

EDISON FOUNDATION INVESTMENTS

PURPOSE

The purpose of this policy is to outline objectives and strategies for the management and oversight of investments within the Advancement Office to ensure responsible stewardship of funds and assets.

POLICY STATEMENT

The College has two primary pools of invested funds: cash and pooled investments, as shown on the balance sheet, and endowment funds. The primary objective for the cash and pooled investments (non-endowment funds) is to enable the College to meet its financial obligations as they come due. A secondary objective is to achieve prudently managed investment returns.

The endowment funds are governed by the Edison Foundation Investment Policy with oversight from the Edison Foundation Business Affairs Committee.

The primary objectives, in priority order, of the College's non-endowment investment activities shall be:

Safety

Safety of principal is the foremost objective of the investment program. Investments of the College shall be undertaken in a manner that ensures, over time, the preservation of capital in the overall portfolio.

Liquidity

The College's investment portfolio will remain sufficiently liquid to enable the University to meet all its operating requirements. Portfolio liquidity is defined as the maturity or ability to sell a security on a short notice near the purchase price of the security. To help retain the desired liquidity, no issue shall be purchased that is likely to have few market makers or poor market bids. Additionally, liquidity shall be assured by keeping an adequate amount of short-term investments in the portfolio to accommodate the cash needs of the College.

Return on investments

The College's non-endowment portfolio shall be structured with the objective of attaining the highest possible "total return" for the investment portfolio while adhering to the restraints and obligations inherent in the current legal construct of a prudent fiduciary [Third Restatement of Trusts (1990) and the Uniform Prudent Investor Act of 1994].

PERSONS AFFECTED

All Edison State Community College stakeholders.