

Policy No: D-2

Subject: Investment Policies

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Effective Date: 1/9/16

Revision Date(s):

Review Date(s):

Review Responsibility: Budget Committee

Policy Statement:

AASL is bound, through the Operating Agreement, to ALA Investment Policies as listed below.

Focus:

Primary: AASL Budget Committee

Secondary: AASL Board of Directors

Purpose:

To clarify investment procedures of the AASL.

Procedure:

A.6.5 Long-Term Endowment Funds (Old Number 8.5)

Long-Term Investment Funds, colloquially known as endowments, may be restricted, temporarily restricted, or unrestricted. Such funds have been properly donated to the Association and set aside for future use of special purposes. The ALA Future Fund is the ALA Unrestricted Long-Term Investment Fund and is made up of gifts, bequests, life memberships and other sources received over the years; this Fund was formerly called the Board-Designated Endowment.

A.6.5.1 Long-Term Investment Funds: Association's Use/Withdrawal and Repayment (Old Number 8.5.1)

In the preparation of the ALA annual budget, the ALA Executive Director is authorized to include a payout rate of 3% - 5% of the five-year trailing calendar quarterly (20) rolling average of the net asset balance of the ATA Future Fund. Additionally, the Executive Directors of the Divisions and the liaisons for the Round Tables and others responsible for endowment funds are authorized to include in the preparation of their annual budgets, the anticipated payout value as provided by the Finance department. The payouts will be subject to any donor restrictions related to a particular fund and will be made from allowable temporarily restricted and unrestricted net assets. Additionally, the annual payout rate (3% - 5%) will be reviewed, determined and recommended by the ALA Endowment Trustees and the Finance and Audit committee of the ALA Executive Board, with final approval by the ALA Executive Board.

Use of Fund

Listed below are the primary instances whereby additional funds may be withdrawn from the Long-Term Investment Fund can be made.

A. Program Support

The General Fund, Divisions and Round Tables can request funds from their respective long-term investment funds to support one-time programs.

B. Emergencies

Emergencies will include financial disaster due to a major revenue shortfall, act of God, building catastrophe, major lawsuit, etc.

C. New Initiatives

New Initiatives will include projects or programs that are multi-year in nature and deemed important to the future of the Association, Divisions, Round Tables or units.

Amounts requested to be withdrawn in excess of the determined payout rate will require repayment with interest.