

## Investment Management

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### PURPOSE:

This policy establishes a system, and the responsibility, for the management and investment of the land trust's financial assets.

### POLICY:

A system for the management and investment of the land trust's financial assets and dedicated funds is important for several reasons. The board is responsible for the prudent management of the land trust's assets. A sound investment program builds the land trust's resources and its ability to carry out its programs, and it helps ensure the land trust's long-term existence.

To ensure prudent management of the land trust's assets WCLT will:

1. **Maintain an Unrestricted Fund (Operating Funds) to provide a positive cash flow to cover normal business operations**, as outlined in the annual budget, and including a year-end operating reserve established annually by the board.
2. **Maintain Temporarily Restricted Funds & Permanently Restricted Funds (Dedicated Funds)** for specific purposes outlined in the *Policy 6G(1): Dedicated Funds*.
3. **Approve and revise, as needed, Policy No. 6F(2) Investment Policy Statement that outlines the investment philosophy and objectives for WCLT assets**, and guides the placement of investments and monitoring of investment performance. The policy statement will cover:
  - a. The investment parameters for Unrestricted, Temporarily Restricted and Permanently Restricted funds;
  - b. The investment and management of short-term investment funds in cash or cash equivalents of up to three years;
  - c. The investment and management of intermediate funds for varying time horizons more than three years;
  - d. The investment and management of permanent funds, endowment funds to help finance the organization over the long term; and
  - e. The investment manager requirements and evaluation.

4. **Delegate the responsibility for investment management to the Finance Committee**, chaired by the board treasurer. The Finance Committee is responsible for:
- a. Recommending to the board investment policies and strategies, trustees, investment managers and/or advisors, and other fiduciaries;
  - b. Ensuring adequate cash flow for operational expenses and project expenses and acquisitions;
  - c. Approving the opening and closing of accounts, directing funds transfers, according to *Policy No. 6E(1): Internal System for Handling Money*, to include selling donations of securities in a timely manner with the proceeds invested according to the guidelines of the particular fund;
  - d. Ensuring consistent application of the investment policy;
  - e. Monitoring the performance of the trustees, managers, advisors and other fiduciaries; and
  - f. Providing the board with quarterly investment reports and reporting at least annually on the performance of the investment portfolio.

**Rev.1 Approved:** January 2, 2006

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President, Board of Directors