

INTERNATIONAL GENEALOGICAL AND HISTORICAL COLLEGE



INVESTMENT POLICY STATEMENT

Adopted: _____, 2026

ARTICLE I

PURPOSE

The purpose of this Investment Policy Statement (IPS) is to:

1. Establish guidelines for the prudent management of the College's financial assets.
2. Preserve capital while supporting the mission of the College.
3. Provide clear standards for fiduciary oversight.
4. Ensure compliance with applicable Texas law, including UPMIFA.
5. Protect restricted and endowed funds.

This policy applies to all invested funds of the College, including operating reserves, scholarship funds, and any endowment funds.

ARTICLE II

INVESTMENT PHILOSOPHY

The College shall manage its assets under the following principles:

- Preservation of capital as a primary objective;
- Moderate growth to offset inflation;
- Diversification to reduce risk;
- Liquidity sufficient to meet operational needs;
- Avoidance of speculative investments;
- Alignment with the charitable and educational mission of the College.

The College shall invest as a prudent fiduciary would, exercising reasonable care, skill, and caution.

ARTICLE III

AUTHORITY AND RESPONSIBILITY

1. Executive Committee

The Executive Committee retains ultimate fiduciary responsibility and shall:

- Approve this Investment Policy;
 - Approve selection of financial institutions or investment advisors;
 - Review performance at least annually;
 - Approve asset allocation strategy;
 - Approve spending policy for endowment funds.
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2. Treasurer General

The Treasurer General shall:

- Monitor investment accounts;
- Provide quarterly reports to the Executive Committee;
- Ensure compliance with this policy;
- Recommend adjustments as necessary.

The Treasurer General shall not act independently in selecting high-risk investments.

3. Investment Advisor (If Engaged)

If an advisor is retained:

- Must be properly licensed;
 - Must acknowledge fiduciary status in writing;
 - Must operate within this IPS;
 - Must provide quarterly performance reports.
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ARTICLE IV

TYPES OF FUNDS

The College may maintain:

1. Operating Funds
2. Reserve Funds
3. Scholarship Funds
4. Endowment Funds

Restricted funds must be tracked separately and invested in accordance with donor intent.

ARTICLE V

ASSET ALLOCATION GUIDELINES

For conservative nonprofit management, the following allocation ranges are recommended:

Operating & Short-Term Funds:

- 60–100% Cash equivalents (FDIC-insured accounts, money market funds)
- 0–40% Short-term U.S. Treasury or investment-grade bonds

Reserve & Scholarship Funds:

- 40–60% Investment-grade bonds
- 30–50% Broad market index funds
- 0–10% Cash equivalents

Endowment Funds (Long-Term Horizon):

- 40–60% Diversified equities (index funds preferred)
- 30–50% Investment-grade bonds
- 0–10% Cash equivalents
- 0–10% Alternative investments (only if approved by Executive Committee)

The College shall avoid:

- Speculative trading;
- Margin investing;
- Cryptocurrency speculation;
- Private placements without full Executive Committee approval;
- Highly leveraged instruments.

ARTICLE VI

SPENDING POLICY (FOR ENDOWMENT FUNDS)

If the College establishes an endowment:

- Annual spending shall not exceed 4–5% of the rolling three-year average market value of the endowment;
 - Spending must preserve long-term purchasing power;
 - Restricted endowment principal shall not be invaded except as permitted under UPMIFA and approved by the Executive Committee.
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ARTICLE VII

LIQUIDITY

The College shall maintain:

- A minimum of six (6) months of operating expenses in liquid or near-liquid assets once financially feasible.
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ARTICLE VIII

ETHICAL INVESTMENT CONSIDERATIONS

The College shall avoid investments in enterprises that:

- Conflict with its educational mission.
 - Present reputational risk.
 - Engage in illegal activity.
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ARTICLE IX

PERFORMANCE REVIEW

The Executive Committee shall review:

- Investment performance annually.
- Asset allocation compliance.
- Fees and expenses.
- Risk exposure.

Performance should be evaluated relative to appropriate benchmarks (e.g., S&P 500 index, Aggregate Bond Index).

ARTICLE X

DONOR-RESTRICTED FUNDS

All donor-restricted funds shall:

- Be invested in accordance with donor intent.
 - Be accounted for separately.
 - Be documented in writing.
 - Not be commingled with unrestricted operating funds without proper accounting segregation.
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ARTICLE XI

INTERNAL CONTROLS

Investment accounts shall:

- Require dual authorization for withdrawals above \$2,500.
 - Be reconciled monthly.
 - Be included in quarterly financial reports.
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ARTICLE XII

POLICY REVIEW

This policy shall be reviewed at least every three (3) years or upon significant change in financial position.

ACKNOWLEDGEMENT

Adopted by resolution of the Executive Committee of the International Genealogical and Historical College on this ____ day of _____, 2026.

Governor General: _____

Treasurer General: _____