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SIGMA TAU DELTA
INVESTMENT POLICIES AND PROCEDURES

[Approved by the Board of Directors at the 48th Meeting, March 10-11, 1999, St. Louis, MO]

I. Purchase of Investments:

- A. The purchase of all investments for the Society will be made in accordance with the guidelines set forth in the Constitution of the Society.
- B. When the Executive Director determines that the Society has a surplus in its operating funds, he/she will advise the Treasurer of the amount that can be transferred into the Society's longer-term investment portfolio.
 - 1. If the sum to be invested is \$5,000 or less, the Treasurer will make his/her recommendation to the President and may proceed if the President concurs. If the President does not concur, the matter will be referred to the Finance Committee.
 - 2. If the sum to be invested is more than \$5,000, the Treasurer will make his/her recommendation to the Finance Committee, who will in turn recommend to the President. If the President concurs, the Treasurer may proceed. If the President does not concur, the matter will be referred to the full Board of Directors.
- C. Depending on whether the Society has engaged an Investment Manager (company or individual), the Treasurer will:
 - 1. Recommend an appropriate instrument/fund for the investment of the surplus; or
 - 2. Consult with the Investment Manager and recommend an appropriate instrument/fund for the investment of the surplus.
 - 3. In either case, the recommendation for investment shall be consistent with the investment policy/asset allocation policy approved by the Board.
- D. Following the approval of the President, the Treasurer will receive the surplus funds from the Executive Director and disburse them as approved.

II. Sale/Redemption of Investments

- A. The Society, through the action of the Treasurer, may sell/redeem portions of its investments when the President or/and the Executive Committee or/and the Board of Directors, as specified below, determines that the general operating expenses of the Society or special projects approved by the Board of Directors require additional liquid funds. *[Note: This policy does not apply to the transfer of funds from one investment instrument to another for the purpose of improving the security of the Society's investments or maximizing returns (portfolio maintenance).]*
- B. Authorization for amounts to be sold/redeemed:
1. On the recommendation of the Executive Director and the Treasurer, the President alone may authorize the sale/redemption of investments up to \$5,000 for the purposes stated above.
- X No more than two sales up to \$5,000 may be authorized in this manner in any period of 30 days. If more than one sale in an amount that exceeds \$5,000 in that time is required, the Finance Committee must give its approval.
1. Sale/Redemption of investments in amounts in excess of \$5,000 but less than 10% of the total market value of the Society's investment portfolio will require approval of the Finance Committee as well as the President.
 2. Sale/Redemption of investments in amounts equal to or exceeding 10% of the total market value of the Society's investment portfolio will require approval of the full Board.
 3. The full Board of Directors may authorize the sale/redemption of investments in any amount.
- C. Procedure:
1. When a sale is duly authorized,
- X for amounts of \$5,000 or less, the Treasurer will recommend to the President the fund(s) from which investments will be redeemed, or will consult with the Investment Manager to determine the fund(s) from which the investments will be redeemed, in accordance with the *Investment Policy* in place at the time.
- X for amounts in excess of \$5,000, the Treasurer will recommend to the President and the Finance Committee or, as required in Section II.B, to the full Board, the fund(s) from which investments will be redeemed, or will consult with the

Investment Manager and then recommend to the President and Finance Committee or the full Board the fund(s) from which the investments will be redeemed, in accordance with the *Investment Policy* in place at the time.

2. When the sale has been duly authorized and the Treasurer has determined the investment(s) to be redeemed, the Treasurer will conduct the sale as authorized and send the funds to the Executive Director, to be used for the purposes specified.