



Policy: Investments

RESPONSIBILITY: FINANCE COMMITTEE, EXECUTIVE COMMITTEE

- DATE ADOPTED: April 21, 2018
 - DATE AMENDED: this space reserved for future amendment dates
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Statement of Purpose

The Association for Rural & Small Libraries, Inc. (ARSL) has been established for the purpose of providing a network of persons throughout the country dedicated to the positive growth and development of libraries. ARSL believes in the value of rural and small libraries and strives to create resources and services that address national, state, and local priorities for libraries situated in rural communities.

This investment policy statement (IPS) has been adopted by the Association for Rural & Small Libraries, Inc. to provide guidelines for the investment of funds held by the organization.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into three separate investment pools. The process for determining the dollar amount in each pool is set forth in the "Procedures" section of this document. The three investment pools shall be called the "Operating Fund," the "Short-Term Fund," and the "Long-Term Fund."

Assignment of Responsibility

1. **Responsibilities of the Finance Committee on behalf of the Executive Committee and the Board of Directors.** The Board of Directors and the Executive Committee of ARSL have formed a Finance Committee to assist the Executive Committee and the Board in fulfilling their oversight responsibility concerning the investment and management of ARSL's



financial assets. The Finance Committee shall discharge its duties solely in the interest of ARSL, with the care, skill, prudence, and due diligence under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims. The specific responsibilities of the Finance Committee include:

- a. Reviewing the financial needs of ARSL and communicating such needs to the Investment Managers on a timely basis;
 - b. Determining the risk tolerance and investment time horizon and communicating these to the appropriate parties;
 - c. Establishing reasonable and consistent investment objectives, policies, and guidelines that will direct the investment of the assets;
 - d. Selecting with prudence and diligence qualified investment professionals, including any Investment Manager(s);
 - e. Evaluation of the Investment Manager on an annual basis in order to assure adherence to policy guidelines and to monitor investment objective progress;
 - f. Evaluating portfolio performance and other matters relating to the management of the funds; and
 - g. Developing and enacting proper controls and procedures.
2. **Responsibilities of the Investment Manager.** The Investment Manager will have discretion to make investment decisions for the assets placed under his or her jurisdiction, while observing and operating within all policies, guidelines, and constraints, as outlined in this IPS. Specific responsibilities of the Investment Manager(s) include:
- a. Discretionary investment management, including decisions to buy, sell, or hold individual securities, and to alter asset allocation within guidelines established in this IPS;



- b. Communicating biannually any major changes to economic outlook, investment strategy, or any other factors that affect implementation of the investment process;
 - c. Voting proxies on behalf of ARSL, and communicating information concerning such voting to the Finance Committee.
- 3. **Responsibilities of the Custodian.** The Custodian (or through agreement with a sub-custodian) will maintain possession of securities owned by ARSL, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian will also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets within fund accounts.

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