FamilyPromise
of Greater Indianapolis

INVESTMENT AND SPEND POLICY STATEMENT

Adopted May 28, 2019 by the Board of Directors

Mission Statement

We are a partnership of congregations and community organizations responding to the crisis of children and their families who are homeless. We work to eliminate homelessness in Greater Indianapolis.

Vision Statement

A Greater Indianapolis community where every family has a home, a livelihood, and the chance to build a better future.

I. Introduction

This Investment Policy Statement (IPS) details the oversight and management of the investment portfolio of The Nonprofit assets (collectively, the "Fund"). Contained in this IPS is the spend policy and the process by which disbursement decisions will be made and managed. The Fund will be managed on a total return basis, consistent with the applicable standard of conduct set forth in the New York Prudent Management of Institutional Funds Act of 2010 (NYPMIFA). It is the intention that all total return (interest income, dividends, realized gains, and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested in the Fund.

II. Investment Objective and Liquidity

The primary investment objective of the Fund is the preservation of long-term purchasing power primarily by means of growth of capital, and secondarily by income. As such, the return from the Fund must be adequate to at least preserve its purchasing power net of inflation, disbursements and management fees, over a perpetual investment horizon. Funds must also be invested in a manner that will provide adequate liquidity to meet the payment requirements of a continuing and stable funding source in support of Nonprofit programmatic or operating needs. A moderate level risk (in the form of volatility of returns) is acceptable to achieve higher long-term returns and given the Fund's long-term investment horizon. The invested assets are to be managed with a duty of care that would be exercised by a prudent person with fiduciary responsibility for similar invested assets on behalf of a comparable nonprofit organization.

III. Delegation of Responsibility

The Board of Directors (Board) is responsible for reviewing and approving the Investment Policy and Spending Policy contained in this document at least annually. The Board delegates to its Investment [or Finance] Committee (Committee) the responsibility of overseeing the Fund's investment and disbursement programs. The Committee will select, monitor and dismiss investment managers, custodians and investment consultants. The Committee will receive substantive reports at the end of each calendar quarter and periodic in-person visits from all outside agents. It is the Committee's duty to monitor investment results, risk levels and adherence to mandates for all investment managers. The Committee will report at least annually to the Board the results of the investment and disbursement programs.

IV. Asset Allocation

To achieve its investment objective, the Fund will be allocated in alignment with the selections of the firm that was chosen to manage it.
The Fund's long-term, strategic asset allocation will be weighted generally within these ranges:
Total Equities – 40 - 60%
Fixed Income - 10 – 30%
Cash Equivalents - 0 – 20%
Alternative - 0 – 20%

V. Benchmarks for Performance Evaluation

The total fund will be measured against the policy benchmark comprised of a total return in excess of the rate of inflation as measured by the Consumer Price Index plus 3% over a rolling 3-year period.

VI. Manager Selection and Monitoring

The Committee will interview, select, and monitor external investment managers to invest the assets of the Fund. In its deliberations and decisions, the Committee will be guided by the competence of the outside agent, previous performance, cost, and avoid any conflicts of interest with outside agent and Board members or officers of the Nonprofit. The Committee may delegate certain selection and monitoring functions to the staff. Quarterly and longer-term performance will be evaluated versus appropriate benchmarks, but emphasis will be placed on relative performance over longer investment periods. The Committee has the discretion to take corrective action by replacing a manager if the Committee deems it appropriate at any time. Corrective action typically occurs as a result of meaningful organizational or process-related change, and, in some cases, sustained relative underperformance. Significant short-term underperformance will also trigger a review. Manager fees are expected to be competitive and reasonable. No agreement will be executed with an investment manager that attempts to absolve it of its full fiduciary responsibility.

VIII. Third Party Duty of Care and Contract Termination Provisions

In performing any function delegated under this policy to any third party (e.g., investment managers or custodians), the third party shall owe a duty to the Nonprofit to exercise reasonable care, skill and caution to comply with the scope and terms of the duties assigned or delegated. Any contract with a third party shall be terminable at will by the Nonprofit upon written notice by the Nonprofit without penalty and with no more than a 30-day notification.

IX. Spending and Distribution Policy

The Board has authorized an annual spending policy of up to 4% [optional] of the value of Fund investments based on the trailing twelve (12) quarter rolling average market values. The Board, at its sole discretion, may, from time to time, authorize disbursements that exceed the spending policy contained in this document. This policy will be reviewed annually as part of the budgeting process. Investment manager(s) should be given ample notice of the required withdrawal schedule. Appropriate liquidity should be maintained to fund these withdrawals without impairing the investment process.

X. Gift Policy for Marketable Securities

It is anticipated that from time to time FPGI will receive gifts in the form of marketable securities. In such event, FPGI will liquidate the securities as soon as practically possible. In the event that the securities are restricted from sale for a designated period of time due to regulatory requirements, the Fund will hold said securities until the restricted period has elapsed and then liquidate the securities as soon as practically possible thereafter. FPGI will make no attempt to add value to the Fund by holding gifted securities.

XI. Conflict of Interest

If any member of the Board, Committee, staff, or an outside agent shall have, or appear to have, a conflict of interest that impairs or appears to impair the respective member's ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties, he or she shall disclose such conflicts to the Committee or its designee. All parties must also comply with any other conflicts of interest policies adopted by the Nonprofit as well as relevant sections of the NYPMIFA.