

JEFFERSON COUNTY COMMUNITY FOUNDATION

Investment Policy Adopted January 2006

Introduction

The Jefferson County Community Foundation invests its endowed and operational assets according to guidelines established by the Board of Directors. This statement of Investment Policy is set forth so that the nature, purpose and goals of the Foundation are clear.

Board of Directors Responsibility

The Board of Directors has ultimate responsibility for the investment of Foundation assets. The Board shall discharge their duties solely in the interest of the Community Foundation, with the care, skill, prudence and diligence that a prudent investor, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character.

Investment Committee Responsibility and Composition

The Board of Directors has delegated to the Investment Committee the responsibilities of making recommendations on the general investment policy of the Foundation, overseeing the selection and retention of any investment, investment consultant and/or investment manager to manage the assets of the Foundation, overseeing the monitoring and reporting requirements necessary to measure investment performance, and reviewing any special donor fund investment requests or constraints. The Investment Committee shall meet and report to the Board of Directors at least quarterly.

The Investment Committee shall be composed of at least two members of the Board of Directors, and may include non-board members, for a total of up to five members. The board members' terms shall be staggered so that at least one board member on the Committee knows the work deeply at all times. Terms for Committee members shall be for at least three years.

General Goal of Investments

The overall investment strategy of the Foundation will be to incorporate risk and return objectives reasonably suitable to the objectives of the Foundation's funds.

For endowed funds, the Foundation will pool investments with the Greater Tacoma Community Foundation's funds. Pooled investments are defined as those funds that are to be invested for longer than five years.

Use of Foundation Assets

The Foundation will expend fund assets to non-profit agencies in order to improve the quality of life in Jefferson County. It is the Foundation's intention to make a difference in the lives of individuals through its granting program to these agencies.

Once the Foundation's endowment assets have reached \$1,000,000, the spending budget for the upcoming calendar year will follow the spending policy of the pooled funds at Greater Tacoma Community Foundation.

Short-term investments

Short –term investments are defined as those that will be spent within five years. These investments shall be invested in cash and cash equivalents, including bank and money market accounts, and will be directly overseen by the Investment Committee.

Monitoring

Investment evaluation shall be completed on an annual basis by reviewing the performance of the fund's assets in relation to the investment objectives of this policy. Quarterly investment statements are to be submitted to the Investment Committee for their review. The Investment committee will oversee the actions and policies of GTCF on the endowed funds.

The Investment Committee shall bring to the attention of the Board of Directors any recommendation based upon the above, any significant unexpected occurrences in the investment program, and any significant event not addressed or anticipated by this policy.

Conclusion

This Investment Policy is designed to be used as a guideline to assist the Board of Directors, the Investment Committee and Investment Manager in managing investments. It is not to be considered a legal document or contractual obligation but should be viewed

as a flexible document whose purpose is to assist all parties in the management of the Foundation assets.