

Investment Policy Best Practices

Follow this checklist to review or create your Investment Policy

Step 1—High level goals and objectives

- Do our reserve policies align with the organization’s strategic plan/initiatives?
- How much do we need to maintain in reserves based on financial risks and opportunities?
- Are we making the best use of our liquid assets based on the timing of various financial needs? How much investment risk are we willing and able to endure?

Step 2—Governance Procedures

- What is the role of the staff and of the Board?
- Which decisions should be made by volunteers, staff, and outside consultants?
- Under what conditions are advisers/managers hired or replaced?

Step 3—Reporting Requirements & Oversight Review

- What critical investment guidelines need to be verified?
- Are performance expectations simple, clear, and based on market conditions?
- Do investment reports provide proof of policy compliance and reasonable performance?

The ‘Every Investment Committee Agenda’

Discuss these items, in this order, at every committee meeting

Committee Tip

Review the Policies as a refresher for returning members and introduction for new members

1. Review of Key Investment Policies

2. Verify that Investments comply with Investment Policies

3. Verify that Performance is in-line with expectations

4. Discuss potential policy changes

5. Q&A including market commentary and forecast

Committee Tip

Market Forecast should come AFTER discussion of Policy Changes