

Finance Committee
American Chemical Society Division of Chemical Education, Inc.
INVESTMENT POLICY STATEMENT
Adopted June 26, 2019
Revised xx, xx 2026

A. Scope

This policy applies to the investments of the Division of Chemical Education Inc. (hereafter called “the Division”) of the American Chemical Society. These funds are administered for the Division by the Finance Committee (hereafter called “Finance”) as authorized by the Executive Committee (hereafter called “ExCom”).

1. Responsibility

All investment funds will be managed by Finance. ~~Finance may delegate this responsibility through its to the Treasurer or to an Investment Subcommittee. The Investment Subcommittee will include the Treasurer and at least one member of the Chair Succession. Finance may approve the use of a professional investment advisor or advisory group to actively manage the invested funds, and expects to rely on the expertise of that advisor to appropriately diversify the Division’s holdings. An external agent may be engaged to manage funds on behalf of Finance.~~

~~**1. Purpose**~~

~~Investment funds are intended to achieve a return that supports the income needs of the account and grows the funds assets, at a minimum, that offsets inflation.~~

2. Investment Fund definitions and purpose

- a. The **General Fund** refers to the primary, unrestricted fund. It provides the financial foundation for the Division and is used to provide ~~for emergency situations, and to supplement income for~~ the annual operating budget.
- b. The **Passer Fund** is a bequest of Moses and Dorothy Passer. It forms an endowment to support full time faculty at two- or four-year colleges and universities to participate in off campus continuing education in the faculty member’s teaching area. ~~Awards are administered by the Passer Portfolio Committee.~~
- c. The **Regional High School Teachers Award (RHSTA) Fund** is an endowment to provide annual awards ~~of \$1000~~ to a high school teacher from each ACS region.
- d. **Biennial Conference Committee account** holds funds supporting the activities of the Biennial Conference Committee and the Biennial Conference on Chemical Education.
- e. **Strategic Plan Fund account** holds funds that are used to support activities related to Strategic Plan objectives.
- f. **Restricted Reserve Fund** is intended to provide funds to support large, unexpected expenses that the Division incurs. There is a separate Investment Policy statement for this fund.

~~**Purpose**~~

~~Investment funds are intended to achieve a return that supports the income needs of the account and grows the funds assets, at a minimum, that offsets inflation.~~

B. General Objectives

The primary objective for ~~the investment~~ each funds will be to manage the funds in such a way as to preserve the principal amount of the funds (capital preservation) while maintaining a sufficient yield to support the Division’s activities and/or the specific purpose of the individual funds ~~(see below)~~. In

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some cases, a secondary objective will be to increase the value of the fund consistent with capital preservation.

1. Capital Preservation
Capital preservation will be the foremost objective of the investment strategy for all funds.
2. Standards of Care
 - a. Prudence
The standard of care will be the “prudent person” standard and will be applied in the context of managing an overall portfolio.
 - b. Ethics and conflicts of interest
Finance and ExCom members will 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. The individuals designated above will disclose potential conflicts, and will refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the Division.

3.3. Specific Objectives

3.3.a. General Fund

The Division relies on a draw on this account to support the annual operating budget. For this reason, capital preservation is the primary goal. Growth and income are A secondary goals is growth beyond inflation of this fund so as to enable the Division to expand its mission. As one set point At any time, the assets in the General Fund should be capable of sustaining the operations of the Division for a period of three years if all no other sources of operating income vanished were available.

3.3.b. The Passer Fund

The principal investment objective of this fund is preservation of capital with current income sufficient to fund the awards.

3.3.c. The RHSTA Fund

The principal investment objective of this fund is preservation of capital with current income sufficient to fund the awards.

3.3.d. Biennial Conference Committee account

The principal investment objective of this fund is preservation of capital.

3.3.e. Strategic Plan Fund

The principal investment objective of this fund is preservation of capital.

3.4. Suitable and Authorized Investments

- a. Investment Types
Investment strategies and the overall portfolio of each account may be composed of a balance of investment types consistent with the General and General-Specific Objectives regarding safety, return, and liquidity.
- b. Investment Restrictions
The following are prohibited: borrowing for investment purposes, derivatives, contracting to sell securities not yet acquired to purchase other securities for purposes of speculation.

4.5. Investment Parameters

- a. Diversification

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Investments will be diversified to minimize risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific classes of securities. Cash funds should be distributed insofar as possible to stay within FDIC insurance protection limits.

b. Maximum maturities

Maturity limitations should be consistent with investment objectives and market conditions.

c. Diversification Range for the General Fund

a. ~~For the General Fund— Finance may approve the use of a professional investment advisor or advisory group to actively manage the invested funds, and expects to rely on the expertise of that advisor to appropriately diversify the Division’s holdings. The ranges for diversification are:~~

Cash and cash equivalents	0% – 25%
Fixed Investments	0% – 75%
Non US Equities	0% – 40%

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US Equities	0% – 60%
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d. Diversification ranges for ~~For~~ the restricted funds (Passer and RHSTA)

~~Finance may approve the use of a professional investment advisor or advisory group to actively manage the invested funds, and expects to rely on the expertise of that advisor to appropriately diversify the Division’s holdings. The ranges for diversification are:~~

Cash and cash equivalents	0% – 10%
Fixed Investments	0% – 100%

e. Biennial Conference Committee account and Strategic Plan Fund

Cash and cash equivalents	0% – 10%
Fixed Investments	0% – 100%

5-6. Reporting

Unless alternative processes are specified by Finance, the Investment Subcommittee will meet quarterly by the Division Treasurer to review the performance of these funds and discuss potential changes in investment strategy. The information provided to the Investment Subcommittee will include a list of individual holdings, maturity dates, distribution percentage, and historical perspective on investments; or, if Finance elects to use a professionally managed fund, the investment summary information provided by that fund. Finance will receive reports from the Division Treasurer summarizing the activities of the Investment Subcommittee and overall investment status regularly. The Division Treasurer will report on the status and performance of this fund to ExCom at least once annually, typically at the ExCom meeting associated with the Spring ACS meeting.

~~at least once annually in the spring. Reports should include a list of individual holdings, maturity dates, distribution percentage, and historical perspective on investments; or, if Finance elects to use a professionally managed fund, the investment summary information provided by that fund.~~

D-7. Additions and Withdrawals

a. The Division Treasurer may make additions to or withdrawals from the General Fund to maintain appropriate balances in the Division checking and savings accounts for regular operating expenses. Typically, the combined assets in the checking and savings accounts will

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- Commented [RM5]: Perhaps up to 10% equities; Gary thinks this is a good idea.
- Commented [RM6]: Tony suggests 50%

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be between \$25,000 and \$100,000, at any time that the Division appears to have funds in its operating accounts that will be in excess of the budgeted amounts for 24 months or more.

b.—The Division Treasurer may make additions to or withdrawals from other accounts as needed to fulfill the purposes of those accounts. Withdrawal of funds from the General Fund investment may be made upon approval of ExCom to fund budget deficits or critical special projects approved by the ExCom. The withdrawal will require the signature of two of the following individuals: a. The Division Treasurer

b. Any member of the Chair Succession.

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6.8. Adoption

This policy will be adopted by resolution of ExCom following consideration and recommendation of Finance and will be reviewed annually regularly by the Investment Subcommittee. Any changes to this policy will be submitted to ExCom for approval following consideration and recommendation of Finance, at the Spring ACS Meeting. Upon adoption, and following changes, it will be submitted to ExCom for approval.

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Amendment History