MISSION & MONEY: THE IMPORTANCE OF INVESTMENT POLICIES FOR NONPROFITS

Accounting for the future.

AGENDA

- Becoming more donor-friendly through your investment policy
- Aligning your portfolio with your organization’s mission and values
- Developing and refining impactful investment policy statements
- Implementing investment best practices tailored to the nonprofit sector

MEET OUR SPEAKERS

Mike Schall
Nonprofit Leader
SAX

Bill Connor
Partner, Wealth Advisor
SAX Wealth Advisors

HOW NONPROFIT FOUNDATIONS CAN BECOME DONOR-FRIENDLY

1. Transparency and Communication

- Provide clear reporting on the use of funds, investment performance, and impact.
- Offer regular updates through newsletters, impact reports, or annual meetings.

2. Offer Giving Flexibility

- Accept a variety of gifts (cash, stock, real estate, donor-advised fund grants).
- Provide information on planned giving vehicles such as charitable remainder trusts or bequests.

3. Recognize and Steward Donors

- Develop donor recognition programs that align with the organization’s values.
- Ensure ongoing engagement and gratitude, not just transactional relationships.

HOW NONPROFIT FOUNDATIONS CAN BECOME DONOR-FRIENDLY

4. Align Investments with Mission (Mission-Aligned or ESG Investing)

- Offer socially responsible investment options when appropriate.
- Communicate how investment decisions reflect the organization’s purpose and values.

5. Make Giving Easy

- Maintain a user-friendly online giving platform.
- Provide clear guidance on tax-efficient giving and legacy planning options.

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QUESTIONS?

KEY CONSIDERATIONS FOR NONPROFIT INVESTMENT COMMITTEES

- **Fiduciary Responsibility:** Committee members must act in the best interest of the organization, exercising due diligence and care.
- **Liquidity Planning:** Ensure the portfolio meets ongoing cash flow needs for programs and grants.
- **Regulatory Compliance:** Adhere to UPMIFA (Uniform Prudent Management of Institutional Funds Act) and other relevant laws.
- **Risk Management:** Consider reputational, operational, and market risks in investment decisions.
- **Endowment vs. Operating Reserves:** Maintain clarity between long-term endowment assets and short-term operating funds.

UPMIFA (UNIFORM PRUDENT MANAGEMENT OF INSTITUTION FUNDS ACT)

1. Act prudently and in good faith (consider economic conditions and act the way a prudent person would)
2. Duty of Loyalty and Purpose (avoiding conflicts of interest)
3. Diversifying Assets (avoiding concentrations)
4. Total Return approach (not be so cautious for fear of having market losses because you can't keep up with inflation)
5. Spending policies – our footnotes outline the 8 factors that should be considered when spending from the investments (which includes appreciation)
6. Establishing a written investment policy
7. Monitoring
8. Consider using Professional Expertise
9. Document Decision Making

CONTACT US

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QUESTIONS?

SAX Wealth Advisors is an independent registered investment advisor offering strategic long-term financial and estate planning built on trust, integrity and meaningful client relationships.

We are registered with the Securities Exchange Commission and comply with the highest fiduciary standards.

We are a Fee-Only firm, meaning we have a fiduciary responsibility to act in our client's best interest. We do not accept outside fees for any third-party services recommended to our clients, such as Insurance products or legal document creations.

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