



INVESTMENT POLICY GUIDELINES

1. **Effective Date.** These Investment Policy Guidelines were first recommended by the 2019-20 Fiscal Concerns Committee (FCC) and were approved by the Executive Board (EB) on 11/15/2019. The policy was most recently updated by the EB on 2/01/23.
2. **Scope.** These policy guidelines concern all Florida Association of Student Financial Aid Administrators (FASFAA) funds (i.e., liquid assets) consisting of cash, cash equivalents, and readily marketable investment securities.
3. **Purpose.** FASFAA Investment Policy Guidelines are designed to provide for the safety, liquidity, and appropriate investment of FASFAA assets and to ensure adequate oversight and compliance.
4. **Allocation of Funds.** FASFAA funds will be divided into two categories to meet cash flow needs for FASFAA programs and operations and to provide long-term investment of remaining funds.
 - a. Operating Funds
 - i. UBS HW 1F 74125 Operating/Short-Term Reserve
 - ii. 10110 Wells Fargo Checking (Cash)
 - b. Investment Funds
 - i. UBS HW 1F 74124 Bonnie Pirkle Scholarship
 - ii. UBS HW 1F 74126 Long-Term Reserve
5. **Eligible Investments.** The following investments are illustrative and considered appropriate investment vehicles for each fund. However, since the investment community is continually introducing new and improved investment products, other investment vehicles not enumerated here with similar investment and investment risk characteristics may also be appropriate as determined on a case-by-case basis.
 - a. Operating Funds
 - i. Checking accounts – Federal Deposit Insurance Corporation (FDIC) insured
 - ii. Savings accounts – FDIC insured
 - iii. Money market accounts – FDIC insured or backed by US government securities/obligations, Commercial Paper rated A-1/P-1, or other short-

term fixed instruments with a similar rating by one of the major rating agencies.

- b. Investment Funds
 - i. Including, but not limited to Global Developed Fixed Income, Emerging Market Stocks, and Mutual Funds

6. Investment Strategies: Asset Allocation.

- a. Operating Funds
 - i. Liquidity requirement: Daily.
 - ii. Asset allocation: 100% checking, savings, or money market accounts
- b. Investment Funds
 - i. Investment Strategy. The objectives of the Investment Funds should be pursued as long-term goals designed to maximize investment returns without exposure to undue risk, as defined herein. It is understood that a fluctuating rate of return is the chief characteristic of the securities markets. It is also understood that there is a strong positive correlation between short-term volatility and higher long-term rates of return. For FASFAA, for its Investment Fund, the greatest concern is the preservation of purchasing power through long-term appreciation of assets and, secondarily, consistency of total portfolio returns.
- c. Investment Policy Asset Allocation Targets and Ranges by Asset Class:
 - i. The following chart represents the targeted allocation and ranges for all assets of FASFAA including both Operation and Investment Funds. While the President and the EB of FASFAA retain the discretion to move beyond these ranges at any time to respond to market conditions, the chart below is meant to serve as an overall guideline for investment strategy.

ASSET CLASS	MINIMUM WEIGHT	TARGET WEIGHT	MAXIMUM WEIGHT
Equity	25%	35%	60%
Total Alternative Assets	0%	25%	35%
Fixed Income	25%	40%	60%
Cash and Equivalents	5%	5%	15%

7. Responsibility and oversight.

- I. **Responsibility.** The EB is ultimately responsible for FASFAA’s assets as well as the Investment Policy guidelines. The EB has delegated oversight authority to its subcommittee, the FCC. Thus, the FCC is responsible to monitor FASFAA funds for compliance with the investment policy.
- II. **Reporting.** The investment advisor is to provide monthly performance reports to the President for FASFAA’s investments.
- III. **Meetings.** The FCC will meet at least twice a year to review FASFAA Funds.
- IV. **Annual Review.** No less than annually the FCC will review the performance of the portfolio and the Investment Policy Guidelines and report its finding to the EB in a written report together with any recommended changes it deems necessary. The EB will also review fund performance, the Investment Policy Guidelines, and

the FCC annual report and implement any changes it deems necessary.

- V. **Investment Monitoring.** At a minimum, there will be a quarterly review of the portfolio by the manager with the President or the FCC, and an annual in-person or virtual review of the portfolio by the manager with the FCC.
- VI. **Changes/Exceptions to the Investment Policy.** These guidelines can be changed by the EB and exceptions can be made by the President after conferring with the EB.