

LITTLE PEOPLE OF AMERICA INVESTMENT POLICY

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I. INTRODUCTION AND MISSION

Little People of America (LPA) is a nonprofit organization that provides support and information to people of short stature and their families. The Board of Directors acknowledges and accepts the responsibility of ensuring LPA's long-term financial solvency. This Policy is consistent with – and guided by – LPA's Bylaws and Policy Manual.

As part of the broader mandate to ensure LPA's long-term financial viability, this Policy establishes policies for the administration and investment of LPA's long-term and restricted funds.

II. SCOPE

This policy applies to the investment and deposit of all funds. However, LPA's operating fund (General Fund) falls outside this policy, due its function as providing cash flow for day-to-day expenditures.

Except for cash for operations, LPA will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Examples of LPA's long-term funds include the Lifetime Membership and Scholarship Funds. Investment income will be allocated to the various funds based on their respective participation and in accordance with accounting principles. LPA's bookkeeper will have primary responsibility for tracking, allocating and reporting investment earnings across LPA's various funds.

III. OBJECTIVE AND ASSET ALLOCATIONS

Investment decisions within these guidelines should take into account the longer expenditure horizon of the covered fund, corpus minimum requirements of LPA's individual restricted funds, market conditions and shifts in donor expectations. LPA recognizes that the restricted funds are typically longer-term in nature, and can take a longer-term investment horizon.

LPA's investment goals are a combination of return, liquidity, diversity and safety. These goals inform the following asset allocation ranges:

Equity	25% - 45%
Fixed Income	45% - 65%
Alternate Investments (e.g. REIT's)	0% - 10%
Cash*	5% - 15%

The Investment Advisor and the Finance Committee are responsible for rebalancing, and adjustments within these investment ranges.

* The goal is to maintain money market cash of 5-15% in the check writing investment account. Additional cash represented inside the various mutual funds and managed investment strategies does not apply to this allocation goal range. The asset allocation pie chart on the statement and in the account review documents may show a greater amount in "Cash", but that includes cash raised by the investment managers. For purposes of complying with the investment policy statement, our goal is to maintain a 5-15% in the "Money Accounts" line item as it appears on the statements.

IV. DELEGATION OF AUTHORITY

This Policy delegates the Finance Committee to make all investment recommendations to the Board of Directors for final approval.

LPA Bylaws (Section 5.c) state that the Finance Director shall "review and make recommendations to the Board of Directors on all investment decisions and strategies as defined by the Finance Committee." LPA's Policy Manual (Section VIII.6) also empowers the Finance Committee.

The authorized individuals, when acting in accordance with this Policy and exercising due diligence, shall not be held responsible for losses, provided that the losses are reported immediately and that appropriate action is taken to control losses that fall outside the scope of these objectives.

V. DOCUMENTATION AND REPORTING

LPA's Investment Advisor shall provide monthly statements to LPA's Finance Director and LPA's Bookkeeper for accounting purposes.

The Finance Committee shall review quarterly statements which will include: market value of the total portfolio, asset allocation of the total portfolio and performance for the quarter and trailing periods for the portfolio and individual assets. The Finance Committee shall make any comments and recommendations on a quarterly basis, or as needed based on expenditure need or market conditions.

Following Finance Committee review and comment, the Board of Directors shall be provided the statements for review, with emphasis on fiscal year end statements (September 30).

VI. CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

DATE APPROVED BY LPA FINANCE COMMITTEE: 9/16/15
(Danh Trang, Jon North, Becky Roach, Tom Hershey)
DATE APPROVED BY LPA BOARD OF DIRECTORS: 9/27/15