

**Penn State Alumni Association
Lancaster Chapter
Policies Regarding Investment and Spending**

Adopted January 29, 2014

Investment Policy – Investments will continue to be made in accordance with the policy approved by the Board on August 26, 2009, a copy of which is attached to this policy as Exhibit “A”. The Board will supplement that prior policy by directing that the Chapter’s investment committee should seek to maintain reasonably low expenses and costs but do so in a manner that fairly compensates the investment manager and does not sacrifice returns.

Spending Policy –

After each calendar year end, an amount equal to five percent (5%) of the average of the investment balances in the Scholarship Account at the end of each of the immediately preceding three (3) calendar years be dedicated to be spent on scholarships. Based on the amount thus available for spending, the Board would then determine and approve the number and amounts of scholarships to be given during the year. By way of illustration, after December 31, 2013, the amounts on hand at each of December 31, 2011, December 31, 2012 and December 31, 2013 would be averaged and five percent (5%) of such average would be spent on scholarships in 2014 and the Board would determine the number of scholarships and the amounts of each scholarship. The fund balances as of the end of each such year were

<u>Year</u>	<u>Balance</u>
12/31/11	\$145,471.92
12/31/12	\$180,048.71
12/31/13	<u>\$234,476.99</u>
Total	\$559,997.62

and the 3-year average is \$186,665.87 (\$559,997.62 divided by three). Under this policy, if adopted, a maximum of \$9,333.29 (5% of \$186,665.87) is available to be spent on scholarships during 2014.

This policy applies to the general scholarship investment account and does not apply to the Trower investment account, which is a specially designated fund maintained by the Trower family.

The computation will be presented to the Board at its January meeting, or the first meeting thereafter, if no January meeting is held.

Posting of Chapter Policies – All policies adopted by the Chapter will be placed on the Chapter’s website to make them readily available to members and board members, especially those who may need to refer to the policies for purposes of handling Chapter business.

EXHIBIT "A"

SOURCE: BOARD MINUTES OF WED, 8/26/2009

Glenn Bissinger 3rd. We need to focus on selling more at the picnic. We had some discussion of ways to increase sales. Some thoughts were: Offer more ways to win (Chester Co. gets 2 tickets and pulls 8 winners (i.e. this yr) then offers gift cards), change what 2nd place wins, everyone on Board sells \$50 worth, ask for less info on the ticket (name and phone only), is there a way we could variable print the individual's name on the ticket when it goes out in mailing (make it easier for people to mail it in).

- Ice Cream Sale - Dan Doremus announced that we made a record profit this year of \$4,148. The freezers are old and will be sold at auction in 2010. Should the club buy one or both? We need to decide prior to the sale. Also need to consider storage, maybe Steve Black or Jennie Rothweiler's house.
- Freshman Sendoff - Jenn Spade reported 12 students and 42 guests for a total of 54 people attended. Everyone had a good time. Dave Dell sold \$300 in raffle tickets and will get free admission to the tailgate. Next year, thinking we may move it up a week. This would be the same weekend as ice cream sale, but dedicate one whole weekend to PSU.
- Illinois Away Football Game - This event is closed with 21 people scheduled to go. The trip is Oct 2 - 4. If anyone missed the Lancaster Co Chapter deadline and is interested in going, there are bus seats available thru the University.
- Tailgate 2009 - Carol Deem reported that October 17th is the tailgate. People are starting to respond, we have about 25 confirmed so far. We will have the same spaces (Steve Black's) and the same caterer. Can a sign-up be added on the website?
- Fall Football Bus Trips - Gene Risser reported that bus trips are scheduled for three games. Iowa September 26th at 8pm - trip is full. Two buses for Homecoming October 17th against Minnesota - one is full and we are break even on the second. Two buses for the November 7th clash against rival Ohio State - currently about 30 people, need 80. All bus trips will cost \$39 / person.
- Fall Football Ticket Exchange - Dale Spalding will continue to run the program. If you are looking to buy or sell tickets, check with Dale. We also have this shown on the website.
- TV Football Party - Bill Lines reported that we will have a TV Party at the Back Page on Oct 24th. This is the Michigan game. We will be going back to tickets. More details to come next month.
- TV Football Party #2 - Jennie Rothweiler reported that on November 21st, we will be teaming up with the Grey Lions of the Masonic Village for a TV party. This group is officially now the 1st of what could be many "Grey Lions of _____". Along with Jennie the committee members are Carol Deem, Dick Booth and Jen Risser. More details to come.
- Golf Outing 2010 - Jen Risser and Dave Dell reported that next year the event will again be at Groff Farms. The date will be May 7, 2010. The discussion of fees is currently taking place.

NEW BUSINESS

- Investment committee - Glenn Bissinger handed out the mission statement from the investment committee. The treasurer will need to look at the portfolio once a year and rebalance the asset mix to the appropriate levels. The statement is as follows: "The role of the investment committee is to maintain the investment objectives of the chapter's scholarship funds at a level of risk deemed acceptable within specific asset allocation guidelines. The investment objectives are to maximize portfolio returns without undue exposure to risk. The goal of our scholarship funds are long term capital appreciation and consistency of total portfolio returns over time. It is the objective of the Penn State Alumni Association of Lancaster chapter's investment committee to maintain our investments in a target asset range of approximately 60% equity and 40% fixed income with an acceptable range of 40% - 80% equity and 20% - 60% fixed income dependent upon current market conditions. There will be an annual review of our portfolio to rebalance the asset mix to the 60% equity and 40% fixed income target weighting. Results of this evaluation will be reviewed with our financial advisor, whom will assist in adjusting our portfolio to our target asset weighting." A motion was made by Anthony Burkholder and seconded by Gene Risser to accept the mission statement, motion passed.