



## Investment Policy

### Preamble

As a registered 501 (c)3 charitable organization, the High Plains Library District Friends & Foundation (The Foundation) is committed to a diversified funding base, including charitable contributions that will further its mission. The Foundation, in investing or accepting temporarily and permanently restricted gifts, will maintain and utilize procedures to ensure best practices recognized by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as well as Colorado Revised Statute (CRS) 15-1-1103, (e)(4) relative to investment. The following investment objectives and guidelines are to be judged and understood as an agreement between donor and steward for the sake of carrying out the Foundations mission and purposes.

### Policy:

The Foundation's policy is to diversify funds to best achieve its purpose as stated in this policy. The primary objective of the Foundation and its Board is to seek a moderate investment approach that values principal preservation but will accept a small degree of risk and volatility to seek a desired degree of appreciation. The Board acknowledges that unfavorable capital markets may persist over periods of unpredictable duration and therefore, maintain a long-term investment horizon.

The distribution of funds shall be governed by a distinct set of guidelines determined by the Foundation Board, details of which are available in the High Plains Library District Friends & Foundation Spending Policy. This policy is reviewed annually or in response to urgent fiscal circumstances.

### Legal Authority:

UPMIFA - Uniform Prudent Management of Institutional Funds Act:(revised) 2006

<https://www.uniformlaws.org/committees/community-home?CommunityKey=043b9067-bc2c-46b7-8436-07c9054064a3>

Colorado Revised Statute: 15-1-1103,(e)(4)

<https://casetext.com/statute/colorado-revised-statutes/title-15-probate-trusts-and-fiduciaries/fiduciary/article-1-fiduciary/part-11-uniform-prudent-management-of-institutional-funds-act/section-15-1-1103-standard-of-conduct-in-managing-and-investing-institutional-fund>

### Purpose:

To invest and retain restricted monies as a permanent investment fund and to invest and distribute non-restricted monies for the intended purposes of the donor and/or the Foundation purpose. To produce reasonable cash flow to meet the current spending needs of the Foundation. To maintain the income producing power of the current assets and any and all future contributions, and consider the effect of inflation. To maximize return within prudent levels of risk. To anticipate additional contributions and donations for future needs and growth and to control cost of administering and managing the investments.

Scope/Guidelines:

Investment constraints are as follows:

Asset Type	Lower Limit	Target	Upper Limit
Equities	10%	60%	80%
Fixed Income	10%	40%	90%
Sharlot Term/Money Market	0%	2%	100%
Cash	0%	2%	100%

Maximum diversification with each asset class, low management fees, ease of rebalancing, and past performance history will be considered in the selection of the specific investment vehicles to represent each asset class.

*Rebalancing:*

When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the asset allocation targets and constraints and the annual budgeted cash flow needs. If there is insufficient cash, the Investment Committee of the Board will take appropriate actions for rebalancing. The Investment Committee will review the allocation of the assets quarterly and rebalance when necessary.

*Liquidity:*

Income will be available for distribution as projected by the annual budget. If additional funds are needed for any reason deemed appropriate by the Board of Directors, the Board will invoke variance power and inform the Investment Committee of the request to liquidate assets. The Investment Committee will recommend liquidation strategies, relative to asset allocation goals, to meet such requests in a timely manner.

*Asset Mix:*

To accomplish the Foundation's objectives, the Investment Team is authorized to construct portfolios of mutual funds, exchange traded funds (**ETF**), individual equity securities (common stock, and convertible securities), fixed-income securities, and short-term (cash) investments. As a guide to accomplishing these objectives, the Investment Team shall remain within the ranges provided in the **Asset** Allocation guidelines discussed above. The actual investment targets shall be set within those limits by the Investment Team.

Management:

*Delegation of Authority:*

The Board delegates supervisory authority over its financial affairs to its Finance Committee. The Finance Committee shall consist of a mix of individuals: a minimum of two (2) members of the Board along with any combination of the following: Executive Director, Finance Manager, Foundation Director of the High Plains Library District. The Finance Committee is responsible for regularly reporting investments to the Board consistent with the reporting requirements of this Policy. In carrying out its responsibilities, the

Finance Committee and its advisors will act in accordance with this Policy and all applicable laws and regulations. The Board may grant exceptions to this Policy when it seems appropriate in individual situations.

Consistent with other charitable foundations and the Colorado Uniform Prudent Investor Act, the Board may, in its discretion, determine that assets of the Foundation should be professionally managed. If and when this occurs, the investment manager must be provided with a copy of this policy and provide the Foundation with reports detailing performance as required by this policy. The Investment Committee will review results and communicate them to the Foundation Board on a regular basis. A Professional Management Firm may invest in publicly traded securities subject to the restrictions noted in this policy. A contracted professional Management Firm is to assist the Foundation Board with its investment program. Said Management Firm will be expected to make recommendations regarding the selection of vehicles, periodic progress reporting, prudent actions when market conditions change and improved opportunities arise. This advice may include rebalancing allocations, liquefying assets, and/or changing the asset allocation mixes.

*DISTRIBUTION of FUNDS:*

The distribution of funds shall be governed by the Foundations Spending Policy, a distinct set of guidelines determined by the Foundation Board, and available in writing. This policy will be reviewed annually and/or in response to urgent fiscal circumstances.

*Policy Review and/or Modification*

This Investment Policy and Guidelines shall be reviewed for possible modification by the Investment Team as conditions warrant but not less than annually. All modifications to this Policy are subject to the approval of the Board.

**Acceptance and Authorization**

This Investment Policy is adopted on November 4, 2019 by the Board of Directors of the High Plains Library District Foundation.

Signature:

\_\_\_\_\_ Date  
High Plains Library District Friends & Foundation, Board of Director, Chair

Attest:

\_\_\_\_\_ Date  
High Plains Library District Friends & Foundation, Secretary/Treasurer