



Camp Neveda Foundation
Accounting Policies and Procedures
Approved by Board of Trustees February 9, 2019

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INTRODUCTION

This manual puts in place basic accounting, billing, and cash control policies and procedures designed to protect and secure Camp Nejeda Foundation, Inc. (Camp Nejeda), ensure the maintenance of accurate records of financial activities and ensure compliance with governmental and private funding source reporting requirements. Where this manual conflicts with specific federal or State regulation or with Camp Nejeda's Bylaws, the regulations or Bylaws shall prevail. Camp Nejeda accounting policies and procedures shall be consistent with Generally Accepted Accounting Principles (GAAP). Exceptions to these policies may be made on an individual basis, as necessary, with the approval of the Board. .

RESPONSIBILITIES

The responsibilities of the Board of Trustees ("the Board") and the Treasurer are delineated in the Bylaws.

The Executive Director reports to the Board and has responsibility for all financial operations and activities. S/he enables the Treasurer to fulfill his/her responsibilities.

The Bookkeeper is responsible for accounting duties with approvals from the Executive Director.

Other Staff are responsible to the Executive Director for the completion of financial operations.

GENERAL POLICIES

Financial forms and timesheets are printed and completed in ink. Whiteout or correction tape must not be used.

Passwords must comply with industry standards. They are to be treated confidentially and are not shared with other staff. The Executive Director will assure that all passwords are changed annually.

Security and access to financial information is determined by the Executive Director. Upon separation of a staff member, the password is immediately locked to prohibit any unauthorized activities or entries. Keys to Camp Nejeda's office(s) are returned.

The Maintenance Director has a copy of the key to every Nejeda building and office, but not the administrative file cabinets.

OVERVIEW OF THE ACCOUNTING SYSTEM

The financial records of Camp Nejeda are maintained through QuickBooks.

Data backup, including off-site backup is done daily to assure that the data is secure and will not be lost in the event of a computer failure. Year-end back-ups are kept for at least as long as required by state and federal regulations.

The Executive Director designates which staff are authorized to collect in-coming Camp Nejeda funds and how cash, checks or other instruments are handled.

The Executive Director may authorize the issuance of checks. Access to the check printing system is limited to and controlled by the Executive Director and the Bookkeeper. Petty cash access is limited to staff assigned by the Executive Director.

Access to the payroll system is controlled by the Executive Director to assure accurate and confidential data. Payroll is processed through a payroll service which is selected by the Executive Director. The Bookkeeper verifies the biweekly payroll service reports and the monthly bank statements.

DETAILED ACCOUNTING PROCEDURES

Funds Received

All checks, money orders and cash are recorded and deposited into the appropriate Camp Nejeda bank account within 2 business days of receipt.

The Bookkeeper will log in-coming cash into a pre-numbered duplicate Cash Receipts book. A pre-numbered receipt will be mailed to issuer of cash or preferably issued at time of receipt.

Credit card payments received pass from the credit card processing firms into our primary bank account and are verified by the Bookkeeper and other appropriate personnel.

Documentation for receipts (letter, stubs, etc.) is provided with the checks/cash when given to the Bookkeeper for processing and deposit.

Funds awaiting bank deposit are kept in a locked office with access limited to staff designated by the Executive Director. Cash is locked in a safe.

Bookkeeper verifies the checks and cash to documentation received and prepares deposit for bank. Checks are scanned via bank scanning device provided by bank.

The Executive Director or Bookkeeper makes deposits to the bank.

Bank confirmations are delivered to the Bookkeeper to attach to back up documentation.

The deposit is entered into QuickBooks by the Bookkeeper, and then filed in chronological order into a Deposit Receipts file/folder for the month.

At the end of the month, the Bookkeeper reconciles and verifies that all bank account totals add up to total funds received for the month and then prints out the log, retaining a ledger of reconciliations that are initialed by the Executive Director.

Petty Cash

The purpose of a Petty Cash Fund is to facilitate small purchases or reimbursements needed in the day-to-day operations of the organization, without going through the check writing and cashing process.

The limit for payments from the petty cash fund is set by the Board. The limit as of approval of this document by the Board is \$150.

Petty cash is kept in a locked box and secured in a locked filing cabinet, safe or locked desk. The cash in the box shall not exceed \$500. Only the Executive Director and the Bookkeeper will have keys to the box.

The purchaser must submit receipts for all purchases to the Executive Director or the Bookkeeper and return the change if funds were requested prior to purchase. In the case of a lost

receipt, the Executive Director may approve a disbursement based on a memo describing the item and cost.

The Bookkeeper will ensure that the petty cash record is maintained. The disbursements plus remaining cash should always add up to the previous month's balance plus cash added with a reconciliation done and documented by the Bookkeeper each month.

Bookkeeper

Any irregularities in the petty cash fund are reported immediately to the Executive Director

Loans will not be made from petty cash funds.

Requests to replenish the fund are made by the Bookkeeper and approved by the Executive Director. Petty cash replenishment checks are made out to Camp Nejeda and cashed by the Executive Director who will provide documentation to the Bookkeeper.

The Treasurer or Executive Director will periodically make unannounced checks of petty cash.

Camp Store

The Camp Store is locked and the Store Manager and Executive Director each have a copy of the key. It may not be entered without their permission.

A complete Store inventory is taken in the pre-season, mid-summer, fall and December or as needed.

At the start of each store day, \$150 in miscellaneous small bills will be in the store's locked cash drawer. Periodically during day, the Executive Director or store manager will take cash in excess of \$150 and lock it in the safe after both have initialed an envelope marked with the amount of cash being removed. During the following week, the Bookkeeper verifies the cash and a deposit is made at bank. The deposit receipt is returned to bookkeeper who enters it into Quick-books.

Credit card purchases are collected through Shopify and a statement is shared with the Store Manager and the Bookkeeper. Shopify statements are verified and signed by the Bookkeeper and Store Manager.

Alumni and Family volunteers may work on occasion in the store and will be verified and approved by Store Manager and Executive Director.

Fund Disbursements

The fund disbursement policies and procedures are designed to ensure that disbursements are properly made based on adequate documentation and proper authorization.

The Executive Director will authorize all expenditures:

Payment for supplies or services will be made based on invoices, not statements.

Payment Requisitions will be submitted by the Bookkeeper to the Executive Director with the original invoice attached. The Payment Requisition will be coded by the Bookkeeper requesting

the payment as to the fund and expense code to be charged. If approved, the Payment Requisition will be signed by the Executive Director.

Payment Requisition /Invoices are processed by the Bookkeeper. Each invoice is entered as a payable in QuickBooks and all corresponding documentation is attached when the payable is processed for payment.

In the event that an invoice cannot be obtained or is lost, a memo signed by the Bookkeeper and detailing the cost is submitted with the Payment Requisition for approval by the Executive Director.

All vendors must submit an IRS Form W-9 Request for Tax Payer Identification and Certification or equivalent to the Bookkeeper, prior to payment. A determination is made by the Bookkeeper or Executive Director on the need to file an annual IRS Form 1099-Misc. on payments made to vendors. Form W-9's should be mailed to all current vendors each year prior to Form 1099 preparation to assure information is current.

1099's are sent to contractors or individuals, who are not employees and have been paid \$600.00 or more for work that they have done during the current year. This would include organizations that have been paid \$600 or more for rent, services by someone that is not an employee, prizes and awards, payments to an attorney

Check Writing Procedures

After payment requisitions are approved by the Executive Director, payment may be processed. Checks are processed as needed.

Checks are written through QuickBooks, but can be handwritten if Bookkeeper is not available to process via QuickBooks, for example in the event of an emergency repair.

Checks are printed on numbered bank checks. They are given to the Executive Director for Signature.

Checks are not to be post-dated, signed blank, or made out to cash.

The approved payment requisition is attached to any other documentation, such as purchase orders or shipping documents, and filed in check number order in the respective Paid vendor files.

Voided or spoiled checks will have the signature block torn off and will then be filed in numerical order with the cancelled checks received from the bank.

The batch of checks is reviewed in check number sequence to assure no checks are missing.

Checks are mailed to vendors by the office unless specific arrangements had been made in advance for pickup of checks at the office.

Electronic Transfers:

Transfers can only be approved by the Executive Director or an Officer of Camp Nejeda and can only be transferred between Camp Nejeda accounts, including the investment account. An Investment Account has been established and only transfers into valid Camp Nejeda accounts may occur. A system for recording transfers among Camp Nejeda accounts and reconciling the transfers with monthly statements will be maintained.

Payroll

These procedures are designed to assure that payroll is based on proper authorization and required documentation, is paid at the approved rate, is only paid to actual employees, and to assure that proper and timely reporting is made to federal, state, and local taxing authorities.

Camp Nejeda uses an outsourced payroll company on fourteen day basis. Pay periods are every other Friday. Payroll is based on time sheets completed by employees and approved by Executive Director.

Time sheets will reflect the use of sick, vacation, or other leave time, if applicable. Overtime for Non Exempt employees requires the prior approval of the employee's supervisor. Time sheets must be completed in ink with no whiteout or correction tape. Changes are initialed by the employee. The time sheet will be signed by both the employee and the Executive Director.

New hires and salary and/or benefit changes must be approved by the Executive Director.

Benefit policy changes must be approved by the Board.

Payroll records are maintained by the Bookkeeper in a confidential manner in locked cabinets with access limited to the Bookkeeper, the Executive Director and the Treasurer.

Documents that verify tax withholding and authorize other deductions such as health insurance premiums or voluntary contributions are filed in the payroll files by the Bookkeeper. A locked file contains the I-9 forms for each current employee and is maintained by the Executive Director.

Payroll is submitted to the payroll service by the Bookkeeper. Paychecks directly deposited to the employees' bank accounts will receive duplicate vouchers which detail all deductions. Paychecks that are live checks will be handed to the employee or mailed if requested.

A deposit or electronic transfer of funds to cover payroll is made to the bank account from which payroll is disbursed. The Bookkeeper verifies the fund transfer against the submitted payroll information. Payroll tax payments are made by the Bookkeeper. Reports are reviewed by the Bookkeeper and Executive Director to verify the accuracy of the payments. Bi-weekly payroll expenditures are entered into the QuickBooks by the Bookkeeper using a Payroll Journal Entry.

Leases

Only the Executive Director can sign lease agreements.

Copies of all leases will be maintained by the Executive Director. A Payment Requisition authorizing payment of the lease for the fiscal year is maintained by the Accounting Department. The Lease Renewal will be reviewed annually.

Consultant/Contract Services

The Executive Director will review and approve proposed contracts. Consideration is made regarding in-house capabilities to accomplish services before contracting for them. Written contracts clearly defining work to be performed is maintained for each consultant and contract services.

The qualifications and reasonable charges for fees are considered in hiring consultants and proof of insurance and Form W-9.

Requests for Proposals will be issued for amounts exceeding \$10,000.00.

Loans

Loans from outside sources must be authorized by the Finance Committee and signed by the Executive Director and President of the Board. Loans are paid Monthly

Bank Accounts

Bank accounts are established to meet the needs of the organization for separation of funds and the specific requirements of funding sources. All accounts, where possible, are established to maximize the use and earnings of cash.

Bank Accounts can only be established by the Executive Director who must be a signatory on every account along with one or more Board officers. A complete listing of all accounts and the account numbers shall be maintained by the Bookkeeper.

Bank Reconciliations for each account are completed monthly by the Bookkeeper. Bank statements are reconciled monthly by the Bookkeeper and reviewed monthly by the Executive Director.

Outstanding checks more than Ninety days old are investigated and stop payments issued if appropriate. Replacement checks may be reissued.

Accounts Receivable

The following procedures ensure that all requests for funds are properly recorded and tracked. Aged receivables are reviewed monthly by Executive Director and any necessary steps are taken to ensure collection. Write-offs of uncollectible receivables must be approved by the Executive Director and documented through the general journal entry for each write-off.

Personnel Files

Paper personnel files are maintained in locked file cabinets. Access is controlled by the Executive Director. The files contain all personnel related information, including employee selection documents (resume, application, transcripts, test results, offer letter, etc.), employee performance documents (evaluations, letters of recognition, and disciplinary actions), employee development (completion of training certificates, education records, specialized licenses), and miscellaneous data (employee handbook receipt, requests to inspect personnel file, leave of absence requests, attendance records, letter of resignation, termination records and other employment related documents)

Credit/Debit Cards

Camp Nejeda authorizes credit/debit cards for key staff for the purpose of facilitating business purchases that are not easily handled through the normal disbursement process. The Executive Director or Bookkeeper reviews all credit card purchases, and the Executive Director must

approve all payments. Misuse of credit cards or failure to follow these procedures will lead to restrictions, loss of credit card privileges, or possibly termination of employment. Each card holder is given instruction when they receive the card to ensure that the cards are used for Camp Nejeda business only and to protect against misuse. The credit/debit card issuer and the Executive Director must be notified immediately if a card is lost or stolen. The credit limits are \$1000 as established by the Finance Committee for each card and a list of all card holders is maintained by the Bookkeeper. Credit cards for employees who resign or are terminated are canceled immediately by the Executive Director.

Employee Benefits are specified in the Employee Handbook.

Employee Leave: Vacation and Sick Days

Employee time off is addressed in the Employee Handbook. Employee balances are maintained by the Bookkeeper based on the data submitted and checked by the Executive Director.

Retirement

Camp Nejeda has an IRA plan for employees, which is self-directed. The Board sets the benefit level and qualifications as stated in the Employee Handbook. A third party administrator is retained to insure that the plan is up to date, to process distributions, and to prepare tax filings. Employer contributions are transmitted to the investment company as soon as administratively feasible to comply with ERISA (Employee Retirement Insurance Securities Act) requirements. Salary deferrals to either the IRA are transmitted with each payroll. Written employee authorization is required before salary deferrals are deducted and sent to the appropriate fund.

Travel

Travel policies and procedures are specified in the Employee Handbook. Mileage reimbursement forms must be completed in ink and signed by the employee, approved by the Executive Director, and submitted to the Bookkeeper. Reimbursement for mileage expense is made along with other vendor payments. The Executive Director reimbursements must be approved by a President. Mileage Reimbursement records are maintained by the Bookkeeper.

Travel out of the Camp Nejeda the tristate area must be pre-approved in writing or via email by the Executive Director

Board

Following a trip, employees will submit to the Executive Director a properly authorized Travel Expense Report. The report must detail all expenses, and required receipts must be attached.

Trustees are not reimbursed for travel expenses unless previously authorized by the President. They are never paid a salary or other compensation. Claims for reimbursement must be approved.

Capital Expenditures

Consistent the IRS rules, the CNF considers a purchase over \$5000 of an asset with an expected life exceeding one year and meeting one of the three criteria below to be a Capital Expenditure.

1. New facility or equipment
2. Improvement or Restoration of an existing facility or equipment, not just maintaining it
3. Adapting a facility or piece of equip for a new use.

Audits

Camp Neveda is required to have annual Audits. Periodically, as determined by the Board, a Request for Proposal will be sent to audit firms qualified to provide the type of audit that meets Camp Neveda's needs. The Finance Committee is responsible for soliciting bids, interviewing firms and recommending to the Board a firm to be awarded the contract. Acceptance of the audit contract will be evidenced by a signed audit engagement letter that contains the type of service to be provided, the timeframe for providing the service, the cost for the service including incidental expenses, the term of the engagement and a clause stating "if unanticipated issues arise during the course of the audit that will result in additional fees, the audit firm will notify Neveda for approval prior to incurring additional costs".

The audit is reviewed in detail by the Finance Committee and presented to the Board for approval. If changes are needed, they will be requested from the auditor and the revised audit will be presented to the board.

Taxes and Reporting Requirements

The auditor prepares Form 990 "IRS Return of Organization Exempt from Income Tax," the NJ Form CRI-300 "Long Form Renewal Registration/Verification Statement" (which is required to be uploaded onto the New Jersey Department of Consumer Affairs website along with the federal Form 990 and a signed financial statement) and Forms 1099/1096.

Grants and Contracts

Contract and grant documents are reviewed and approved by appropriate program staff and those for \$10,000 or more will also be reviewed by legal counsel, prior to being signed by the Executive Director.

- The Executive Director will carefully review each award to ensure that Camp Neveda will be in compliance with all financial provisions.
- The Camp Director will review each grant or contract to ensure that all programmatic provisions will be met.
- Original copies of signed grants and contracts are filed in the contract file.
- The Development Director will be responsible for preparation of reports, payment requests and/or invoices.
- The Development Director will maintain individual contract files containing copies of the grant/contract, any amendments, relevant correspondence regarding the grant/contract, and reports of expenditures or billings.
- A log of all grants/contracts is maintained by the Development Director detailing effective dates, and reporting requirements.

- The Develop Director will prepare and maintain, on a current basis, a listing of reports and due dates for funding sources.
- The Executive Director will review and sign each report sent regarding a grant or contract.

Budgets

All budget assumptions should be documented to facilitate a thorough analysis and evaluation, not only of the budget, but of the actual revenue and expenditures as they relate to the budget.

- The organization annual budget is prepared by the Executive Director.
- Budgets are submitted to the Finance Committee prior to submission to the Board.
- An annual budget will be submitted to the Board no later than February of the year being budgeted. If the Board requires a revision, it will be presented at the next board meeting.

Internal Reporting

- Monthly and annual financial reports, including a revenue and expense report, and balance sheet where appropriate, will be provided by the Bookkeeper to the Executive Director, Treasurer, and President.

Record Retention

Camp Nejeda's guidelines on the retention of records (Appendix A) will meet the requirements of all federal and state agencies, as well as those of other funding sources. (OMB Circular A-110, Attachment C, Retention and Custodial Requirements for Records)

Risk Management and Insurance

In the implementation of the Risk Management Policy, Camp Nejeda will insure those risks which Camp Nejeda deems appropriate using an insurance professional who is knowledgeable about the market, who understands or is willing to learn about Camp Nejeda operations, is an assertive advocate for Camp Nejeda interests, and is organized and responsive to Camp Nejeda needs. Specific types of insurance are in the bylaws appendix.

Investment Policy

The purpose of the investment policy is to minimize risk and maximize investment return, while at the same time assuring that Camp Nejeda can meet the cash need for ongoing operations. The Investment Policy is Appendix B.

Appendix A - Document Retention and Destruction
proposed 2/1/19

This Document Retention and Destruction Policy of Camp Nejeda Foundation, Inc. (“Nejeda”) identifies the record retention responsibilities for the storage and eventual destruction (where appropriate) of the Camp’s documents and records.

1. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.
2. Nejeda will review its records on a regular basis to identify records to be destroyed in accordance with this Policy.
3. When documents are stored electronically, they need to be stored in duplicate with one copy off-site and the accessibility of the type of medium used, e.g. CD, needs to be reviewed annually.

CNF DOCUMENT RETENTION SCHEDULE

Item	Minimum retention time
Accounts receivable and payable ledgers and schedules	Seven years
Articles of Incorporation, Bylaws, minutes and other Foundation incorporation records	Permanently
Audited financial statements, Form 990’s, Depreciation Schedules	Permanently
Bank Statements, deposit records, electronic fund transfer documents, cancelled checks, reconciliations	Seven years
Board appointments	Permanently
Camper Incident/Accident Reports (behavioral and medical)	30 years
Camper registration & medical records	30 years
Camper scholarship eligibility records	Seven years
Contracts, Leases & Agreements	Completion + 10 years
Donor records, unrestricted	Seven years
Donor records, temporarily restricted	Completion + Seven years
Donor records, permanently restricted	Permanently
Financial records, other: Sales Tax, Charitable registrations, etc.	Seven years
Insurance Policies	30 years
Insurance claim records	Seven years
Litigation claims, Court documents & records	close of case + five years
Payroll Records and Summaries	Seven years
Staff employment records, certifications, forms, etc.	Termination + six years
Staff medical records	Termination + 30 Years (OSHA)
Staff Incident/Accident Reports	Termination + 30 years
Tax Returns (other than Form 990)	Permanently
Volunteer and Employment Applications (Hired)	Termination + seven years
Volunteer and Employment Applications (Not Hired)	One year
Any document not specified above	3 years

Appendix B - Investment Policy

I. Introduction

The purpose of this Investment Policy Statement is to establish guidelines for CNF's investment portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the manager(s) hired on behalf of the Fund and its beneficiaries.

II. Role of the Finance committee

The Finance Committee (the "Committee") is acting in a fiduciary capacity with respect to the Portfolio, and is accountable to the Board of CNF, for overseeing the investment of all assets owned by the Portfolio.

- A. This Investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.
- B. The investment contained herein have been formulated consistent with CNF's anticipated financial needs and in consideration of CNF's tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Board of Trustees.
- C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of CNF. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of CNF.
- D. The Committee will review this Investment Policy Statement at least once per year. Changes to this Investment Policy Statement can be made only by affirmation of a majority of the Board of Trustees and written confirmation of the changes will be provided to any other parties hired on behalf of the Portfolio as soon thereafter as is practical.

III. Investment objective and spending policy

- A. The Fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of CNF.
- B. The Committee will review the CNF spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending CNF's spending policy, its target asset allocation, or both.

C. Periodic cash flow, either into or out of the Portfolio, will be used to better align the investment portfolio to the target asset allocation outlined in the asset allocation policy at Section IV. A. herein.

IV. Portfolio investment policies

A. Asset allocation policy

1. The Committee recognizes that the strategic allocation of Portfolio assets across broadly defined financial asset and sub-asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.
2. The Committee expects that actual returns and return volatility may vary from expectations and return objectives. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to CNF, to the assumptions underlying Fund spending policies, and/or to the capital markets and asset classes in which the Portfolio invests.
3. Fund assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of Fund equity investments will be to maximize the long-term real growth of Portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable returns, and provide some protection against a prolonged decline in the market value of Portfolio equity investments.
4. Outlined below are the long-term asset allocation targets, determined by the Committee to be the most appropriate, given CNF's long-term objectives and short-term constraints. Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

5. Asset Class	Sub asset class	Target Allocation	Approved Ranges
Equity		65%	
	U.S.	40%	35%-45%
	Non-U.S.	25%	20%-30%
Fixed Income		35%	
	Investment Grade	28%	26%-30%
	Below Investment Grade	7%	5%-8%
Cash		0%	0%-3%

6. To the extent the Portfolio holds investments in nontraditional, illiquid, and/or nonmarketable securities including (but not limited to) venture capital, hedge funds, and real estate investments, these assets will be treated collectively as alternative investments

for purposes of measuring the Portfolio's asset allocation. Alternative investments may comprise no more than 10% of total Portfolio assets and will proportionately reduce target Equity allocations.

B. Diversification policy

1. Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:
 - a) With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.
 - b) With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.

C. Rebalancing

It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes. The Portfolio will be rebalanced within +/- 2% of its target normal asset allocation under the following procedures:

1. The investment manager will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio to realign the current weightings closer to the target weightings for the Portfolio.
2. The investment manager will review the Portfolio periodically to determine the deviation from target weightings. During each review, the investment manager may provide a rebalancing recommendation.

D. Other investment policies

Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from:

1. Purchasing securities on margin or executing short sales.
2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
3. Purchasing or selling derivative securities for speculation or leverage.
4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Portfolio.
5. Recommend any investment where there might be an actual conflict of interest or the appearance of a conflict of interest without discussing the potential conflict with the Board of Trustees.

V. Monitoring portfolio investments and performance

The Committee will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. At a frequency to be decided by the Board of Trustees, it will formally assess the Portfolio and the performance of its underlying investments as follows:

- A. The Portfolio's composite investment performance (net of fees) will be judged against the following standards:
 1. A composite benchmark consisting of the following unmanaged market indexes weighted according to the expected target asset allocations stipulated by the Portfolio's investment guidelines.
 - a) U.S. Equity: Wilshire 5000 Total Market Index
 - b) Non-U.S. Equity: MSCI EAFE +EM Index
 - c) Investment Grade Fixed Income: Barclays Capital U.S. Aggregate Bond Index
 - d) Non-Investment Grade Fixed Income: Barclays Capital U.S. Corporate High Yield Bond Index
 - e) Cash: Citigroup 3-Month T-Bill Index
 - f) Additional indices as designated by the Committee
- B. The performance of professional investment managers hired on behalf of the Portfolio will be judged against the following standards:
 1. A market-based index appropriately selected or tailored to the manager's agreed-upon investment objective and the normal investment characteristics of the manager's portfolio.
 2. The performance of other investment managers having similar investment objectives.
- C. Investment reports shall be provided by the investment manager(s) on a quarterly basis or as more frequently requested by the Committee. Each investment manager is expected to be available to meet with the Finance committee once per year to review portfolio structure, strategy, and investment performance.