



Children's Day School

Investment Policy Statement

Board Approved: May XX, 2019

Introduction:

This policy statement provides a framework for the management of the investable assets of Children's Day School. The Board of Trustees has a fiduciary responsibility for directing and monitoring the investment management of the School's assets and has the final authority for approving all investment recommendations. The Finance Committee will provide ongoing oversight of the investments and report results to the full Board. The Head of School and Director of Finance and Operations are responsible and authorized to implement all of the duties and agreements necessary for implementation of the Policy and strategies approved and adopted by the Finance Committee and recommended to the Board of Trustees for final approval.

The assets governed by this statement are the School's financial assets that are (1) required for the daily operation of the school, (2) operating reserves, (3) temporarily restricted funds to be released for specific or future purposes, and (4) designated by donors or the Board of Trustees as endowment funds.

The Finance Committee will review this statement no less than every three years. It is the intent of this statement to be both sufficiently specific to be meaningful and yet flexible enough to be practical and enduring.

All investments must maintain compliance with the financial covenants in the School's bond and loan documents.

Operating Cash:

The primary financial objective is to hold tuition receipts and other operating revenue required for the school's current day to day operating needs in cash or other liquid investments that can be made available to the school within 1-30 days.

An additional objective is to have the limitation of risk take precedence over investment returns. To that end, funds shall be invested in savings accounts and money market accounts.

Operating Reserves:

The School shall maintain an operating reserve in an amount recommended by the Finance Committee. The primary objective is to preserve and enhance the purchasing power of the operating reserve through a prudent short term investment strategy.

An additional objective is to have the limitation of risk take precedence over investment returns. To that end, funds shall be invested with a duration not exceeding two years in investments such as Certificates of Deposit or US Treasuries, depending upon the prospective needs of the School.

Restricted Fundraising Proceeds:

From time to time the School receives donations that are temporarily restricted as to purpose or time. These typically represent Capital Campaigns or Fund a Need programs. The primary financial objective is to preserve and enhance the purchasing power of the fundraising proceeds through a prudent investment strategy that matches the term of the investment with the anticipated release of any restriction.

An additional objective is to have the limitation of risk take precedence over investment returns. To that end, funds shall be invested in investments such as Certificates of Deposit or US Treasuries. Investment terms can be up to the time at which the restriction is to be released.

Endowment Management and Investment Objectives:

(To be drafted at the appropriate time and will include a spending policy. Current endowment \$16,728 and Board Designated Endowment of \$205,291 total \$222,019.)