

# **SOUTHEAST CHAPTER OF THE AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES**

## **INVESTMENT POLICY STATEMENT April 2010**

### **Introduction**

This statement of investment policy, adopted by the Board of Directors of the Southeast Chapter of the American Association of Airport Executives ("SEC-AAAE") on the 18th day of April, 2010, is to provide guidelines for the management and investment of all funds held by the SEC-AAAE.

This policy is designed to ensure the prudent management of SEC-AAAE funds, including the availability of operating funds when needed and a level of investment return within acceptable risk parameters as determined by the Board of Directors.

### **Investment Objectives**

The investment portfolio of the SEC-AAAE shall be managed to accomplish the following objectives:

1. Preservation of Principal – The single most important objective of the SEC-AAAE's investment program is the preservation of the principal of those funds within the portfolio.
2. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and or future operating requirements of the SEC-AAAE.
3. Return on Investment – The portfolio shall be managed in such a fashion as to maximize the return on investments but within the context and parameters set forth by objectives 1 and 2 above.

### **Procedures**

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of SEC-AAAE and taking into account the current financial condition of SEC-AAAE:
  - a. This investment policy shall be reviewed annually by the Executive Secretary and Secretary/Treasurer for any necessary revisions.
  - b. Recommendations for any revisions or modifications to this investment policy will be made by the Executive Secretary and/or Secretary/Treasurer to the Board of Directors for approval.
2. The services of an investment consultant may be sought to assist in the management of the SEC-AAAE's investment portfolio if determined to be necessary and prudent by the Board of Directors. If utilized, the following procedure shall be followed to engage a new or replace a current investment consultant.
  - a. The Executive Secretary and Secretary/Treasurer will recommend companies to provide investment consultant services to the Board of Directors.
  - b. The Board of Directors will review and/or interview the recommended companies and determine which company is the most qualified to provide investment consultant services for the SEC-AAAE. The Board of Directors has the final approval or disapproval of such a selection.
3. The Secretary/Treasurer, in consultation with the President and the Executive Secretary, shall establish an annual financial plan which projects funds available for investment ("Investment Plan") and the date such funds may be needed for operational and/or capital expenditures.
4. The Executive Secretary shall carry out the Investment Plan in accordance with this policy and the direction of the Board of Directors. The Secretary/Treasurer shall be responsible to oversee the activities of the Executive Secretary.

### **Standard of Prudence**

Except where specifically directed by law, statute or regulation, the general investment

policy of the SEC-AAAE will be guided by the "prudent person" rule. Those with investment responsibility for SEC-AAAE funds are considered fiduciaries and, as such, will exercise the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

### **Investment Guidelines**

The Executive Secretary is authorized to deposit or invest SEC-AAAE Funds per the approved Investment Plan in the following accounts and/or securities:

1. Checking accounts in U.S. federally insured banks and savings and loans not to exceed federally insured amounts;
2. Money market funds that invest in U.S. Government backed securities;
3. Federally-insured certificates of deposit not to exceed \$100,000 per institution;
4. U.S. Treasury Obligations to include U.S. Treasury bills and notes, or any other obligation or security issued by or backed by the full faith and credit of the U.S. Treasury; and
5. Federal Agency Obligations including bonds, notes, debentures, or other obligations or securities issued by or backed by the full faith and credit of any U.S. Government agency or sponsored enterprise. This includes, but is not limited to the Federal National Mortgage Association, Federal Home Loan Bank Mortgage Corporation, Federal Home Loan Bank, Federal Farm Credit Bank, Government National Mortgage Association, Student Loan Marketing Association, the United States Export-Import Bank, Farmers Home Administration, and the Federal Housing Administration.
6. Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations.
7. General Airport Revenue Bonds when insured or issued by an airport with a stand-alone (stub) credit rating of no less than "A" issued by one of the nationally recognized rating agencies or their successor agency.

### **Maturity**

The maturities on investments shall be as determined by the Investment Plan.

### **Reporting**

The Executive Secretary shall prepare the following reports for presentation on a monthly basis to the Board of Directors:

1. Schedule of investments,
2. Interest income year to date,
3. Current yield, and
4. Yield to Maturity.

**Dated this 18th day of April 2010.**

THE SOUTHEAST CHAPTER OF THE  
AMERICAN ASSOCIATION OF AIRPORT  
EXECUTIVES

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William F. Marrison, A.A.E., President

**POLICY SERIAL NUMBER**

**2010-02**