

Arizona Senior Academy Investment Policy

1. Purpose

This Investment Policy Statement provides guidelines for managing the organization's reserve funds. The goal is to protect the organization's financial stability, support its mission, and ensure prudent stewardship of all assets.

2. Scope

This policy applies to all investable assets held by the organization, including:

- Operating reserves
- Capital reserves
- Donor restricted reserves
- Board-designated reserves
- Any savings or investment accounts maintained for future needs

Because the organization's reserves are modest, the investment strategy prioritizes safety and liquidity.

3. Roles and Responsibilities

- Board of Directors
 - Holds fiduciary responsibility for all investment decisions
 - Approves this policy and any changes
 - Reviews investment performance at least annually
- Treasurer
 - Oversees day-to-day monitoring of accounts
 - Ensures investments comply with this policy
 - Reports to the Board on a regular basis
- Investment Advisor or Financial Institution
 - Provides guidance on low-risk investment options
 - Supplies periodic account statements and performance summaries

4. Investment Objectives

The primary objectives are:

- Capital preservation
- Liquidity to meet short-term needs
- Modest, stable returns that exceed basic saving rates without taking undue risk
- Growth is a secondary objective and will not be pursued at the expense of safety.

5. Risk Tolerance

- The organization has a low risk tolerance. Investments should avoid significant volatility or the possibility of material loss.
- Speculative or high-risk assets are not permitted.

6. Permitted Investments

To maintain safety and liquidity, the organization may invest in:

- FDIC-insured savings or money market accounts
- Certificates of Deposit (CDs)
- U.S. Treasury bills or notes
- Low-cost, conservative bond funds (short-term or intermediate-term)
- High quality corporate or municipal bonds
- Equities and alternatives may be used only if:
 - They are part of a diversified, low-cost Agency Fund, such as the Community Foundation for Southern Arizona
 - They represent a small portion of total reserves

7. Prohibited Investments

The organization will not invest in:

- Individual stocks (unless approved under special circumstances by the Board of Directors)
- High-yield or speculative bonds
- Derivatives or options
- Cryptocurrency or digital assets
- Private placement of illiquid investments
- Any investment inconsistent with the organization's mission or ethical values

8. Asset Allocation Guidelines

The portfolio will remain conservative. Specific allocations are to be determined based on the nature and need of the organization and its various reserve funds.

Asset categories may include:

- FDIC insured (checking, savings, CDs)
- Fixed income (money market, CDs, bonds)
- Equities (stocks, equity mutual funds)
- Alternatives

The treasurer may rebalance as needed, but major changes require Board approval.

9. Liquidity Requirements

The organization must maintain enough liquid assets to cover:

- At least 3-6 months of operating expenses
- Any known short-term obligations, including building and equipment replacements
- Investments should be structured so funds are readily accessible as needed without penalty.

10. Performance Review

The board will review:

- Account balances

- Investment performance relative to benchmarks
- Fees and expenses
- Compliance with this policy

Reviews should occur at least annually, or more frequently if financial conditions change.

11. Policy Review and Amendments

This policy will be reviewed annually by the Finance Committee.

Amendments require approval by the Board of Directors

- 12. Board Approval**—The investment policy was adopted by the Board of Directors on June 4, 2026

Approved by: _____

Date _____


7/16/26