



Federal Bar Association

Policy No. 2-9: Investments

Approved By: Board of Directors

Date Approved: March 20, 2019

Date Effective: March 20, 2019

Policy:

Investment Objectives

The cash assets must be invested with care, skill and diligence. All investments will be made within the guidelines of quality, marketability and diversification and in compliance with any controlling state and/or federal statutes or any other guidelines directly affecting the prudent investment of assets.

Investment Management Guidelines

The Budget and Finance Committee, with input and support from the Executive Director, shall develop a single Investment Policy Statement (IPS) that shall provide general and specific guidelines for the Investment Management for two pools of investable assets of the Federal Bar Association: short-term operating fund and long-term reserves. The IPS is subject to approval by the Board of Directors (Board). The IPS shall be reviewed at least once every two years by the Budget and Finance Committee.

The purpose of the IPS is to provide guidelines and objectives in order to provide the Budget and Finance Committee, the Board, and all interested parties with an understanding of the investment objectives. The procedures and guidelines will provide sufficient flexibility to allow for changing economic conditions and securities markets.

Authority of Executive Director

The day-to-day management of the investments shall be vested in the Executive Director, subject to supervision by the Budget and Finance Committee and the Board. The Executive Director is authorized and directed to deposit or transfer funds (only between authorized investment accounts of the FBA) in accordance with the IPS.

As deemed necessary, the Board may employ the services of a licensed financial advisor (individual or firm). The financial advisor shall maintain a fiduciary relationship in regard to the Association's investment accounts. The Executive Director shall manage the day-to-day relationship with the financial advisor.

Authority of the Budget and Finance Committee

The Budget and Finance Committee shall on a quarterly basis review the investment portfolio to ensure that each investment is performing reasonably well relative to particular peer group and according to the tenor of the market for that type of investment.

The Budget and Finance Committee shall issue a report regarding the performance of the investment portfolio to the Board on a quarterly basis. The Budget and Finance Committee shall on a semiannually basis convene a meeting of the committee with the investment advisor to ensure the investment portfolio is meeting minimum performance goals as set forth in the IPS.

Authority of Board

Subject to these guidelines, the Board shall have full authority over the use and administration of the investable assets. Not less than once a year, the Board shall:

1. review all transfers (if any) made to and from the investment portfolio since the preceding Board review;
2. consider and direct any additional appropriate transfer made to and from the investment portfolio (if any); and
3. set and communicate goals and policies to the Budget and Finance Committee and Executive Director concerning the IPS.

Purpose:

The purpose of this policy is to provide guidelines and objectives for the management of the investment assets of the Federal Bar Association.

Change Notice: Policy was first adopted by the Board on March 28, 2014 as Policy 2-8: Reserves and Investments. The policy was amended and divided into two policies on March 20, 2019 (Policy 2-8: Reserves and Special Purpose Funds and Policy 2-9: Investments).