**National Ski Patrol**

**Southern Division**

**Investment Policy Statement**

**Approved: August 14, 2016 BOD**

**Purpose:** To provide guidelines for the accumulation and investment of funds held by the Southern Division of the National Ski Patrol. These guidelines will assist the Executive Committee and the Full Board with sound fiscal principles that are within IRS compliance parameters.

**Categories of Guidelines:**

1. Separation of moneys into logical funds based upon Budgeted Expenditures, Special purpose activities, and Donor Restricted contributions.
2. Limits and triggers that determine the amount of dues to be collected from each patroller annually.
3. Investment Policy Guidelines for each Fund.

**Policy:**

1. **Establishment of 4 Funds:**
   1. **Operating Fund.** A FDIC insured bank account will house the monies to fund the annual budgeted expenditures for the upcoming fiscal year. All receipts and disbursements for normal operations will be processed through this account.
      1. **Target Balance at the beginning of the Fiscal Year:** 100% of the Projected Annual Expenditures.
   2. **Contingency Fund.** A FDIC insured bank account (which may be the same account as the Operating Fund). Funds, or book entries, will be transferred to the Operating Fund as approved by the Executive Committee or the Full Board.
      1. **Target Balance at the beginning of the Fiscal Year:** 50% of the Projected Annual Expenditures.
   3. **Savings Fund.** An Investment Account will house monies and investments that are anticipated to be untouched for at least 2 years.
      1. **Target Balance at the beginning of the Fiscal Year:**  No more than 100% of the Projected Annual Expenditures.
   4. **Special Project Fund.** If Special Projects are approved by the Board that are outside of the scope of normal operations or projects that have funding sources other than dues collections, a separate Fund will be established to house and track these receipts and expenditures. Monies will be maintained in a FDIC insured bank account (which may be the same as the Operating Account).
      1. **Target Balance:** Will be based upon each project’s specific needs.
2. **Annual Dues Calculation.** Based upon current IRS guidelines, which may change from time to time, total funds at the end of the fiscal year should not exceed 2.5 times the actual annual operating expenditures of the higher of the last two years. This would apply only to the sum of the Operating, Contingency and Savings funds. Special Projects and Donor Restricted funds are not included in this calculation.
   1. Example: Actual Annual Expenditures: $40,000

2.5 x $40,000 = $100,000 total for Operating, Contingency & Savings

As a component of our budgeting process, if our anticipated ending balance is going to exceed this guideline, then our annual dues should be reduced accordingly.

1. **Investment Policy Guidelines**
   1. **Operating Fund**.
      1. 100% FDIC Insured bank account.
   2. **Contingency Fund.**
      1. 50% FDIC Insured bank account.
      2. 50% FDIC Insured Certificate of Deposit - Maximum duration 12 months.
   3. **Savings Fund.**
      1. 33% FDIC Insured Certificates of Deposit- Maximum duration 60 months.
      2. 67% Equity investment in broad indexed funds, i.e. S&P 500.

* 1. **Special Project Fund.**
     1. 100% FDIC Insured bank account.

1. **Donor Restricted Funds** The Board may accept the assumption of Donor Restricted funds or memoriams. These funds will be maintained separately in the Southern Division’s Financial Statements and will follow the restrictions, guidelines and spirit that the donor specified. These funds will not impact or be included in the IRS compliance calculation or have any impact on the dues calculation.