INVESTMENT POLICY OF CENTER FOR NONPROFIT EXCELLENCE
(the “Organization”)

Adopted 9.08.10
Revised 4.10.13
Revised 2.23.17

PURPOSE OF INVESTMENT POLICY
The purpose of this Investment Policy is to provide a clear statement of the Organization’s investment objective, to define the responsibilities of the Board of Directors and any other parties involved in managing the Organization’s investments, and to identify or provide target asset allocations, permissible investments and diversification requirements.

INVESTMENT PHILOSOPHY
All funds are held by CNE in a fiduciary capacity for the sake of accomplishing its mission.

INVESTMENT OBJECTIVE
The overall investment objective of the Organization is to maximize the return on invested assets while minimizing risk and expenses. This is done through prudent investing and planning, as well as through the maintenance of a diversified portfolio.

a. All transactions shall be for the sole benefit of the Organization.

b. Basic investment standards under this Policy shall be those of a prudent investor as articulated in VA law.¹

c. Investments shall be diversified with a view to minimizing risk:

Acceptable Assets: To accomplish the Organization’s investment objectives, the investment manager (if applicable) is authorized to utilize portfolios of equity securities (common stocks and convertible securities), fixed income securities, mutual funds, money market funds, CD’s, annuities and short-term (cash equivalent) investments. The investment manager is not authorized to pay any sales loads to purchase any mutual funds.

Asset Allocation: To achieve its investment objective, the long-term assets will be allocated among two asset classes; equity and fixed income/cash. The purpose of allocating assets to these asset classes is to ensure the proper level of diversification within the Investment Pool. The actual asset allocation for each portfolio shall be set by the Board of Directors, upon the recommendation of the Finance Committee.

DELEGATION OF RESPONSIBILITY; RELIANCE ON EXPERTS AND ADVISORS
a. The Board of Directors has ultimate responsibility for the investment and management of the Organization’s investment assets.

¹ Va Code 64.2-781
b. The Board of Directors may hire outside experts as investment consultants or investment managers.

c. No investments shall be made or funds paid for investment advisors or commissions without the advance approval of the Board.

d. The Board may also establish an advisory committee (which may include non-directors) to provide investment advice to the Board or to the Board Committee. Advisory committees have no authority to act for the Board, but may monitor compliance with the investment policy, recommend changes, and assist the Board or Board Committee in selecting and retaining investment managers to execute this Investment Policy.

e. When delegating discretionary investment authority to one or more investment managers, the Board of Directors will establish and follow appropriate procedures for selecting such Investment managers and conveying to each the scope of their authority, the organization’s expectations, and the requirements of full compliance with the policies. The Committee will request an (RFI) “Request for Information”2 every five years, as part of the due diligence process.

f. If the Organization is looking to invest a nominal sum of funds (less than $100,000), the Board of Directors will review alternative options including “self-management” through a brokerage account, Agency Funds through a Community Foundation, or other suitable identified options.

OVERSIGHT OF THE POLICY BY THE FINANCE COMMITTEE

a. Continue to review the investment policy no less frequently than annually, and report any recommended changes to the Board.

b. Responsible for regular reporting on investments to the Board and shall monitor the insurance limits that are in effect in order to ensure compliance with the Policy.

c. No member of the Finance Committee shall have, or appear to have, a conflict of interest that impairs or appears to impair the member’s ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties.

d. If applicable, solicit proposals for investment managers every 5 years and make recommendations to the Board to select an investment manager. The committee reserves the right to recommend to the full board the termination of investment managers at any time.

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2 Request for Information = A request for information (RFI) is a standard business process whose purpose is to collect written information about the capabilities of various suppliers. Normally it follows a format that can be used for comparative purposes. An RFI is primarily used to gather information to help make a decision on what steps to take next. RFIs are therefore seldom the final stage and are instead often used in combination with the following: request for proposal (RFP), request for tender (RFT), and request for quotation (RFQ). In addition to gathering basic information, an RFI is often used as a solicitation sent to a broad base of potential suppliers for the purpose of conditioning suppliers’ minds, developing strategy, building a database, and preparing for an RFP, RFT, or RFQ.