

Revised and approved June 27, 2024:
Investment Policy of the AATG Endowment Funds

Funds Overview:

- A. AATG Endowment Funds consist of:
 - 1. Friends of AATG Fund (Board of Directors Restricted Fund)
 - 2. Endowed Scholarship Fund (Student Study Abroad)
 - 3. AATG Professional Development Fund (Teacher's Support Fund)
 - 4. Delta Phi Alpha Endowed Fund (DPA Chapter and Student Fund)
 - 5. Life Member Fund (Invested Fund for Life Membership Fees)
 - 6. Spanier-Ladwig Endowed Scholarship Fund (graduating senior from German 4 AP/IB at Claremont High School. Not accepting donations)

- B. Objective of the AATG Endowment Funds:
 - 1. The objective of the AATG Endowment Funds is the long-term support of the services and programs of the American Association of Teachers of German.
 - 2. Endowed funds should be established judiciously to ensure that enough principal is present to generate dividends. Smaller endowed funds should be avoided. Typically, an initial investment of \$50,000 is required to endow a fund. The executive director and the investment committee will consult in cases below that amount.

Management of the AATG Endowment Funds

- A. The Investment Committee of AATG:

The President, subject to the advice and consent of the Board of Directors, shall appoint an Investment Committee consisting of three to four members of AATG who have experience managing finances and investments. The Committee, in conjunction with the board of directors, shall employ a financial planner or broker who is not a member of AATG to assist in the selection of appropriate investments. The Investment Committee provides oversight of all AATG investments in the AATG Endowment Funds and shall make decisions for established investments and/or the rebalancing of the portfolio according to the guidelines established for all AATG Endowment Funds in the Investment Policy of AATG Endowments. For significant changes to investment policy, the investment committee will seek board approval. The Investment Committee shall meet at least semi-annually to carry out its review and report to the Treasurer, who shall carry out the recommendations of the Committee.

- B. Annual Reporting
 - 1. The Executive Director, the AATG Finance Director, the AATG Board Treasurer and The Chair of the AATG Investment Committee shall receive statements on demand for all investments of the AATG.
 - 2. The Chair of the Investment Committee shall provide an annual report to the

AATG Board of Directors on the state of the investments in the Endowment Fund.

Use of Funds

A. Decision-making process for use of specific funds:

1. The AATG Endowment Funds shall follow an investment strategy that seeks to maximize long-term total returns while safeguarding the principal by minimizing risk.
2. Donor-restricted funds, such as the AATG Endowed Scholarship Fund, will only be used for the purpose intended by the donors and specified in the founding resolution.
3. Current and future funds must be guided by a separate Investment Policy Statement (“IPS”) Each IPS may have differing dispersal guidelines based on donor restrictions or determination by the appropriate AATG committee.

B. Endowment Administrative Fee

1. Unless otherwise explicitly noted in agreements between the AATG and donors, AATG shall assess certain endowed funds with an administrative management fee in order to offset the costs of financial management in the AATG office. The fee will be assessed at the following rates: Funds up to 1.5 million dollars may be assessed at 1% of the fund total annually. Funds above 1.5 million may be assessed a fee of .5% annually. The fees, if assessed, should be drawn within the first quarter of each year and may not be assessed retroactively or rolled over to the following year. The Executive Director and the Chair of the AATG Investment committee make the annual determination regarding which funds will be assessed a fee.

C. Fund Dispersal Guidelines:

1. Fund dispersal requests shall be sent in writing from the finance director or executive director of the AATG to the fund manager.
2. The Chair for the investment committee (in addition to the Executive Director and Finance Director) shall be copied on all correspondence related to fund dispersal.
3. Questions or concerns regarding fund dispersals shall be directed to the Board of Directors Chair.

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