



WVEMS Finance Policy 2023

Purpose: To state the objectives, expectations, and practices related to all aspects of the finances of WVEMS, as well as the associated fiduciary responsibilities of the organization.

Investment Objectives:

1. To maintain the purchasing power of the current assets and all future contributions with the objective of maintaining and protecting the services and programs in the event of a catastrophic loss, for use in capital improvements and to cover operating costs should WVEMS operate at a deficit due to insufficient fundraising efforts.
2. To maintain and grow the current assets so as to establish a self funding endowment for future financial needs.
3. To maximize total return after inflation within reasonable and prudent levels of risk and in accordance with the fiduciary responsibilities set forth in this Policy statement.
4. To maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy, while still having the potential to produce positive returns which enable the portfolio assets to grow.
5. To follow general "safe harbor" rules:
 - Use prudent experts such as a registered investment adviser to help make the investment decisions, and
 - Monitor the activities of the prudent expert to ensure that the expert is performing the agreed upon tasks.

Time Horizon:

The investment guidelines are based upon an investment horizon of 10 years. The Portfolio's strategic asset allocation is also based on this long-term perspective.



Portfolio Composition and Allocation:

1. All securities in the Investment/Endowment Portfolio and the Audley Scholarship Portfolio, should be listed, marketable securities that are considered liquid investments with proceeds available within 2 business days of request.
2. The Portfolio may not include any significant investments in speculative asset classes that are potentially not appropriate for the portfolio's investment objectives. Collective investments (i.e., ETFs and mutual funds) are preferred vehicles for the portfolio, with an objective of minimizing undue expenses.
3. Direct investment in equity securities must be listed in the United States. Any investments in individual corporations are limited to the members of the S&P 500.
4. Fixed income securities must be U.S. Government issued, U.S. government-backed, or corporate issued with a minimum grade of "A". These instruments may be of any tenor compatible with the investment horizon of the portfolio.
5. The portfolio may not include, except for the express purpose of bona fide hedging, any derivative products.
6. The portfolio shall be structured as any similar organization would be advised to. A prudent investor such as WVEMS should aim for an allocation of 60% equities and 40% fixed income with a deviation of +/- 10% from these guidelines due to market conditions. The portfolio will be reviewed and rebalanced quarterly as needed.
7. When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation and allocation ranges of the Investment Assets.
8. If the Finance Committee judges cash flows to be insufficient to bring the Investment Assets within the target allocation ranges, the Finance Committee shall decide whether to recommend transactions to bring the allocation of Investment Assets within the threshold ranges.
9. The Finance Committee will maintain the Vehicle Replacement and Equipment Replacement accounts in cash or cash equivalent securities such as U.S. Government issued securities or those issued with provisions such that they are backed by the full faith and credit of the U.S. government.



Fiduciary Responsibilities and Risk Tolerances:

1. The Finance Committee will utilize a registered investment advisor for the investment process and security selection. The Investment Advisor serves as an objective, third-party professional retained to assist the Finance Committee in managing the overall investment process. The Investment Advisor is responsible for guiding the Finance Committee through a disciplined and rigorous investment process.
2. The Finance Committee shall be made up of a minimum of the Executive Committee and our Investment Advisor. Additional members may be added by the President pursuant to the WVEMS bylaws.
3. Finance Committee members will not recommend individual securities for investment.
4. All changes to investments or movement of funds involving our Investment Advisor are to be communicated to the investment advisor and the Finance Committee members by the President or Designated Representative if the President is not available, via official WVEMS email. Any changes made to our accounts at the investment advisor must be verbally verified by the investment advisor with the president.
5. All changes to our investment holdings are to be discussed among the Finance Committee and agreed upon by a majority vote.
6. The Finance Committee recognizes that prudent risk must be assumed in order to achieve the investment objectives of the Portfolio. In establishing the risk tolerance, the ability to withstand short and intermediate term variability should be considered. The Portfolio's long term time horizon (10 years), current financial condition, and several other factors suggest collectively some interim fluctuations in market value and rates of return may be tolerated over an economic cycle in order to achieve the longer-term objectives.
7. The Finance Committee will be responsible for monitoring and advising on the 4 WVEMS investment accounts:
Investment/Endowment Account, Vehicle Replacement Account, Equipment Replacement Account and the Audley Scholarship Account.



Duties and Responsibilities:

As provided in the WVEMS by-laws, the primary responsibility of the Finance Committee is to make recommendations to the WVEMS Executive Committee who are the Fiduciary Officers of WVEMS.

The Committee shall:

1. Prepare, maintain and review this Investment Policy Statement on an annual basis.
2. Recommend and Approve the Asset Allocation of the WVEMS Investment/Endowment Portfolio along with the Audley Scholarship Portfolio to meet their risk/return profiles.
3. Evaluate investment performance from a long-term perspective. The performance of the investment options will be monitored on an ongoing basis and it is at the Finance Committee's discretion to recommend corrective action as needed.
4. Monitor the level of the cash operating reserve in the WVEMS checking account, Vehicle Replacement Account, and the Equipment Replacement Account and maintain a proper amount and holdings for each.
5. Monitor and review all investment, record keeping and administrative expenses associated with the portfolio on a quarterly basis.
6. Monitor and supervise all investment advisors and banking relationships and make changes as deemed appropriate.
7. Avoid prohibited transactions and conflicts of interest.
8. Ensure that any checks issued on behalf of WVEMS for more than \$1000 have 2 signatures - those of the Treasurer and the President.
9. Ensure that a proper Purchase Order practice is maintained. All purchase orders must be submitted to the President via the WVEMS standing procedure for purchase orders and duly approved.