

Cedar Rapids Community School District Foundation Investment Policy

Introduction.

The Cedar Rapids Community School District Foundation (Foundation) is a 501(c)(3) tax-exempt organization whose mission is building financial support to promote and recognize excellence in the Cedar Rapids Public Schools. The Foundation champions broad and equitable educational opportunities for students and staff by providing supplemental funding for classroom learning materials, professional development for staff, scholarships and enrichment opportunities for students.

Investment Objectives: The Foundation deploys its financial resources to meet the following objectives:

1. Produce the maximum total return on its investments consistent with identified parameters for preservation of principal, income, investment time horizon, diversification, and risk.
2. Respond to changing circumstances without compromising the ability to meet financial obligations.
3. Comply with applicable regulations, including Iowa's Uniform Prudent Management of Institutional Funds Act.

Responsibilities:

The Foundation's Board of Directors has delegated the process of overseeing the management of its fiscal resources to its Operations Committee, which is responsible for:

- Selecting investment managers and/or investment vehicles; and
- Ensuring that the Foundation's assets are invested in compliance with this policy and applicable laws and regulations; and
- Monitoring receipts and disbursements and allocating resources to achieve budget goals; and
- Providing reports at least annually to the Foundation Board showing investment performance and recommendations for changing policies, objectives, and/or investment managers; and
- Delegating responsibility for investing new funds into the three investment funds described below to investment managers and designated volunteers with appropriate expertise.

Each investment manager selected by the Operations Committee shall be responsible for:

- Selecting securities which are appropriately diversified within acceptable risk parameters for one or more of the three investment funds as described below.
- Providing written reports at least quarterly to designated Operations Committee members and Foundation staff showing:
 - Receipts and disbursements for the period including all fees and expenses,
 - Current holdings at cost and market value as of the end of the reporting period,
 - Purchases and sales for the period,
 - Performance,
 - Recommended investment strategies, and
 - Other factors of interest to the Operations Committee.
- Clearly communicating with the current Operations Committee Chair as to how Foundation policy guidelines or investment restrictions should be modified to allow the manager to produce appropriate returns and performance for the Foundation.
- Exercising their responsibilities in keeping with appropriate standards for prudent management of institutional funds.

Foundation Funds: The Foundation maintains three funds to meet short- and long-term objectives:

Short-Term Fund: liquid assets to provide at least six months of projected expenses for operating, programming and grant expenses.

- Time horizon: total liquidity at all times (checking, money market, etc.).
- Performance benchmarks: local checking, savings, and money market rates.
- Allowable investments: Accounts with FDIC insurance or equivalent protection from risk of loss.

Intermediate-Term Fund: investments selected to provide liquidity for the last half of a year of operating expenses, plus funds with limited duration which will be depleted within 5 years, including donations with restrictions as to time or purpose which will be disbursed in full for specified purposes.

- Time horizon: funds with initial time horizon of six months to five years; this fund may have multiple sub-accounts which will be managed separately in keeping with planned dates of expenditure as designated by donors or the Foundation board.
- Performance benchmarks: representative sample of local certificate of deposit rates and/or weighted benchmark for investment-grade publicly traded securities with duration fairly representative of the asset allocation and current time horizon for the components of this fund. The Operations Committee may designate an index of government/corporate bonds for some or all of the sub-accounts in this fund.
- Allowable investments: fixed income investments with FDIC or comparable insurance; publicly traded bonds or other fixed income investments of investment-grade quality with maturity date of 5 years or less; mutual funds, ETFs or similar publicly-traded pooled funds with at least 75% of their assets in investment-grade bonds and average duration under 3 years.

Long-Term Fund: permanently endowed assets from which distributions of principal are prohibited, invested to produce long-term growth and current income for operating, grant, and other programs.

- Time horizon: funds with initial time horizon of four or more years; this fund may consist of separate sub-accounts (e.g. funds donated for a specific purpose), and may be invested and managed as a single fund for efficiency by one or more investment managers selected by the Operations Committee.
- Performance benchmarks: blended benchmark for fixed income and equities fairly representative of the current structure of this fund. Operations Committee and investment managers will determine indices and weighting.
- Allowable investments: equity investments appropriately diversified among domestic and international market sectors with a target maximum of 60% in equity investments; fixed income in investment-grade bonds and bond funds with similar risk parameters appropriately diversified among market sectors; other asset classes with designated restrictions may be approved by the Operations Committee.

Ratified by the CRCSF Board of Trustees, August 29, 2013