

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
SFP-1000

SUBJECT: Investment Policy

REFERENCE: None

ORIGINATION: June 2009

EFFECTIVE: September 22, 2021

REVIEWED: September 22, 2021

SECTION 1. PURPOSE

- 1.1 It is the objective of Southern West Virginia Community College Foundation, Inc. to maximize the return on assets while minimizing risk and safeguarding the assets. In order to accomplish these objectives, the investment manager will employ prudent and diligent investment management to properly diversify the assets among various categories, including equities, fixed income securities, and cash equivalents.

SECTION 2. DEFINITIONS

- 2.1 Cash Equivalents – Any investment with a maturity date of one year or less.
- 2.2 Equities – A stock or any other security representing an ownership interest.
- 2.3 Fixed Income Security – An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity. Unlike a variable-income security, where payments change based on some underlying measure such as short-term interest rates, the payments of a fixed-income security are known in advance.
- 2.4 Mutual Funds – An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund’s capital and attempt to produce capital gains and income for the fund’s investors. A mutual fund’s portfolio is structured and maintained to match the investment objectives stated in its prospectus.
- 2.5 New York Stock Exchange (NYSE) – A stock exchange based in New York City, which is considered the largest equities-based exchange in the world based on total market capitalization of its listed securities.
- 2.6 American Stock Exchange (AMEX) – The third-largest stock exchange by trading volume in the United States. The AMEX is located in New York City and handles about 10% of all securities traded in the U.S.
- 2.7 National Association of Securities Dealers Automated Quotations (NASDAQ) – A computerized system that facilitates trading and provides price quotations on more than 5,000 of the more actively traded over the counter stocks. It is the largest screen-based equities securities trading market in the United States.
- 2.8 Investment Manager – The Investment Committee Chairperson and the United Bank Representative.

SECTION 3. POLICY STATEMENT

- 3.1 The intent of these guidelines is to provide a flexible framework for the Investment Manager to work within, while meeting the investment objectives of the Foundation. The Investment Manager may invest in any manner deemed appropriate which fall within the guidelines.

SECTION 4. BACKGROUND OR EXCLUSIONS

- 4.1 None.

SECTION 5. GENERAL PROVISIONS

- 5.1 None.

SECTION 6. RESPONSIBILITIES AND PROCEDURES

6.1 Investment Guidelines

- 6.1.1 The Investment Manager may invest the assets of the Foundation within the following ranges:

- 6.1.1.1 Up to 100% in equities (these would be high quality dividend paying stocks).
- 6.1.1.2 Up to 50% fixed income.
- 6.1.1.3 Up to 20% cash equivalents.
- 6.1.1.4 No mutual funds.

- 6.1.2 The Investment Manager may not have more than 10% of the Foundation's investment (measured at market value) in the equities and/or bonds of any one company.

- 6.1.3 The Investment Manager shall not have more than 25% of the Foundation's investment (measured a market value) in the equities of any one industry.

- 6.1.4 Foreign equity securities are limited to 15% of total investment and must meet all other equity guidelines.

- 6.1.5 The Investment Manager is not limited to the amount of U. S. Government treasuries or agencies that he/she may purchase.

- 6.1.6 The Investment Manager may not purchase futures, options, or limited partnership investments.

6.2 Equities

- 6.2.1 The company must have a minimum capitalization of 100 million dollars.

- 6.2.2 The stock must be traded on the NYSE, AMEX, or NASDAQ.

6.3 Fixed Income Securities

- 6.3.1 All fixed income securities should have at least a rating of "A-" by Moody's or Standard and Poor's.

- 6.3.2 The average maturity of the portfolio shall not exceed ten (10) years.

6.4 Cash Equivalents

- 6.4.1 Cash equivalents may include U. S. Government and agency securities, certificates of deposit within insurance limits, or money market funds.

- 6.5 Communication
- 6.5.1 The Investment Manager will provide the Foundation Executive Committee with a quarterly report that measures the Foundation’s investment performance against appropriate market indexes.
 - 6.5.2 The Investment Manager will provide a quarterly statement of transactions and asset position.
 - 6.5.3 The Investment Manager will meet with the Foundation Executive Committee on an annual basis to review strategy, performance, and adherence to policy guidelines.
 - 6.5.4 The Investment Manager will inform the Foundation Executive Committee, in writing, of any major changes in investment philosophy, strategy, or personnel.
 - 6.5.5 The Foundation Executive Committee will communicate any changes in investment policy to the Investment Manager.
 - 6.5.6 The Investment Manager will maintain separate accounting for each sub-account as required by the Southern West Virginia Community College Foundation, Inc.
 - 6.5.7 The Foundation Executive Committee will give written notice to the Investment Manager of the amount and sub-account from which withdrawals are required.
- 6.6 Performance Review
- 6.1.1 The Foundation Executive Committee will review the investment performance on a quarterly basis. The performance review will compare the investment performance against appropriate market indexes.
 - 6.1.2 The performance review shall determine if the Investment Manager is adhering to the Foundation Executive Committee specified guidelines.

SECTION 7. CANCELLATION

7.1 None.

SECTION 8. REVIEW STATEMENT

8.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Foundation Executive Committee that the policy be amended or repealed.

SECTION 9. SIGNATURE

President

Date

Attachments: None.

Distribution: Members, Southern West Virginia Community College Foundation, Inc.
President, Southern West Virginia Community and Technical College
Development Office, Southern West Virginia Community and Technical College
www.southern.wvnet.edu

Revision Notes: July 2010 – Revision was made to 6.1.1.1. This change increased the maximum equity investment percentage to seventy.

August 2011 – Revision was made to 6.1.1.1. The maximum equity investment percentage was changed from up to 70% to up to 100%.

September 2021 – Add to Section 2. 2.8. Define the investment manager.