

INVESTMENT PROCEDURE POLICY

OF THE

IOWA STATE ACACIA CHAPTER FOUNDATION

ADOPTED DECEMBER 1, 2019

Introduction

This policy shall govern the investment of funds received by the Board.

Investment Procedure

It shall be the policy of the Board that all funds received by the Board shall be invested promptly in money market, certificate of deposit, individual stocks, or mutual funds as quickly as is reasonably possible once they have been received.

The Secretary /Treasurer of the Board shall open and maintain accounts as directed by the Board of Directors in such firms as authorized by the Board of Directors.

Investment Limitations

It shall be the policy of the board to reinvest 10% of the earnings of the Foundation into investments designed to grow the asset base of the Foundation.

It shall be the policy of the board to create an annual budget and to allocate such earnings as are reasonable and necessary to cover the anticipated normal business expenses of the board for any given fiscal year.

Any funds in excess of the amounts identified above, at the sole discretion of the Foundation board, shall be made available for scholarships and shall be distributed subject to the requirements as specified in the Scholarship Qualifications and Disbursements Policy of the board. Any funds that are not disbursed shall be maintained in an appropriate fund for disbursement at a later date.

At all times, the investment activities of the Board shall be governed by the "Prudent Investor Rule" attached to this section of the operating procedures of the Board. Investments in securities or other assets which do not conform to this rule shall not be made.

Investment Reporting

On a monthly basis, as soon as practical after the end of any given calendar month, the Secretary/Treasurer shall prepare and submit to the board a financial report showing the balance of all funds in all accounts of the Board and listing all transactions of the Board for the current fiscal year.

Copies of all bank and investment companies reports shall be provided in addition to the summary information specified above on a monthly basis, or as it is released by the investing firm, to all members of the Board.