

INVESTMENT POLICY STATEMENT OF SAMUELS PUBLIC LIBRARY

Purpose and Source of Assets

This Investment Policy Statement (“IPS”) sets forth the process that the Samuels Public Library (“Library”) Board of Trustees (“Trustees”) has adopted to make investment-related decisions. Parties involved shall discharge their responsibilities solely in the interest of the Library. This Investment Policy Statement will:

- Establish reasonable expectations, objectives and guidelines in the investment of those of the Library’s assets set forth in the **Samuels Library Endowment Fund** (“Fund”) document attached hereto as Exhibit A, and the Samuels Library Inc. Corporate Resolution of Financial Management attached as Exhibit B.
- Set forth an investment structure detailing permitted asset classes and expected allocation among asset classes
- Create the framework for a well-diversified asset mix that can be expected to generate acceptable returns at a level of risk suitable to the Library

This IPS is not a contract. This IPS is intended to provide guidance for the Trustees and Finance/Investment Committee. No guarantees can be given about future performance and this IPS shall not be construed as offering such a guarantee.

Investment Objectives

The primary investment objective for the Library is balanced growth and income, recognition being given to the type of spending policy adopted here and in the Fund document. As objectives for the Library change, the IPS will be revised to help ensure that the investment needs will be met.

Time Horizon

For the purposes of planning, the Library shall consider the investment portfolio to have a perpetual life except for distributions directed or permitted under the Fund document.

Risk Tolerance

Financial research has demonstrated that risk is best minimized through the diversification of assets. The Library’s risk tolerance is considered moderate.

Investment Selection

The following criteria shall be used in the investment selection process:

- a. Past performance rankings over various time frames
- b. Historical volatility and downside risk
- c. Investment style
- d. Historical asset correlation
- e. Current economic environment
- f. Convenience
- g. Availability

Asset Allocation

After reviewing the performance and risk characteristics of various asset classes and balancing the risks and rewards of market behavior, the following asset classes are selected to achieve the objectives of the portfolio:

Asset Classes	Acceptable Target Allocation Range
Cash	0 - 25%
Fixed Income	10 - 40%
<ul style="list-style-type: none">• U.S. Government Bonds• U.S. Corporate Bonds• Mortgage-Backed Securities	
Stocks	40 - 80%
U.S. and International	
<ul style="list-style-type: none">• Preferred Stock• Real Estate Investment Trusts	

No other asset categories shall be permitted unless approved by the committee.

The approved asset class allocation indicates a range for each broad investment category. From time to time, based on changing economic circumstances and the various relative investment opportunities, it may be desirable to make changes in the target allocation. When such changes are made, updates will be attached to this IPS as an Appendix.

Rebalancing Procedure From time to time, market conditions may cause the Portfolio's investment in various asset classes to vary from the established allocation. To remain consistent with the asset allocation guidelines established by this IPS, each asset class will be reviewed no less frequently than annually.

Selection and Retention Criteria

The committee will review the performance of each asset class on an annual basis. In the event the performance of any asset class lags any selected index or benchmark for the previous one-year period, the committee will make a determination as to whether the asset class continues to be a prudent and appropriate investment.

Spending Policy

Spending and distributions shall be governed by the provisions of the attached Exhibits, as amended from time to time.

Finance/Investment Committee

The Finance/Investment Committee shall be appointed by the Board of Trustees President annually.

Selection and Monitoring of an Independent Investment Advisor(s)

The committee may from time to time select one or more independent investment advisors to advise the committee and have custody of the Fund assets. The investment advisors shall have such discretionary powers, within the guidelines hereby established, over investment of the assets as the committee shall delegate. The performance of investment advisors shall be reviewed at least annually, with focus on (i) the manager's adherence to the IPS guidelines, (ii) material changes in the manager's organization, investment philosophy, and/or personnel, (iii) comparisons of the manager's results to any index or benchmark agreed upon at the time of investment, and (iv) such other matters as the committee deems relevant. It is understood that there are likely to be short-term periods during which performance deviates from the long-term turn objectives.

Amendment This IPS may be amended or modified at any time by the Trustees.

Adopted by the Board of Trustees March 11, 2013.

Stephen Jerome
Stephen Jerome, Secretary
March 11, 2013

Madeline Hickman
Madeline Hickman, Secretary

Amended:
July 12, 2021
July 8, 2024

Exhibit A

SAMUELS LIBRARY ENDOWMENT FUND

The **Samuels Library Endowment Fund** will maintain full compliance with The Virginia Uniform Prudent Management of Institutional Funds Act as outlined in Virginia Code Section 64.2-1100 through Section 64.2-1108.

The **Samuels Library Endowment Fund** may incorporate sub-funds in order to accept Memorial gifts, Family gifts, etc.

A. ENDOWMENT FUND COMPOSITION - the Fund shall be comprised of the following:

1. Proceeds of the lease/sale of the Library's former Villa Avenue property
 2. The proceeds of any terminating split interest gift, such as a charitable remainder trust
 3. Unrestricted bequests
 4. Restricted bequests if the principal will not reasonably be expected to be expended within 2 fiscal years of the date of receipt of the bequest
 5. Unrestricted cash gifts of \$1000 or more, that would result in the Reserve Account exceeding the \$200,000 threshold set forth in the Board of Trustees Corporate Resolution of Financial Management dated 05/13/24 (see exhibit B)
 6. Restricted cash gifts of \$1000 or more if the principal will not reasonably be expected to be expended within 2 fiscal years of the date of receipt of the gift
 7. Unrestricted non-cash gifts with a fair market value of \$1000 or more if the gift is acceptable under the Library's Gift Acceptance Policy
 8. Unrestricted cash gifts of any amount if the gift is directed to the Fund by the donor
 9. Such other amounts as are placed in the Fund by resolution of the Board
 10. Any unrestricted amounts received from the Samuels Library Foundation
 11. Income from investment of the Fund
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B. MANAGEMENT OF THE FUNDS

1. The Samuels Library Endowment Fund will be managed the Finance/Investment Committee.
2. The Library Director and Chief Financial Officer shall sit on the committee
3. The committee shall retain such investment and professional advisors as it reasonably deems necessary and the costs therefore shall be paid from the Fund
4. The committee shall make a full report to the Board on the status of the Endowment Fund at least annually

C. INVESTMENT OF THE SAMUELS LIBRARY ENDOWMENT FUND

1. The Board shall review the Investment Policy Statement of Samuels Library at least annually, and may amend the same from time to time.

2. Restricted amounts held within the Samuels Library Endowment Fund may be comingled for investment purposes but shall be accounted for separately

D. USE OF THE SAMUELS LIBRARY ENDOWMENT FUND

1. As of the annual valuation date, 3%, or such lesser percentage as the Board shall specify, of unrestricted principal, and the income from restricted principal for which no provision as to the use of income was made in the restriction, shall may be paid to the Library for use in special projects, or as otherwise determined by the Board. The annual valuation date shall be the first business day of each fiscal year.

2. Such other donor unrestricted amounts as the Board shall direct, including, but not limited to, Library fundraising expenses, will be distributed from the Samuels Library Endowment Fund for specific Library needs

3. Restricted amounts held within the Samuels Library Endowment Fund shall be distributed in accord with the terms of the restriction.

Exhibit B

Samuels Library Inc., Corporate Resolution of Financial Management

WHEREAS Samuels Library, Inc. desires to ensure its long term financial security, protect and grow the endowment and clarify how financial resources are designated, managed and used.

WHEREAS Samuels Library Inc., desires to ensure the County Board of Supervisors and the Warren County citizens and donors that the library is a good investment and an example of strong government/not-for-profit partnership.

RESOLVED that the Board of Trustees hereby authorizes the following financial accounts:

- “Operations”.....for normal budget/operational expenses and revenues.
- “Reserve”.....for contingency/emergency or other unfunded expenses.
- “Endowment”.....for long term financial stability and a stream of income.
- “Transitory”.....for accounting for and managing grants, debts or other short term duration financial needs.

RESOLVED that the Board of Trustees is hereby authorizing the Library Director and the Operations Director to take the following actions:

- Change the investment fund to an endowment fund.
- Use available monies to initially fund the reserve and endowment accounts.
- Provide opportunity for named endowments within the larger endowment.
- Maintain a reserve account of approximately \$150,000 - \$200,000.
- Maintain the operational account as currently configured.
- Set up transitory accounts as need to manage grants, debts, etc.
- Draft an update to the Board of Trustees investment fund policy statement.

(This Resolution was adopted by the Library Board of Trustees on May 13, 2024.)