

**AMERICAN IRIS SOCIETY
PROPOSED INVESTMENT POLICY
October, 2006**

The American Iris Society is a corporation organized and operated exclusively for the purposes described in Section 501(c)(3) of the Internal Revenue Code.

The purposes of the AIS are to encourage and support scientific research of the genus Iris; collect, compile and publish information regarding the history, classification, breeding and culture of irises; and educate the public through exhibitions, published standards for judging, and local, area, regional and national meetings open to the public.

The Investment Policy of the American Iris Society shall ensure that monies are available, through prudent management of all sources of income, to fund the operations of the AIS in meeting its purposes.

The primary goal of the AIS investment policy is to safeguard AIS assets, both general and restricted, and to grow these funds, within current economic conditions, to provide the most funds possible for operations at a manageable risk.

All investments must qualify to maintain the AIS Section 501(c)(3) standing.

AIS monies, either General or Restricted, shall not be used as collateral on loans of any kind and no monies may be borrowed in the AIS name without approval of the Board of Directors.

Compilation & Approval of Policy

This policy shall be formulated and approved by current members of the AIS Financial Advisory Committee. It shall be approved by the full Board of Directors prior to implementation. Amendments to this policy shall be approved either at regularly scheduled Board of Directors meetings or according to the Standard Rules for Electronic Business.

Cash Funds

Cash funds, held in bank accounts, shall be maintained at a level to fund regular and budgeted AIS expenses. Checking accounts shall be opened and managed to keep bank service charges to a minimum and interest earned on the funds at a maximum. Bank statements shall be reconciled monthly.

Investments - General Funds

Excess general funds not needed for paying budgeted expenses shall be invested in products, such as money market accounts and certificates of deposit. Investments in any other financial products (such as stocks, bonds, or mutual funds) shall be approved individually by the AIS Financial Advisory Committee.

At least five percent (5%) of gross operating income per year shall be budgeted for General Fund Investments, so as to help ensure not only a balanced budget but provide a base for growing funds for future operations.

Interest/dividend income from invested funds shall be deposited in the General Fund as it becomes available.

A description of all general investments, including interest rates, growth rates, and due dates (for CDs) shall be a part of the Treasurer's Annual Financial Report to the Board of Directors.

Investments - Restricted Funds

AIS Restricted Funds include the monies from Life Memberships, monies restricted by donors, or any other monies restricted by the AIS Board of Directors. Restricted funds shall not be used for general AIS operations. Annual earned income from these investment monies shall remain in the Restricted Funds unless specifically approved by the Board of Directors.

AIS Restricted Funds shall be invested in products, such as money market accounts and certificates of deposit. Investments in any other financial products (such as stocks, bonds, or mutual funds) shall be approved individually by the AIS Finance Advisory Committee.

These funds are to be specifically segregated on the AIS Financial Reports and separate income and expense activity reported for each of these funds annually along with the general operations.

A description of all Restricted Funds investments, including interest rates, growth rates, and due dates (for CDs) shall be a part of the Treasurer's Annual Financial Report to the Board of Directors.