior year financial performance, projected cash flow and strategic expenses. The Treasurer and Committee will report its recommendation to the Board of Directors and act according to its direction.

Periodic Review of the Investment Portfolio and Status of the Reserve Fund:

At least annually, or more often as requested, the Treasurer and Finance Committee will present data and reports to the Board of Directors to allow for periodic review of the investment portfolio and its performance. As appropriate the Advisor may be present for this presentation, and either the Advisor or SAY San Diego's Treasurer, CEO or Finance Committee may make recommendations for changes to the portfolio. Additionally, deposits, earnings, losses, and fund totals for the reserve fund will be reported to the Board at the same time.