

# Ark-La-Tex Regional Air Service Alliance, 501c4

## INVESTMENT POLICY

### OBJECTIVE

The objective of this policy is to assist the Ark-La-Tex Regional Air Service Alliance (RASA), in effectively supervising, monitoring and evaluating their investment assets. Those investment assets are held by the organization as a steward for the sake of carrying out its mission and purposes. This policy is consistent with the by-laws of RASA and has been formally set forth to:

- Define and assign the responsibilities of all involved parties.
- Establish a clear understanding for all involved parties of the investment goals and objectives including: the various asset classes, investment management styles, asset allocations and acceptable risk.
- Provide guidance and limitations to all investment managers that, in total, are expected to produce sufficient levels of overall diversification, risk and liquidity within the portfolio, so that all assets are managed in accordance with RASA's objectives.
- Ensure compliance with all fiduciary, prudence and due diligence requirements that experienced professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the investments.
- Outline procedures and criteria to monitor, evaluate, and compare the performance results achieved by investment managers on a regular basis, and report the performance to the RASA Board of Directors.

### DELEGATION OF AUTHORITY

RASA, thru the actions of the Board of Directors, has delegated authority over its investment affairs to the Finance Committee of the Board.

### ASSET ALLOCATION

To accomplish the organization's investment objectives, based on its time horizon, risk tolerances, performance expectations, and asset class preferences, an optimal portfolio was identified by the Finance Committee, and this committee is authorized to utilize portfolios with the following strategic asset allocations:

<u>Asset Class</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Cash & Equivalents	100%	100%	100%

**Prohibited Investments** include any interest bearing account that is not subject to Federal Deposit Insurance Corporation (FDIC) insurance, or otherwise fully secured by collateral securities with a financial institution repo agreement.

### **Asset Quality**

**Cash and Equivalents** – All interest bearing investment deposits must be fully covered by FDIC insurance or be subject to a collateralized deposit repo agreement with the institution.

### **Duration/Maturities**

The Finance Committee shall, from time to time, evaluate the optimal amount of cash to hold in the organization's primary operating account. After considering anticipated tax receipts, upcoming demands for operating expenses, contingencies, and earnings credit rates and/or minimum balances to compensate for bank account fees, the Finance Committee will periodically classify a portion of the primary operating account balances to move into interest bearing accounts. Time deposit maturities shall not exceed a 360-day maturity without a vote of the full RASA Board of Directors.

### **Reporting**

The RASA Finance Committee will provide a cash position report at each meeting of the RASA Board or Executive Committee, or upon any special request of the President or Treasurer. This cash position report will include copies of the most recent bank statements from all depository institutions used by the RASA Finance Committee.