

BOTANICAL SOCIETY OF AMERICA INVESTMENTS PORTFOLIO (BIP)
STATEMENT OF INVESTMENT POLICY
OBJECTIVES and GUIDELINES
www.botany.org/

The Botanical Society of America (BSA) is a nonprofit 501c3, scientific society founded in 1893. The Society was incorporated in Connecticut in 1939. The BSA business office mailing address is: The Botanical Society of America. 4344 Shaw Blvd, St. Louis, MO 63110 · Voice: 314-577-9566; www.botany.org/

The mission of the BSA is to: *promote botany, the field of basic science dealing with the study and inquiry into the form, function, development, diversity, reproduction, evolution, and uses of plants and their interactions within the biosphere. To accomplish this mission, the objectives of the Society are to: sustain and provide improved formal and informal education about plants; encourage basic plant research; provide expertise, direction, and position statements concerning plants and ecosystems; and foster communication within the professional botanical community, and between botanists and the rest of humankind through publications, meetings, and committees.*

The Society intends that its investment policies reflect and be consistent with this mission and objectives.

The BSA -

- presently consists of about 3000 members worldwide divided into 10 voting membership categories (<http://cms.botany.org/home/membership.html>) and three non-voting membership categories (<http://cms.botany.org/home/membership.html>);
- has an organizational structure that consists of management and governance which are carried out by a paid business staff and an all-volunteer Board of Directors (BoD), Council, and numerous standing and ad hoc committees;
- has three publications, a monthly research journal (*American Journal of Botany* [AJB]), society bulletin (*Plant Science Bulletin* [PSB]) and technical journal (*Applications in Plant Sciences* [APPS]), and an *Archive* system for all three publications that are completely accessible to all members;
- provides outreach programs (BSA Science and Education Outreach, PlantingScience, PLANTS Diversity Student Travel Awards, and awards for research and travel grants for meetings) for both education and research;
- obtains its income from journal subscriptions, licenses and open access fees, annual membership dues, operating an annual meeting, various education related grants and gifts from its members;
- Board of Directors has ultimate responsibility for the investment and management of the Organization's investment assets and has delegated authority of the Organization's investments to a properly formed and constituted Investment Committee;
- has a BSA Investments Portfolio (BIP) under the direction of the Investment Committee (IC) and an investment program managed by an external, independent investment firm;
- has a Development Committee that provides information to potential benefactors and members, and active contributors for the purpose of increasing the BIP, and for making contributions to non-BIP BSA projects
- has a Finance Committee which may consult with the Investment Committee as needed.

The IC has approved the following objectives, guidelines and reporting for the BIP for the Investment Firm/Manager(s):

Primary Investment Objective

Long-term growth of capital: to emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

Investment Projection

The investment time horizon is the amount of time from today during which it is expected that the majority of the invested assets will remain in the BIP. Should a substantial portion of the BIP be planned for liquidation, the investment time horizon would be the number of years until that event. This plan will continue in **perpetuity**.

Investment Committee Responsibilities

The Investment Committee is charged by the Board with the responsibility of managing the investment assets of the Organization. The specific responsibilities of the IC include selecting one or more qualified investment professionals, communicating the BSA’s financial needs to the investment manager(s) on a timely basis, recommending to the Board of Directors an appropriate risk tolerance and investment horizon, establishing reasonable and consistent investment objectives, policy guidelines and allocations which will direct the investment of the assets, with guidelines or revisions to be reviewed and approved by the Board, regularly evaluating the performance of investment manager(s) to assure adherence to policy guidelines and to monitor investment objective progress and enacting proper control procedures; e.g., replacing investment manager(s) due to a fundamental change in the investment management process, failure to comply with established guidelines, or other reasons as determined by the IC.

Investment Performance Goal and Data Expected from Investment Firm on an Annual Basis

Over the investment horizon established in this statement, it is the goal of the BIP assets to generate a rate of return net of fees and expenses, equal to or exceeding that of an appropriate portfolio benchmark. In addition, IC/BSA expects an annual report during the spring of each year that shows exact dollar amounts for the annual net gains/losses of the BIP (all accounts) *and* the exact dollar amount (not percentage) of the cost of the investment services for managing the BIP during the previous 12-month period (from date of annual report).

Allocation of Assets

Category	Range	
	Minimum (%)	Maximum (%)
Equity	50	70
Fixed income	25	45
Cash & Equivalents	0	5
Alternatives	0	5

Investments are to consider Environmental, Sustainability, and Good Governance (ESG) criteria.

The portfolio should be well diversified both by asset class and within asset classes. The purpose of this diversification is to provide reasonable assurance that no single security or class of securities shall have a disproportionate impact on the portfolio's aggregate results.

Review and Evaluation of Performance

Performance reports generated by the investment firm/manager(s) will be compiled monthly and communicated to the Executive Director, Treasurer, and IC Chair for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. In addition, the reports should also indicate to what extent the investments are meeting the ESG criteria.

Consideration will be given to the extent to which the investment results are consistent with the objectives, goals, and guidelines as set forth in this document. The IC intends to evaluate the BIP over at least a three-year period, but reserves the right to terminate an investment firm/manager(s) for any reasons.

This document, along with **BOTANICAL SOCIETY OF AMERICA INVESTMENTS PORTOLIO (BIP) OVERVIEW** (see next pages), serve as the documents that guide the BSA IC.

The information provided in this document is proprietary and intended for evaluation, discussion and plan development only between the BSA and the investment firm BSA has designated for these purposes.

Originally compiled by: Harry Horner (BSA IC Chair; hth@iastate.edu) and Bill Dahl (BSA Executive Director) and approved by the IC each time revised. Revised Fall 2007; Fall 2008; Summer 2009; Spring 2010; August 2017; Spring 2021.

BOTANICAL SOCIETY OF AMERICA INVESTMENTS PORTFOLIO (BIP) OVERVIEW

- 1. Purpose of BSA Investments Portfolio (BIP):** The purpose of the BIP is to increase the invested monetary assets of the Society in order to provide income to fund major initiatives, travel grants, scholarships, and other activities that enhance the effectiveness of the Society to fulfill its mission (see Bylaws). The Investment Committee (IC) is responsible to and empowered by the Board of Directors (BoD) and the Council to manage the BIP. The IC makes no recommendations for use of the BIP as identified in 4. below.
- 2. Contributions to BIP:** All monetary gifts, stocks and bonds designated “BIP” shall be immediately deposited into either the BIP Money Market Fund or into one of the other BIP accounts directly, and then invested in a timely fashion by the IC/investment firm. Other gifts, such as property, shall be individually handled by appropriate legal procedures to integrate them/it into the BIP.
- 3. Solicitation of Membership to Contribute to BIP:** Solicitation shall be carried out two ways: first, the membership will be provided ‘purpose and giving’ information in periodic issues of the *PSB* and on the annual membership form; second, a more select portion of the membership that includes long-time (≥ 20 years) members, and members whose ages are 50 years or older, will be individually/group (Legacy Society) solicited once every year.
- 4. Use of BIP Income:** The unrestricted value of the BIP (all non-restricted, non-sectional funds) will be averaged over the previous twelve (12) quarters, prior to the annual meeting each year. The ‘averaged unrestricted value’ available for use during the next fiscal year will be a maximum of 4%, and this amount will be reported at the BSA annual BoD and Council Meetings. The IC will annually evaluate the annual maximum of 4% (used to generate income such that if growth goals are being met, or if growth is too slow), and determine whether the annual maximum of 4% needs to be adjusted accordingly. Any usable income from this averaged unrestricted value unallocated or unused by the end of the fiscal year (September 30) shall revert to the BIP unrestricted principle. Use of the BIP ‘averaged unrestricted value’ shall be determined by the BoD/Council (see Guideline 5. of BIP Guidelines).
- 5. Approval of use of unrestricted BIP funds:** Any member, committee, section, or ruling body of the Society may submit a request to use the BIP for purposes outlined in 1. The request(s) must be submitted to the BoD and its Executive Committee for consideration. The BoD will act on the recommendation(s) with approval determined by a majority (51%) of all eligible voting members. If the recommendation(s) is/are approved, the Treasurer of the Society will be empowered and directed to distribute the money according to the approved recommendation(s). If an individual member of either the BoD submits a recommendation, that member is excused from voting on the recommendation.
- 6. Make-up of the IC.** The IC consists of a minimum of four appointed, voting members (including a chair) all with three-year, renewable terms, and three *ex officio* members with terms identified by their positions (Executive Director, President and Treasurer). All

members are able to vote on IC business. Additional members may be appointed by the President as needed. A majority of the committee shall constitute a quorum for decision-making.

This document, along with BOTANICAL SOCIETY OF AMERICA INVESTMENTS PORTFOLIO STATEMENT OF INVESTMENT POLICY OBJECTIVES AND GUIDELINES, serve as the documents that guide the BSA IC.

(Approved August, 1997; amended August 1998; amended August, 1999; amended July, 2009, revised Spring 2010, revised Spring 2012; revised August 2017; revised Spring 2021.)