



Prince George's County Parks and Recreation Foundation Investment Policy

It is the general policy of the Prince George's County Parks and Recreation Foundation to invest funds to achieve growth in principal value over time sufficient to preserve or increase the purchasing power of the funds, thus protecting the funds against inflation. The funds include permanently restricted funds, temporarily restricted funds, designated funds and board-designated reserves. Notwithstanding this policy, all restrictions placed by donors on the interest and investment earnings on donated funds will be honored.

INVESTMENT POLICY

Fund Categories, Objectives and Authority

Temporarily Restricted Funds

- Description. These funds are restricted in time or purpose. They include donated funds that are restricted to program use or over time, and are expected to be used for operating or designated expenses. Some funds held in this category will be released to Unrestricted Operating Funds when donor objectives have been achieved.
- Investment Objective. Preservation of principal for designated uses, and maximization of earnings in a way that allows immediate liquidity to meet ongoing operations and spending requirements.
- Authority. Within the parameters of this investment policy, the Executive Director, President and Treasurer have authority to invest the funds, and to spend principal and interest to meet grant requirements and operational needs of the Prince George's County Parks and Recreation Foundation.

Unrestricted Short-Term Operating Funds

- Description. These funds are not restricted in their use. They include cash, surplus from current operations, unexpended portions of unrestricted grants, the up to 12% administrative fee, and other unrestricted funds received.
- Investment Preservation of principal to cover operating expenses, and maximization of earnings in a way that allows for immediate liquidity to meet ongoing operational requirements.
- Authority. Within the parameters of this investment policy, the Executive Director, President and Treasurer have authority to invest the funds, and to spend principal and

interest to meet the operational needs of the Prince George's County Parks and Recreation Foundation.

Designated Gifts

- Description. These funds are gifts which are subject to an administrative fee. As of the drafting of this document, that fee is set at 12% Administrative fees are then considered Unrestricted Short Term Operating Funds and the remaining corpus is considered Restricted or Temporarily Restricted depending on donor objectives.
- Investment Objective. Preservation of the principal to cover operating and programmatic expenses in a way that allows for immediate liquidity to meet ongoing operational requirements.
- Authority. Within the parameters of this investment policy, the Executive Director, President and Treasurer have authority to invest the funds and to spend the unrestricted portion of the gift to meet the operational needs of the Prince George's County Parks and Recreation Foundation.

Board-Designated Reserves

- Description. These funds have been designated by the board to be held in reserve to support future years' operations, provide a resource for unexpected downturns, and provide a source of investment in the business. They may include accumulations from past years' annual results of operations, investment income, and other funds designated by the board and allowable by virtue of the ***MOU/Trust Agreement*** with the M-NCPPC.
- Investment Objective. Preservation of real purchasing power of principal and prudent maximization of investment income.
- Authority. The finance and investment committee shall establish the appropriate ranges and types of investment for these funds, with prior approval of the board, and shall review investment performance of these funds on a quarterly basis in accordance with this policy. Within the parameters of this investment Policy and with the Executive Committee, the Executive Director and Treasurer shall have the authority to invest the funds.

Endowment Funds

- Description. Endowed funds are those that have been given in perpetuity, through which the principal of the fund remains intact and the income is paid out to support park priorities. Endowed funds may also be drawn down over a period of time based on donor instructions and the direction of the Board of Trustees.
- Investment Objective. Preservation of principal to allow distribution of income for designated uses.

- Authority. These funds shall be held at the Community Foundation of the National Capital Region (CFNCR) and overseen by the Executive Committee of the Board of Trustees, invested on a long-term basis in accordance with the investment policy.

Authorized Investments

Long term investments will be held at the Community Foundation of the National Capital Region (CFNCR) and invested based on their policies.

Prohibitions

Types of investments not specifically authorized by the board and included above are forbidden.

Executive Director Responsibilities

- The Executive Director will maintain the permissible ranges of investment for each asset class.
- Six times each year, at each meeting of the Board of Trustees, the holdings of the accounts shall be reviewed. The Treasurer will recommend rebalance or reallocation, if necessary.
- The Executive Director will provide the Executive Committee statements in advance of each board meeting.
- A year-end report will be provided to the Executive Committee and to the board summarizing the previous year's transactions and overall investment performance as compared to appropriate indices.

Finance and Investment Committee Responsibilities

- The Executive Committee will review the financial investment reports prior to each board meeting and make any recommendations at that time.
- The committee will periodically review the distribution policy against actual returns in order to make adjustments necessary for the preservation of purchasing power of the funds.