

Business Operations

Wiley Investment Policy

This statement of investment policy reflects the investment policy, objectives and constraints of School District #1 Plattsmouth Robert T. and Dorothee Walling Wiley Memorial Scholarship Fund.

Purpose of this investment Policy Statement

The School District #1 Plattsmouth Investment Committee sets forth this statement of investment policy to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding of the investment goals and objectives for Fund assets.
3. Offer guidance and limitations to the investment Manager regarding the investment of Fund assets.
4. Establish a basis for evaluating investment results.
5. Ensure Fund assets are managed in accordance with regulations pertaining thereto.
6. Establish the relevant investment horizon for which Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude to guide the investment management of the assets toward the desired results.

Investment Committee The investment committee shall consist of the current School Board Superintendent and current members of the finance committee.

Delegation of Authority

The Investment Committee of School District #1 Plattsmouth is a fiduciary, and is responsible for directing and monitoring the investment management of Fund assets. As such, the Investment Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Manager. The investment manager has discretion to purchase, sell or hold the specific securities that will be used to meet the Fund's investment objectives.
2. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities and effect receipt and delivery following purchase and sells. The custodian also may perform regular accounting of all assets into and out of the Fund account.

3. Additional specialists such as attorneys, auditors, actuaries and others may be employed by the Investment Committee to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

Definitions

1. "Fund" shall mean the Robert T. and Dorothee Walling Wiley Memorial Scholarship Fund for School District #1 Plattsmouth.
2. "Investment Committee" shall refer to governing board established to administer the Fund.
3. "Fiduciary" shall mean any individual or group of individuals as defined in ERISA, section 3 (21) (a).
4. "Investment Manager" shall mean any individual or group of individuals employed to manage the investment of the Fund assets.
5. "Securities" shall refer to the marketable investment securities that are defined as acceptable in this statement.
6. "Investment Horizon" is the time period over which the investment objectives, as set forth in this statement, are expected to be met.

Assignment of Responsibility

The Investment Committee shall be responsible for the management of the Robert T. and Dorothee Walling Wiley Memorial Scholarship Fund to include the selection and evaluation of the investment manager. The Investment Committee shall discharge its duties solely in the interest of the Fund, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent man, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No member of the Investment Committee shall sustain any personal Liability for any decisions made in good faith pertaining to the investment or reinvestment of Fund assets. It shall, subject to approval of School District #1 Plattsmouth, establish investment policies and procedures for the Fund. It is contemplated that the philosophy, policy and other guidelines stated herein will be reviewed by the Investment Committee annually and will be updated and modified as required to recognize current market and economic conditions in general and the needs of School District #1 Plattsmouth specifically. The Business manager of School District #1 Plattsmouth will serve as the liaison with the Investment Manager for investment and accounting reports, cash flow and outflows, and other administrative functions. The specific responsibilities of the Investment Committee relating to the investment management of Fund assets include:

1. Adhering to the guidelines as defined in State and Federal Law and all other applicable regulations.
2. Adhering to the guidelines for the Robert T. and Dorothee Walling Wiley Memorial Scholarship Fund as defined in Robert T. Wiley's Last Will and Testament.
3. Projecting the Fund's financial needs and communicating the needs on a timely basis.

4. Determining the Fund's risk tolerance and investment horizon and communicating these to appropriate parties.
5. Establishing reasonable and consistent investment objectives, policies and guidelines that will direct the investment of the Fund's assets.
6. Prudently and diligently selecting qualified investment professionals, including the investment manager, investment consultant and custodian.
7. Regularly evaluating the performance of the investment manager to assure adherence to policy guidelines and monitor objective progress.
8. Developing and enacting proper control procedures.

Responsibility of the Investment Manager

The investment manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating under all policies, constraints and philosophies as outlined in this statement. Specific responsibilities of the investment manager include:

1. Discretionary investment management including decisions to buy, sell or hold individual securities and to alter asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, monthly investment performance results.
3. Communicating any major changes to economic outlook, investment strategy or any other factors that affect implementation of investment process, or the investment objective process, of the Fund's investment management.
4. Informing the Investment Committee regarding any major qualitative change to investment management organization. Examples include changes in portfolio, management personnel, ownership structure, investment philosophy, etc.

General Investment Principles

1. The Fund is perpetual. The original corpus left by the Wiley's \$ _____ shall remain intact and be used only for the production of income.
2. Investments shall be made solely in the interest of the Fund and the exclusive purpose of providing scholarships each year to assist high school graduates obtaining additional education or training.
3. After the account has been established, the account value will fluctuate from year to year because equities will be utilized. The investment committee may pay out up to 5% of the December 31st value each year in scholarships, provided such a distribution will not dip into the original corpus left by the Wiley's, based upon December 31st value.
4. All necessary and reasonable expense incurred in managing the Fund shall be charged against and paid out of Fund income.
5. The Fund shall be invested with care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.

6. Investment of the Fund shall be so diversified as to minimize the risk of large losses.
7. The Investment Committee may employ an investment manager to attain the Fund's objectives.
8. Cash is to be employed productively at all times by investment in short-term cash equivalents to provide liquidity and return.

Investment Management Policy

The investment philosophy is based on a disciplined and consistent approach that accommodates the occurrences of events considered reasonable and probable. Extreme positions and opportunistic styles are not appropriate to this philosophy.

1. Generation of current income – The investment manager should invest Fund assets with the primarily objective of generating current income.
2. Preservation of Capital – The investment manager should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
3. Risk – Understanding that risk is present in all types of securities and investment styles, the Investment Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, the investment manager is to make reasonable effort to control risk and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
4. Inflation – The investment manager is expected to put a reasonable amount in equities so the scholarships can keep pace with inflation
5. Adherence to Investment Discipline – The investment manager is expected to adhere to the investment management style for which he or she was hired. The manager will be evaluated regularly for adherence to investment discipline.

Scholarship Fund Spending Policy & Eligibility

In accordance with section 3 under "General Investment Principles", up to 5% of the December 31st value may be given each year toward scholarships. Three members of the Board of Education shall be appointed to make up the selection committee. Each committee member will be given evaluation forms along with a copy of each application in anonymous form. The scholarships shall be allocated among as many graduates as the committee deems advisable in its discretion after consideration of the Trust income and costs of education as they exist in any one year. Payment of each scholarship should be made to the institution for the benefit of the student upon receipt of evidence that the student enrolled in an educational or additional training institution for the ensuing school year.

The School Board shall set the standards of eligibility for the scholarship using factors such as citizenship, aptitude, need, grades, and any others established by the School Board, no one of which shall be controlling. Additional education or training shall not be restricted to the academic field but shall also include technical training in state approved schools, such as nursing, therapy, cosmetology, medical technician, technical colleges, trade business or vocational schools, etc.

All necessary and reasonable expenses incurred in administering the Fund shall be charged against and paid out of Fund income.

Marketability of Assets

The Investment Committee requires that all of the Fund assets be invested in readily marketable securities that can be transacted quickly and efficiently for the Fund with minimal impact on market price.

Allowable Assets

Cash Equivalents:

- Treasury Bills
- Money Market Funds
- Commercial Paper
- Banker's Acceptances/Repurchase Agreements
- Certificates of Deposit

Fixed-Income Securities:

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Municipal Bonds
- Preferred Stock

Equity Securities:

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipt (ADRs) of Non-U.S. Companies
- Real Estate Investment Trusts
- Mutual Funds
- Exchange Traded Funds

Prohibited Assets

Prohibited investments include, but are not limited to the following:

- Commodities and Futures Contracts
- Private Placements
- Options
- Venture-Capital Investments

Prohibited Transactions

Prohibited transactions include, but are not limited to the following:

- Short Selling
- Margin transactions

Guidelines for Fixed-Income Investments and Cash Equivalents

1. Credit quality of the securities will be monitored and approximately 70% of the total fixed-income investments shall be invested in “A” or better rated companies. Individual debt securities ranked below investment grade “BBB” should not be purchased or retained by the Fund without authorization of the Investment Committee.
2. Money market funds shall contain securities with minimum of an investment grade credit rating by Standard and Poors and/or Moody’s.
3. Up to 30% of the fixed income assets may be invested in mutual funds that consist of dept securities below a “BBB” rating, or in a mutual fund consisting of overseas bonds.

Asset Allocation Guidelines

The Fund’s primary objective is to generate current income to provide scholarships. In order to achieve a prudent level of portfolio diversification, the securities of any one company or non-government agency should not exceed 5% of the portfolio, and no more than 50% of the portfolio should be invested in equities. Also no more than 50% should be invested in any one mutual fund.

Investment Manager Performance Review and Evaluation

Performance reports generated by the investment manager shall be compiled at least annually and communicated to the Investment Committee for review via the superintendent liaison. The investment performance will be measured against commonly accepted performance benchmarks and composites. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines set forth in this statement. Subject to unusual statements, the performance of the investment manager will be judged over at least one full market cycle or over a three-to-five-year period. The Investment Committee reserves the right to terminate a manager for any reason including the following:

1. Investment performance that is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any respect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

The investment manager shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters and other qualitative factors that may impact their ability to achieve the desired investment results.

Investment Policy Review

To assure continued relevance of the guidelines, objectives, financial status and capital markets as established in this statement of investment policy, the Investment committee should review the investment policy annually as well as the above evaluation described in the section above.

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