

## **NESEA Investment and Disbursement Policy**

Update 3/14/22

Approved by the Board of Directors on 4/14/22

### **Disbursement Policy:**

*Purpose: To provide the Executive Director with guidance on the use of funds in NESEA's investment accounts.*

Introduction: NESEA holds a Folio investment account managed by Jan Schalkwijk, CFA of JPS Global Investments. The account is focused on the stock of green companies (companies judged by the advisor to have a net positive effect on the environment.) Although held in one account, NESEA keeps track of three funds (the Endowment, the Kate Goldstein Fund for Emerging Professionals (KGF), and the MACEC Internship Program Fund (IPF) each of which has a different mandate. This document is meant to provide the Executive Director with guidance as to when and how much of each of these funds should be used and under what circumstances. The intent is that the Executive Director should not have to request permission from the board each time these funds are accessed, so long as they follow these guidelines.

### **Allocation of Income and Capital Gains/Losses**

Income (interest and dividends) and capital gains or losses shall be allocated pro rata among the three funds.

### **Guideline for Endowment Disbursements**

The intention for NESEA's Endowment Fund is to provide revenue for new program development based on the strategic priorities set by the board. Specifically, this is to support programs that otherwise would not have funding through industry partners, memberships, grants, or significant donations. To this end, the Board has established the Endowment Fund as a restricted fund.

To support the program development initiatives outlined above, NESEA's Executive Director may withdraw disbursements annually up to no more than 100% of the average dividends earned by the Endowment Fund over the previous five calendar years. Unanimous Board approval is required to withdraw more than the above amount.

### **Guideline for Kate Fund Disbursements**

The Kate Goldstein Fund for Emerging Professionals supports the following initiatives:

- The administration of the Kate Goldstein Emerging Leader Award, which recognizes a NESEA Member early in their career for current and potential contributions to the organization

- Providing assistance for individuals with the talent and commitment to serve on NESEA's Board of Directors who would otherwise be barred for financial reasons (e.g., the expenses associated with traveling to/from board events and trainings)
- A reserve fund that allows NESEA to provide special opportunities that may arise for our emerging professional members, such as participation in travel exchanges or programs
- Funding to provide early- to mid-career professionals the ability to participate in the BE the Future scholarship program in the role of sponsor

Whenever NESEA makes expenditures (such as paying for scholarships) on behalf of the Kate Goldstein Fund, this amount should be withdrawn from the investment account and the Kate Goldstein Fund reduced accordingly.

### **Guideline for Internship Program Fund Disbursements**

Two individual donors provided these funds to help NESEA manage the reimbursement lag when hiring an intern through the MassCEC Internship program. The intention is that this fund functions as a revolving self-financed loan. In the event that NESEA does not participate in the MassCEC Internship Program, they may choose to use the funds for other initiatives that support students and emerging professionals at their discretion.

Whenever NESEA makes expenditures or receives reimbursements from the MassCEC Internship program, this amount should be withdrawn or added to the investment account and the IPF reduced or increased accordingly. Alternatively, staff may, at its discretion, reduce or increase the IPF by that amount and increase or reduce the Endowment by the same amount as an accounting entry rather than withdrawing or depositing the expenditures or reimbursements from the Folio investment account.

### **Investment Policy:**

*Purpose: To provide guidance as to the types of companies and funds that the organization is invested in.*

NESEA's investments should be managed to align and enhance the goals envisioned in NESEA's mission and vision.

To accomplish these goals, we will only hire investment professionals who have expertise relevant to our Mission and Vision, and instruct them to:

- Invest more than half of the portfolio in companies/investments that in some way work to enhance NESEA's Mission and Vision.
- Not invest in any company/investment that would profit from or works to prevent these goals being met. Exception: Up to 20% of the portfolio may be invested in non-equity pooled investment vehicles (i.e. money market funds) that do not screen their investments based on social criteria if the asset class is needed to meet NESEA's risk and return requirements and a suitable socially screened investment vehicle is not available in that asset class.