Investment Policy Statement

Lake Fellowship of Unitarian Universalists
Effective Date: January 1, 2026

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1. Purpose

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding of the investment goals, objectives, and guidelines for the investment portfolio of **Lake Fellowship of Unitarian Universalists**. This IPS will guide the Finance Committee, Board of Directors, and any investment advisors in effectively supervising and managing the organization's investments.

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2. Scope

This IPS applies to all investable assets of the organization, including but not limited to endowments, reserves, and board-designated funds. These investable assets are in addition to cash available in a separate checking account which maintains a balance to cover at least six months of operating expenses.

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3. Objectives

- **Preservation of Capital**: Maintain the real (inflation-adjusted) value of assets over time.
- **Liquidity**: Ensure the Fellowship is able to cover nine months of operating costs (six months in the checking account and an additional three months in the investment account) and address unexpected emergency expenses (furnace, city requirements, insurance deductibles, etc.) without needing to sell investments at a potential loss.
- **Return**: Seek reasonable market returns at low risk.

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4. Roles and Responsibilities

- **Finance Committee (Treasurer and Bookkeeper)**: Oversees implementation of the IPS and monitors financial performance

- **Board of Directors**: Has input and oversight via financial updates and discussions at Board meetings
- **Investment Advisor**: Recommends investment strategies, selects funds in consultation with Treasurer, and reports on investment performance

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5. Investment Guidelines

Asset Allocation

A diversified portfolio will be maintained, with approximate targets as listed below.

Asset Class	Target Allocation	Range
Cash & Cash Equivalents	50%	40% – 60%
Low to Moderate Risk Mutual Funds and ETFs	50%	40% – 60%

Permitted Investments – Diversified, ESG-focused (Environment, Social, Governance) balanced with investments across both equities and fixed income

- Mutual Funds and ETFs (Exchange-Traded Funds)
- Certificates of Deposit
- U.S. Treasury and government agency bonds, bills, and notes
- Investment-grade corporate bonds
- Money market instruments

Prohibited Investments

- Individual stocks
- Derivatives and options
- Commodities
- Private placements
- Margin transactions
- Cryptocurrencies

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6. Monitoring and Review

- **Performance Monitoring**: Investments will be reviewed quarterly by the Treasurer and reported to the Board
- **IPS Review**: This policy will be reviewed annually and updated as needed.

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7. Acknowledgement

Approved by the Board of Directors on **[Insert Date]**.

Board Chair Signature: ________________________

Treasurer Signature: ________________________

(Last Revision / Update – February 21, 2026)