STATEMENT OF POLICY: The mission of the American Pediatric Surgical Nurses Association, Inc. (APSNA), a 501(c) 3 organization, is to be the voice that shapes pediatric surgical nursing through advocacy, collaboration, mentorship and leadership. Based on a foundation of research, education and innovation, we will transform care delivery for pediatric surgical patients. The financial resources of APSNA exist to support the mission. The Investment Committee (IC) was created to manage and protect APSNA’s investment funds.

PURPOSE: This policy outlines APSNA’s investment strategy, the membership and responsibilities of the Investment Committee and qualifications of the financial advisor.

I. The matter of providing direction to the Executive Committee, to maximize investment income, seeking appropriate financial counsel, exploring opportunities to enhance APSNA’s financial growth while maintaining prudent reserves and ensuring the timely availability of funds for operations and strategic initiatives, making recommendations on investments to the Executive Committee for their review and approval, shall be vested in the Investment Committee.

II. The revisions, communication and enforcement of this policy are the responsibility of the APSNA Investment Committee, the policy will be reviewed and approved by the APSNA Board of Directors every three (3) years.

III. All investment funds held by APSNA are covered by this policy. Investment funds are those funds not held in APSNA’s business checking and savings account.

IV. General provisions: The Investment Committee will explore opportunities to enhance APSNA’s financial growth in a manner that looks towards future opportunities while maintaining prudent reserves and protecting funds designated for specific purposes (e.g. foundation, research, grants, conference and wound/ostomy care).

A. All financial transactions shall be for the sole benefit of APSNA.
B. The Investment Committee must, expressly approve all transactions made by the Financial Advisor, in advance.
C. Any investment that is not expressly permitted under this policy will be formally
reviewed and approved by the Investment Committee.
D. The Investment Committee’s actions must be in compliance with all applicable state and federal laws governing 501(c) 3 organizations.
E. Investments are to be evaluated carefully in order to minimize risk to APSNA.
F. The investment committee will meet formally to conduct a review of APSNA’s investment assets.
G. Meeting minutes of the Investment Committee will be documented by the APSNA Secretary and placed within the archives after review and approval by the committee.

PROCEDURE:

V. Investment Committee Membership: Investment Committee members shall be appointment by the BOD. These are voluntary positions with a 2-year term that begins and ends on odd years in the month of May. The BOD may re-appoint Committee members. The Committee shall include:

A. The current APSNA Treasurer.
B. The Immediate Past Treasurer.
C. An APSNA Member at Large (a member at least 2 years).
D. A second APSNA Member at Large (a member at least 2 years) with no prior BOD experience.
E. A Certified Public Accountant (CPA) with experience related to 501(c) 3 organizations.
F. A Certified Financial Planner (CFP) or Chartered Financial Analyst (CFA) in the role of Financial Advisor.
G. A community volunteer with investment experience and an expressed interest in APSNA.
H. A Committee Chair is appointed from the above members by the BOD.

VI. Statement of Responsibilities of the Investment Committee
Investment Committee members are considered fiduciaries, and thus have the duty of making all investment decisions for the express benefit of APSNA. All real and potential conflicts of interest shall be fully disclosed by each member upon accepting their committee appointment and are reviewed and disclosed annually. The Investment Committee is charged with the responsibility of managing the investment assets of APSNA. The specific responsibilities of the Investment Committee include:

A. Manage the investments in the Ameriprise accounts.
B. Guide and collaborate with the Certified Financial Planner/Chartered Financial Analyst
C. Recommends a committee chairperson, who will organize and chair the semi-annual Investment Committee meetings.
D. Meet semi-annually to review and guide, with the advisement of the CFP, APSNA’s investments.
E. The following policies will be reviewed and signed by committee members annually: Conflict of Interest Policy, Statement of Values and Ethical Standards, Non-discrimination/Anti-Harassment Policy, and Information Technology Resources and Communications Systems Policy and Diversity and Inclusion Policy. annually each May when new members join or members are re-appointed. Investment Committee members are to review and sign that they have read the Investment Policy at the start of their term.
F. The committee is to maintain a Certified Financial Planner (CFP)/Chartered Financial Analyst (CFA).
G. Maintain an Investment Committee Chairperson who will oversee the activities of the Investment Committee.
H. The Investment Committee Chair shall arrange a meeting at least twice a year, and as needed, to conduct a formal review of APSNA’s investments. The entire Investment committee is to
be present and the APSNA President and President-Elected are invited guests. Excused absences of Investment Committee members will be approved at the discretion of the Investment Chair.

I. The committee will receive monthly statements from all APSNA accounts from the current Treasurer. Such statements should contain all pertinent transaction details for each account that holds all or a portion of any APSNA funds.

J. The Investment Chair will update a monthly summary statement and send this to the Executive Committee. The Treasurer will forward to the BOD each month.

K. The Investment Committee must approve all investment and trades in advance of the execution of the transaction. The CFP shall execute all trades that are approved whether agreed upon at an Investment Committee meeting or occur as trade opportunities that are identified between meetings. The Investment Committee shall appoint two Authorized Persons for the investment accounts. The CFP must receive verbal approval for all trades and transactions from one of the Authorized Persons in order to proceed.

L. The Scholarship and Wound funds are to have 4% of their value assessed in October annually, and that amount is to be transferred and held in cash for distribution to the grant winners according to the following: 4% of the balance of the Wound fund will be awarded annually to a designated recipient, 4% of the Scholarship fund to be divided equally and awarded to designated recipients for the Research and Education funds respectively.

M. All approved trades must ensure that the investments are well-positioned, of appropriate risk, and re-balanced as needed to maintain a diversified and well-balanced portfolio. This includes the purchase and reinvestment of CD’s at maturity.

N. Review and respond to any written request from the Board of Directors to obtain funds to invest in a special project that is not supported by the annual budget and that the board has identified to be important for organizational development.

O. Determine the APSNA’s risk tolerance and investment horizon and communicate these to the Financial Advisor.

P. Regularly evaluate the performance of Financial Advisor to ensure adherence to policy guidelines and to monitor the progress of investment objectives.

Q. Develop and enact proper control procedures: e.g., replacing Financial Advisor Manager(s) due to a fundamental change in the investment management process or for failure to comply with established guidelines.

R. Termination of the Financial Advisor is determined by vote of the Investment Committee in the event of:
   1. Lack of collaboration
   2. Non-adherence to APSNA's risk profile
   3. Lack of timely communication
   4. Loss of Financial Industry Regulatory Authority (FINRA) license
   5. Legal conviction for financial wrongdoing

VII. Statement of responsibilities of the Financial Advisor:

The Financial Advisor is responsible for regularly providing investment performance updates, advice, and guidance to the Investment Committee regarding current and potential investments. The Financial Advisor shall act as a responsible fiduciary in all matters related to management of APSNA investment assets. The Financial Advisor shall adhere to each of the following:

A. Held to a Fiduciary standard.
B. Must be a Certified Financial Planner or Certified Financial Advisor.
C. Must possess a Series 7 license.
D. Is responsible for executing trades that are approved by the finance committee.
E. All trades must be approved by the committee before being executed.
F. Will not execute trades or transactions between Investment Committee meetings unless specifically approved by the investment committee following an approved process defined in
this policy.
G. Must have at least 3 years of related experience.
H. Three years of nonprofit experience preferred.
I. Will communicate any major changes in the economic outlook, investment strategy, or any other factors that affect implementation of the investment process.
J. Assets will be invested in accordance with the investment guidelines below.

VIII. Investment guidelines

The primary outcome of APSNA investments is to earn a reasonable rate of return, control risk and ensure the timely availability of funds needed for member benefit and strategic initiatives. Investment decisions should be made to maximize APSNA's growth in a systematic, diversified fashion that does not place the organization at undue risk.

A. APSNA is a charitable organization under § 501(c)(3) of the Internal Revenue Code. Consequently, its income is generally exempt from federal and state income tax with the exception of income that constitutes unrelated business income (UBI). This tax-exempt status should be taken into consideration when making organizational investments.

B. APSNA desires to invest in companies whose business conduct is consistent with its goals and beliefs. Therefore, APSNA’s Financial Advisor will use their best efforts to avoid holding securities of any company known to participate in businesses the Investment Committee deems to be socially or morally inconsistent with APSNA’s objectives.

C. APSNA is expected to operate in perpetuity; therefore, a long-term investment horizon shall be employed. Interim fluctuations should be viewed with appropriate perspective.

D. Investment Products shall be adequately diversified to reduce risk. APSNA will maintain a reasonable diversification of investment assets between asset classes and investment categories at all times.

E. Transactions shall be executed at reasonable cost, taking into consideration prevailing market conditions, services, and research provided by the executing broker.

F. The following transactions are prohibited: Purchase of non-negotiable securities, individual below investment grade bonds, private placements, precious metals, commodities, short sales, any margin transactions, straddles, warrants, options, life insurance contracts, leverage, or letter stock.

G. The investment portfolio should not be a blind pool; each investment must be available for review. The portfolio will be positioned as follows:

1. Investments in the equity securities of any one company shall not exceed (5%) of the portfolio nor shall the total securities position (debt and equity) in any one company exceed (10%) of the portfolio.

2. Reasonable sector allocations and diversification shall be maintained. No more than (25%) of the entire portfolio may be invested in the securities of any one sector. The Investment Committee should make recommendations regarding a “do not touch” amount.

H. Investments within the investment portfolio should be readily marketable with the understanding that some may have longer maturity dates.

I. Rebalancing shall be considered twice a year or more frequently if deemed necessary.

J. A cash reserve equal to the cost of 6 months of operations is required to maintain the APSNA business. The value of these reserves will be documented at each meeting of the investment committee. Assets will be stratified according to the following:

1. **Short Term Assets (0-3 years):** provide liquidity, low risk of loss, limited return. These funds provide prudent reserve in the event of total lack of income from dues, conference registration and other activities that generate income. It is expected that APSNA will invest the Short and Intermediate portfolio allocations in the following types of assets:

   1. **Short Term Assets (0-3 years):** provide liquidity, low risk of loss, limited return. These funds provide prudent reserve in the event of total lack of income from dues, conference registration and other activities that generate income. It is expected that APSNA will invest the Short and Intermediate portfolio allocations in the following types of assets:
a. Money Market and High Grade Bond Mutual Funds
b. Bank Certificates of Deposit
c. Commercial Paper (AAA/AA)
d. Bankers Acceptances
e. Individual Bonds rated A or better and traded on a major US exchange, invested such that the intention when purchasing the bonds is to hold them through maturity (e.g. through a laddered maturity bond portfolio). The maximum maturity of an individual bond purchase will be 2 years at the date of purchase.

2. **Intermediate Term Investments (4-7 years):** assets set aside in August of 2008. The intermediate-term portfolio includes assets with an investment timeframe of 4 to 7 years that have a higher risk profile than short-term investments to potentially earn a higher rate of return. Appropriate intermediate term investments would include a balanced combination of diversified high quality stocks and corporate or government bonds. A common allocation for investments with this timeframe is roughly 60% in stocks and 40% in bonds.

3. **Long Term Investments (8 years+):** assets originally set aside in August of 2008. These funds are intended to achieve a greater long-term return through the acceptance of additional investment risks, including but not limited to equity risk. Liquidity and income are secondary considerations. These are funds not needed for programs or emergency backup.