**MODEL INVESTMENT POLICY FOR A SMALL LAND TRUST**

**1. INTRODUCTION**

It is the policy of [LAND TRUST] to exercise prudent management of its financial assets through the investment its funds according to the parameters set out in this policy. [LAND TRUST]’s assets are managed with specific investment objectives and parameters established for each internal fund according to the fund’s purpose and designated uses.

**2. DESCRIPTION OF DEDICATED FUNDS COVERED BY THIS POLICY**

[LAND TRUST] maintains the following designated funds:

1. [NAME OF FUND 1], the purpose of which is to [PURPOSE OF FUND 1]. The allowable uses of the income from this fund are [ALLOWABLE USES OF INCOME FROM FUND 1]. The principal of the fund can be used for the following purposes only: [ALLOWABLE USES OF PRINCIPAL FUND 1].
2. [NAME OF FUND 2], the purpose of which is to [PURPOSE OF FUND 2]. The allowable uses of the income from this fund are [ALLOWABLE USES OF INCOME FROM FUND 2]. The principal of the fund can be used for the following purposes only: [ALLOWABLE USES OF PRINCIPAL OF FUND 2].
3. [NAME OF FUND 3], the purpose of which is to [PURPOSE OF FUND 3]. The allowable uses of the income from this fund are [ALLOWABLE USES OF INCOME FROM FUND 3]. The principal of the fund can be used for the following purposes only: [ALLOWABLE USES OF PRINCIPAL OF FUND 3].

**3. INVESTMENT OBJECTIVES**

Investment objectives for each fund shall address:

* Overall investment strategy, which balances the need for liquidity, income, growth and security
* Investment horizon (timeline for investments), which takes into account the need to access funds
* Preservation of purchasing power (the need to protect against inflation)
* Acceptable investment instruments most likely to achieve the other investment objectives.

The specific investment objectives for the [NAME OF FUND 1], [NAME OF FUND 2], and [NAME OF FUND 3], are attached to this policy

All funds shall be invested in the name of [LAND TRUST]. All investments and allocations of funds into specific investments shall be reviewed by the finance committee of the board of directors at least annually.

**4. AUTHORITY**

The finance committee of the board of directors is authorized to select the specific institutions and vehicles in which the operating and stewardship and defense fund will be invested.

The president and the treasurer are authorized to act on behalf of [LAND TRUST] in conducting financial transactions and in undertaking the ministerial actions necessary to implement this policy.

The finance committee may select a securities broker or investment manager to handle financial transactions for [LAND TRUST].

**5. CONFLICT OF INTEREST**

Persons involved in making investment decisions for the [LAND TRUST] shall refrain from any activity that could conflict with the proper implementation of the investment program or that could impair their ability to make impartial investment decisions. They shall disclose to the Board of Directors any material financial interests in financial institutions that conduct business with [LAND TRUST] and observe the requirements of [LAND TRUST]’s conflict of interest policy.

**6. PERIODIC POLICY REVIEW**

This investment policy will be reviewed by the board of directors at least annually and revised as necessary.

This policy adopted by the [LAND TRUST] board of directors on\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

 (date)

adopted: 2010

**ATTACHMENT 1:**

**INVESTMENT OBJECTIVES FOR [NAME OF FUND 1]**

Purpose of fund:

Allowable uses of income:

Allowable uses of principal:

Overall investment strategy:

Investment horizon:

Preservation of purchasing power:

Acceptable investment instruments: