

Investment Policy for the  
New York Chapter, American College of Physicians  
(edited 2.28.2020)

**I. STATEMENT OF POLICY**

The New York Chapter of the American College of Physicians (NYACP) goal is to invest funds not needed for the operations of the organization in a manner that preserves principle, maintains liquidity and maximizes return on investments.

This policy reflects all three corporations under the Chapter, including NYACP, Inc., NYACP Services, Inc. and IMR & S.

**II. RULES OF REASONABLENESS**

Investments on behalf of the NYACP will be made in accordance with the "reasonable person" rule; i.e., investments shall be made with judgment and care, under circumstances then prevailing, with which a reasonable person using discretion and intelligence would exercise in the management of their own affairs. Investments are not made for speculation, but for safe investment, considering the best possible course to preserve their capital and maximize income.

**III. SCOPE OF POLICY**

The investment policy serves as a strategy for long term investment. The strategy is adopted with a goal of increasing return on investment for all three corporations. However, each entity may adopt a variation of the investment ratios (stated below) since they have different balances, vulnerabilities and needs.

**IV. INVESTMENT OBJECTIVES**

The NYACP seeks to balance three primary objectives for its cash portfolio:

- 1) Diversifying investments among asset classes to ensure safety of principal.
- 2) Maintaining sufficient liquidity to meet financial obligations, by matching investment maturities with the expected timing of obligations.
- 3) Earning a market rate of return (subject to permitted investment constraints).

The following reserve allocation is recommended:

40% US Multi Cap Core Equity  
35% Corporate Fixed Income (CDs/Bonds)  
25% Cash (Money Market)

Diversification (safety) will be accomplished through implementation of a strategic asset allocation according to the reasonable person rule to preserve capital, safety and liquidity.

## **V. MANAGEMENT**

The investments of the NYACP will be evaluated **on a yearly basis** by the Budget & Finance Committee, with subsequent approval by the Executive Committee. The Budget & Finance Committee will be composed of the treasurers of the three corporations and any other members as approved in the corporate bylaws. The Budget and Finance Committee will review the investments, the financial viability of each organization, the financial plan and will prepare an annual budget for review by the NYACP Council, the NYACP Services Board, and the I M Research and Service Board of Directors.

## **VI. RETURN ON INVESTMENTS**

The return on investments (ROI) will be benchmarked against a relevant standard index. An example of a benchmark would be the Dow Jones Industrial average for stocks. The Budget & Finance Committee will determine the benchmark.

The NYACP's selection of portfolio management is active as opposed to passive. Active management uses investment strategies designed to increase portfolio value by exceeding average rates of return normally achieved using passive management. The basis used by the investment manager to determine whether market returns are being achieved shall be a benchmark recommended by the finance committee.

## **VII. ETHICS & CONFLICTS OF INTEREST**

All officers and members will follow the NYACP guidelines regarding conflicts of interest and will serve in accordance with the highest of ethical standards.

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S:Legal & Finance:Investment Policy