

# **Newton Conservators Investment Policy**

**Adopted November 2014, revised March 2018**

The Treasurer shall hold any funds which are to be spent within a specific time frame in investments with maturities no longer than the period until the funds will be needed.

The Treasurer shall hold in money market funds, insured bank accounts, and other safe and liquid cash assets the total of the following:

- any funds held by the Conservators that are subject to donor restrictions or other organizations' needs
- an amount equal to one year's operating budget

The balance of the Conservators' assets shall be considered to be board-designated endowment, and shall be invested in accord with this policy. At any time, the board may determine that the mission of the Conservators is best served by appropriating for expenditure some or all of the board-designated endowment.

The Board directs that the board-designated endowment shall be invested using the following asset allocation mix, subject to annual modification by the Finance Committee:

- Domestic Equity Funds                      60%
- International Equity Funds                25%
- Investment Grade Bond Funds            15%
  
- Total    100%

All investments shall be in widely-diversified, low-cost mutual funds such as index funds. The Finance Committee shall approve the selection of mutual funds to be used.

The Board directs that it is prudent to include in the annual operating budget an amount up to 4% of the average value of the board-designated endowment over the prior 36 months. The Finance Committee, in consultation with the Treasurer, shall propose a budget for consideration at the November Board meeting each year. The proposed budget will include one or more one-time projects to be funded from the endowment payout. Any available endowment payout not budgeted, or budgeted but not spent, in a particular year would be carried forward and could be included in the budget for a future year.