

MANAGEMENT AND INVESTMENT POLICY OF FUNDS IN TRUST

THE TRUST FUNDS ARE TO BE TITLED

The Life Memberships Reserve Fund
The Gardening Advancement Fund
The Scholarship Fund
The Contingency Fund
Special Funds

- 1) Funds donated with specific instructions as to their usage will be held under "Special Funds" and utilized accordingly. The earnings of the Contingency Fund will be utilized when required for "short falls" in the operation of TGOA/MGCA. This is the purpose (catastrophic situations) for which the E & I Fund was established. This will include contingency support for life memberships, support for the home office facility and operations only on an emergency basis when authorized by the Board of Directors. Donations to the original title "E & I Fund" will be held in trust in the Gardening Advancement Fund.
- 2) The Trustees of the funds consist of 7 members, who elect their own Chairman, Vice Chairman, and Secretary/Treasurer. They are responsible for investing the funds according to the following policy. They meet at least twice yearly, usually at the time of TGOA/MGCA National Board of Directors meetings. A majority vote is required for a decision. A quorum shall be 4 members. If required, the TGOA/MGCA President, as ex-officio member of all committees, may cast a vote to provide a quorum, or in case of a tie vote.
- 3) The Life Membership Reserve Fund serves as repository for all life membership fees. Memorial, tributes, bequests, endowments, gifts, and similar donations specifically designated for one of the funds are to be acknowledged and utilized according to the donor's wishes. Acceptance of such gifts or funds shall be subject to approval of the Trustees.
- 4) The Trustees shall accept any gifts, bequests, or devise to the funds subject to the conditions, restrictions, or limitations the donor may prescribe for the use of the principal and/or the earned interest thereof. The committee shall honor such conditions and limitations as the donor may prescribe provided such are not contrary to the aims, purposes, or objectives of the Gardeners of America, or its divisions, nor would nullify our Federal Tax Exempt status.
- 5) The Secretary-Treasurer receives all monies for the funds, invests it according to established policy, prepares financial statements and summaries, minutes of the committee meetings, and disburses earnings of the fund as planned and directed by the Trustees. The Secretary-Treasurer is also responsible for establishing and maintaining adequate and proper accounting of the funds and shall employ accounting for all segmented funds.

INVESTMENT POLICY

- 6) Annually, a portion of the gross annual earnings shall be added to the principal of the funds in trust to provide for growth, and to maintain the purchasing power to compensate for inflation.
- 7) Sufficient principal of the Life Membership Reserve fund must be carefully invested so there is no loss of principal due to variations in monetary value of the investment. The objective of this investment fund is stability oriented with a conservative approach to diversification, such as money market funds,

certificates of deposit, and short term to intermediate term US Treasury Notes and US Government Agency Bonds.

8) The Secretary/Treasurer must check with banks and financial institutions to keep current with interest rates being paid on investments. He must anticipate making new investments or reinvestments so as to obtain the best earning compatible with this investment policy. The Trustees will review and approve actions taken by the Secretary/Treasurer.

9) The Gardening Advancement Fund and Contingency Fund may be invested in a choice of US Government secured instruments, US Government Agency and highly ranked corporate bonds, mortgage or corporate bond mutual funds, brokerage firm issued highly rated bank certificates of deposits, and conservative mutual equity growth funds. The Secretary/Treasurer may consolidate individual investments through a self directed investment account placed with a Brokerage firm or firms.

10) The funds may be allocated to disciplined professional management, where there has been proven ability, subject to Trustee recommendation. The focus of the investment strategy must be for growth, earning, and capital preservation.

11) The Secretary-Treasurer is to subscribe to Professional Investment Advisory services, that are compatible with this investment policy.

12) The Secretary/Treasurer will furnish the TGOA/MGCA Treasurer an annual estimate of earnings of the Trust Accounts for distribution. In the proposed annual TGOA/MGCA Budget prepared and presented by the TGOA/MGCA Treasurer for approval by the Board of Directors, the estimated E & I income distribution will be included in appropriate income accounts as directed by the governing rules.

13) When economic conditions require a change in investment policy, the Board will receive the Trustees recommendations.

15) The earnings of the Gardening Advancement Fund are to be utilized for the promotion of new clubs, growth in memberships, horticultural scholarships, and the advancement of gardening nation wide, including gardening information and projects that will develop excellence in horticulture.

16) Special Funds category are usually donated for a specific purpose and therefore will not usually be invested for the long term. Depending on the time frame, the fund may be held in a checking account or in a money fund paying higher interest and quickly available.