

Community Foundation for Southwest Washington Partnership Policy

Policy Regarding Delegation of Investment Management

Although the overriding intention of the Foundation is to coordinate its own investment management, there are certain situations in which investment management may be delegated to additional managers. Such delegation is appropriate only when *all eight* of the following circumstances are operative:

1. The funds under consideration would already be under the investment management of the financial institution.
2. The donor/client would not otherwise have a relationship with the Community Foundation, and would not have given to the Community Foundation, except for encouragement from the financial institution.
3. The charitable asset would become an asset of the Community Foundation, and be under the control of the Board of Directors.
4. The Community Foundation would retain the financial institution as a fund manager over the specific asset. The financial institution must comply with the Community Foundation Investment Guidelines.
5. The financial institution would be subject to quarterly and annual reviews by the Investment Committee, as are all other fund managers.
6. The Community Foundation and the financial institution would enter into an agreement, covering ongoing management, fees, and other pertinent information.
7. A minimum of \$200,000 would be required to establish this kind of arrangement.
8. All activity within the fund (earnings, dividends, gains/losses) would be separately posted to the fund. It would not share in the investment activity of the pool. A separate accounting arrangement would be established to track activity in the fund.

Financial institutions are defined to include certified financial planners, brokers, investment advisors, and banks.