

Institute of Transportation Engineers - Western District

INVESTMENT POLICY

PURPOSE: To establish the responsibilities, guidelines and goals for investment of the organization's funds.

A. Parties associated with the plan and the responsibilities of each

1. Board of Direction

The District Board of Direction is comprised of four District Officers and the International Director(s) who represent Western District on the International Board of Direction. The District Officers consist of the President, Vice President, Secretary-Treasurer and Past President. The Board votes on all proposed actions that have any effect on the District. All decisions by the Board are final.

2. Endowment Fund Committee

The Endowment Fund Committee consists of four (4) primary members that include the Endowment Fund Committee Chairperson, District Administrator, District Secretary-Treasurer, and one of the three District International Directors. To provide continuity for the committee, the appointed International Director would preferably be selected at the start of their term and serve on the committee for the duration of their three-year term. In addition, the District President is an ex-officio member of the committee. The Endowment Fund Committee manages the investment account and conducts marketing activities to enhance the fund.

3. Investment Committee

The Investment Committee appointed by the President, is an ad hoc committee formed to investigate and advise the Board of Direction about the investment of the District assets.

B. Investment Objectives

1. Mission

The Mission of the District is to promote professional development of members, support and encourage education, stimulate research, develop public awareness, and establish forums for exchanging professional information. The Institute maintains a central point of reference and facilitates development of standards and recommended practice procedures in transportation.

The Western District created the Student Initiatives Program to encourage more student participation in the transportation profession. The Program strives to fulfill its goal of attracting, retaining, and developing the most talented students into transportation professionals. Initiatives are intended to increase:

- Active student chapters through the provision of library materials and technical software for new student chapters, as well as opportunities to receive grants to support student activities.
- Student participation in Annual Meetings through subsidization of student registration fees and the incorporation of events and seminars specifically geared for students.
- Student interaction with Professionals through mentoring programs and encouragement of student attendance at Annual Meetings, one of the largest gatherings of transportation professionals in the West every year.

The purpose of the Endowment Fund is to support the development of students in the transportation planning and engineering profession by establishing a self-sustaining funding source for the District's Student Initiatives.

The investment income is to provide the necessary funding for the student-related programs of the District.

2. Specific Concerns

- a. Growth
- b. Income
- c. Safety
- d. Inflation Hedge

3. Philosophy

The District philosophy is to utilize the income from investments for the benefit of student member in the Western District of the Institute of Transportation Engineers.

4. Assets to be Managed

- a. Designated Funds (Student Endowment Fund)

5. Investment Goals

The current District goal is to reach a balance of \$500,000 by the year 2015.

- a. Until the goal amount is achieved, funds will not be withdrawn from the balance, unless directed by the Board of Direction.
- b. Upon reaching the goal amount, income from the fund may be utilized to support student initiative programs as directed by the Board.

C. Approved Securities

1. Certificates of Deposit (limitations on size of CDs to insurable amount per institution)
2. U.S. Government Securities
3. CMO's
4. Corporate Bonds (BBB rating or better)
5. Convertible Bonds (BBB rating or better)
6. Preferred Stocks
7. Common Stocks (Market capitalization greater than \$5 billion at the time of purchase)
8. Open Ended Mutual Funds
9. Other funds that meet the goals and limitations of the endowment fund as recommended by the financial advisor and approved by the Endowment Fund Committee.

D. Limitations

1. Asset Allocation

In order to meet both the foundation's income and growth needs the portfolio should be allocated approximately 60% fixed income, 40% equities. However, these amounts may be adjusted depending on market conditions, recommendations from the financial advisor, and approval of the Endowment Fund Committee.

2. Maturities & Diversification Requirements

All fixed income securities should have a stated maturity of 10 years or less at the time of purchase.

3. Specific Exclusions

IPO's, Metals, Commodities and Margin investing are forbidden among the District. Only approved securities can be purchased. Exceptions must be approved by the Endowment Fund Committee.

4. Diversification Requirement

The District desires a broadly diversified portfolio. No equity position should exceed 7% of the equity portfolio. No more than 10% of the fixed income portfolio should be invested into a specific issue with the exception of the U.S. Government Securities. These amounts may be adjusted depending on market conditions, recommendations from the financial advisor, and approval of the Endowment Fund Committee.

5. All investments are to be made in accordance with the Uniform Prudent Investors Act.

E. Procedures

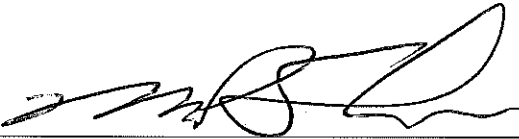
1. The District shall receive quarterly printed reports from the Investment Advisor.
2. During the annual portfolio review, this policy should be reviewed. Also the Board should estimate the income requirements for the year and communicate that number to the Investment Adviser.

3. All reports will be available for use in the annual audit.
4. Withdrawals from investments are to be made only in accordance with the Bylaws and the approval of the Board of Direction.

Adoption of the Investment Policy Statement

All decisions pertaining to the Investment Policy and guidelines for the Investment Policy's implementation shall be confirmed by the Endowment Fund Committee and approved by the Western District Board of Direction.

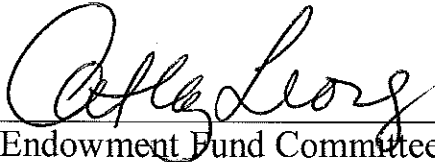
The Western District Board of Direction has reviewed, approved and adopted this Investment Policy dated June 27, 2010.



ITE Western District President

6-27-10

Date



Endowment Fund Committee Chair

6-27-10

Date

Investment Advisor

Date