

# Wisconsin Library Services (WiLS) Investment Policy Statement

## **Purpose**

The purpose of this statement is to define the investment objectives of WiLS, the roles and responsibilities associated with these objectives, and a review/monitoring process for determining if objectives are being met.

## **Definition of duties**

The Board of Directors reviews and approves policy for WiLS, including the investment policy statement.

The Finance Committee of WiLS advises the Board on financial policy and is responsible for directing and monitoring the investment management of Fund assets.

The WiLS Finance Manager works with the Investment Manager to ensure the portfolio reflects the investment principles and objectives described in this policy statement.

Investment manager will identify appropriate vehicles and manage transactions to meet the investment principles and objectives.

## **General Investment Principles**

Investments shall be made primarily in the interest of WiLS and with the intent of meeting the investment objectives as described in this statement. The following investment categories are suitable vehicles for the portfolio:

1. U.S. treasury bills, notes, and bonds.
2. Government-sponsored enterprises bills, notes, and bonds.
3. Corporate notes and bonds rated "A" or better by a major rating firm.
4. Commercial paper, banker's acceptances, and other short-term investment vehicles rates in one of the top two categories by a major rating firm or possessing the credit characteristics that would earn it such a rating.
5. Insured certificates of deposit.
6. Common and preferred stock of U.S. or foreign companies.
7. Mutual or pooled funds that invest in the aforementioned asset classes.

Investments shall be made in "socially responsible" vehicles **in line with the mission and values of the organization** in the above categories when doing so will not hinder meeting the investment objectives as described in this statement. **Categories 6 and 7 should make up no more than 70% of the portfolio.**

The following investment categories are not suitable for the portfolio:

1. Speculative grade notes and bonds.
2. Futures, futures options, and other highly leveraged securities.
3. Short selling.
4. The purchase of any security on a margin basis.
5. Any asset or group of assets that would expose the portfolio to volatility or downside risk beyond the typical parameters of a "Moderate Growth" portfolio.

### **Investment Objectives**

The long-term objective for the portfolio is Moderate Growth, with a target return of 5% or more over 10 years. This objective recognizes that any investment portfolio incorporates a given amount of volatility over short periods of time, and the intent is to invest for a long-term total return objective rather than to attempt to time market movements to insure short-term gains.

### **Spending and liquidity policy**

As the intent of this portfolio is long-term growth, funds from the portfolio are not expected to be available for operational expenses. If the need arises to consider using invested funds for operational expenses, the Finance Committee will consider the circumstances and make a recommendation to the Board of Directors.

The WILS Finance Manager may reinvest funds that become available from general cash flow management and/or maturation of existing investment vehicles within the guidelines of this policy without requesting permission from the Finance Committee or Board of Directors.

### **Monitoring and review process**

Reports of performance will be included on monthly financial statements that are provided to the Finance Committee and Board of Directors by the Finance Manager. The Investment Manager will make an annual report to the Finance Committee and Board of Directors at a joint meeting of the two bodies.

### **Review of this policy statement**

This policy will be reviewed and revised or reaffirmed annually by the Finance Committee and the Board of Directors at a joint meeting between January and June.

Adopted 2/2015; Revised 2/2020.