**Investment Policy**

Date Established:

Amended:

*Purpose.*

The purpose of this policy is to set forth the standards and guidelines governing the investment and management of Hoof Trimmers Association, Inc.’s (HTA) financial assets.

*Financial Assets of the Corporation.*

HTA’s financial assets consist of (a) funds intended to be used to cover its short-term operating and program expenses (the “Program Fund”), (b) reserve funds, which are funds to be held in reserve to support HTA’s future operations and serve as a resource during economic downturns, and (c) funds which have been restricted by the donor or the Board of Directors for a specific purpose, but which do not have a restriction as to the timing of their expenditure. HTA does not have any endowment funds. Financial assets subject to a specific donor restriction as to the investment or management of such assets shall be invested and managed in accordance with the donor’s restriction.

*Investment and Management Objectives and Guidelines.*

 Program Fund: The program fund shall be invested with the objective of preserving its assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet HTA’s ongoing programmatic and operational needs. Program Fund assets may be maintained in the checking account that HTA uses for day-to-day operations and may be invested in other cash-equivalent investments, such as savings accounts, money market accounts, certificates of deposit with maturities appropriate for expected needs, Treasury bills and other investments that are relatively easy to liquidate. HTA’s professional staff from time to time will review the allocation, or methodology of allocation, of Program Fund assets between HTA’s checking account and its other cash-equivalent investments, determining the appropriate allocation based on HTA’s cash-flow needs, and regularly report such allocation to the Board. The Board may direct the changes be made to such allocation and will also consider from time to time whether HTA’s Program Fund assets are sufficient for the designation of a portion of such assets to the Reserve Funds.

 Reserve Funds: The Reserve Funds shall be invested with the objective of preserving the long-term real purchasing power of the Fund’s assets while realizing appropriate investment income. Reserve Funds’ assets may be invested in certificates of deposit, Treasury bills, mutual funds, and fixed income securities. The asset allocation of each of the Reserve Funds shall be determined from time to time by the Board of Directors, in consultation with any advisors if desired, which allocation shall reflect a proper balance of such Fund’s investment objective, any risk tolerance standard and the need for liquidity.

 Restricted Funds: The Restricted Funds shall be invested with the objective of preserving and enhancing the purchasing power of the Funds’ assets while ensuring that liquidity requirements can be met. Restricted Funds’ assets may be invested in certificates of deposit, Treasury bills, mutual funds, fixed income securities and, as to an appropriate portion, cash equivalent investments. The asset allocation of each of the Restricted Funds shall be determined from time to time by the Board of Directors, in consultation with any advisors if desired, which allocation shall reflect a proper balance of such Fund’s investment objective, any risk tolerance standard and the need for liquidity.

*Diversification.*

Investments of each Fund will be diversified to limit the risk and loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer, or sector unless the Board prudently determines that, because of special circumstances, the purposes of the Fund are better served without diversification. The Board shall review the diversification strategy periodically, provided, however, that it shall review any decision to not diversify as frequently as circumstances require but, at a minimum, annually.

*Responsibilities of the Board of Directors.*

In managing the financial assets of HTA, the Board of Directors will act in good faith and with the care an ordinarily prudent person in like position would exercise under similar circumstances. When making investment and management decisions, the Board shall consider HTA’s purposes, as well as the purposes of the specific Funds.

In making decisions regarding management and investment of HTA’s financial assets, the Board of Directors, as required by applicable law, shall consider the following factors, if relevant:

1. general economic conditions;
2. the possible effect of inflation or deflation;
3. the expected tax consequences, if any, of investment decisions or strategies;
4. the role that each investment or course of action plays within the overall investment portfolio of the specific Fund;
5. the expected total return from income and the appreciation of its investments;
6. other resources of HTA;
7. the needs of HTA and the specific Fund to make distributions and to preserve capital; and
8. an asset’s special relationship or special value, if any, to the purposes of HTA.

The Board of Directors shall not make management and investment decisions regarding an individual asset in isolation but rather in the context of the specific Fund’s portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and HTA.

Within a reasonable time after HTA’s receipt of a gift of property or other financial assets, the Board shall make and carry out decisions regarding retaining or disposing of the property, or the rebalancing of the Fund or Funds applicable to such gift in order to ensure compliance with the purposes, terms, and distribution requirements of HTA as necessary to meet other circumstances of HTA and the requirements of applicable law, subject to any restrictions imposed by the terms of the gift.

The Board may delegate one or more of its responsibilities hereunder to a committee of the Board or an officer or designee of HTA. Any such committee or individual to whom such responsibility is delegated shall report to the Board on a regular basis and shall be subject to direction by the Board. If such responsibilities are delegated to a committee or individual, the rights and obligations set forth in this policy applicable to the Board, other than the right to amend this policy) shall also apply to such committee or individual, subject to the right of the Board to review and revise any decision of such committee or individual and reports required under this policy to be made to the Board may instead be made to the committee or individual, which or who shall in turn report to the Board on a regular basis.

*Review of Investment Policy.*

The Board will review this policy, and shall amend the policy, from time to time as necessary to reflect developments affecting HTA’s finances and activities.