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POLICY TITLE: External Manager Policy NUMBER: FIN-0003  
RESPONSIBILITY: Financial Controller DATE: 04/15/2019

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**PURPOSE**

To allow for the appointment of an external investment manager for a donor-established fund, in excess of \$100,000, separate from the main investment pool.

**REFERENCES** *(if applicable)*

N/A

**DEFINITIONS/ABBREVIATIONS**

N/A

**PROCEDURE/POLICY**

When a donor requests external management of the assets of a fund in excess of a qualifying fund established by said donor, The Foundation will enter into a written investment management agreement with the prospective external investment manager. The agreement will include the following terms:

1. The Foundation is the owner of all externally managed assets, and they shall remain under The Foundation's control.
2. Any external investment manager shall be subject to oversight by The Foundation's Investment Consultant and The Board of Trustees' Executive Committee, through its Audit & Finance Subcommittee.
3. The Foundation may, at its sole discretion, terminate any investment management agreement with an external manager.

The Audit and Finance Subcommittee will monitor and evaluate the external manager's performance, ensuring that it meets or exceeds agreed-upon benchmarks, and that the external manager complies with The Foundation's Investment Policy.

The external manager shall provide monthly statements and quarterly reports. Within 30 days after the end of each calendar quarter, the manager will provide the Foundation's Investment Consultant and The Foundation with a statement of the following:

1. Actual asset allocation of the fund at the end of the quarter vs. agreed-upon benchmarks
2. Consolidated return of the fund, net of all fees, for the most recent quarter and year-to-date vs. agreed-upon benchmarks
3. Fees attributable to the fund

The Foundation will not entertain any request for external fund management by an external manager related to the requesting donor or any member of the donor's family. Also, a fund cannot be invested under any circumstances that would result in a financial benefit or other private inurement to the donor or any member of the donor's family.

A donor whose fund is managed externally under the terms of this policy will be asked to execute the Foundation's "Disclosure Statement and Release – Use of Outside Investment Manager" agreement.

**FLOWCHART** *(required for processes and procedures)*