



**Kansas 911 Grant Fund**  
Kansas 911 Coordinating Council  
Investment Policy Statement

**Background and Purpose**

The purpose of this policy is to provide clear understanding of the investment policy, guidelines and objectives for the total portfolio of the Kansas 911 Grant Fund for the K911 Coordinating Council, investment managers and others.

The funds invested were realized through K911 Grant Funds. In no circumstance will any Federal Grant Funds be included in the K911 Grant Fund Investment portfolio.

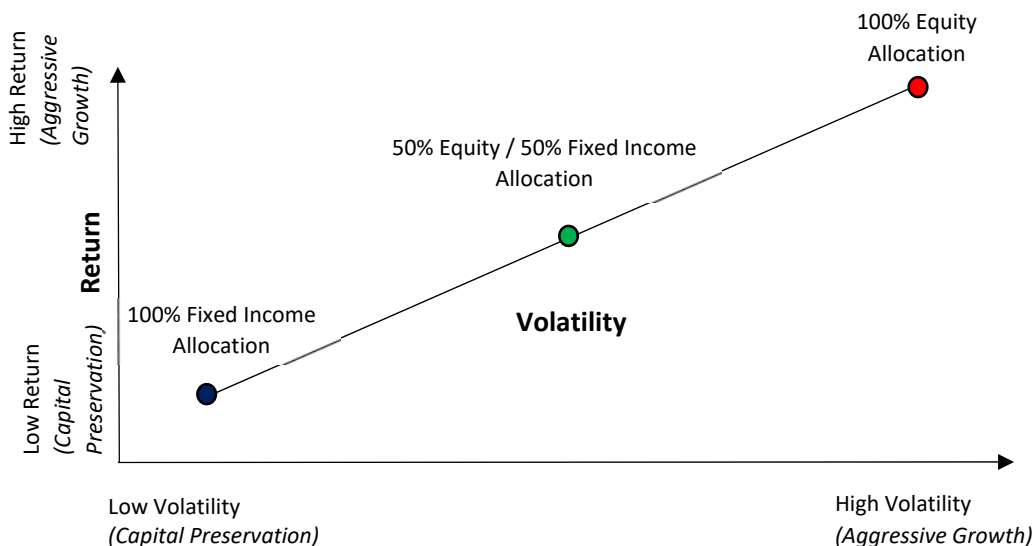
This document provides a governing basis for the management and disposition of liquid assets (including cash and cash equivalents) held as investments by Kansas 911 Grant Fund.

The following guidelines have been set forth to give the investment managers an overview of the general investment philosophy and orientation of the Directors responsible for the funds. The intent is to give broad direction allowing for the flexibility necessary for the investment managers to successfully implement the investment strategy. In addition, the investment strategy as allowed easy access to the investment accounts so that, if needed, cash can be readily available to ensure the K911 operating account maintains a proper cash reserve.

The Coordinating Council has allocated to the Chair, in consultation with its Local Collection Point Administrator (LCPA), the responsibility for implementing these guidelines.

**Investment Objective**

The following chart represents the public capital markets risk spectrum, with equities having the highest likelihood for return dispersion and fixed income (including cash & equivalents) having the lowest likelihood of return dispersion.





The principal objective of Kansas 911 Grant Fund investment program shall be **Capital Preservation** with income levels consistent with minimal capital risk and maintenance of liquidity.

Achieving these objectives will require assuming a minimal level of risk and a short term investment horizon. The funds will be invested to obtain reasonable interest and dividend income consistent with a minimal level of risk. All invested funds must be daily liquid.

**Asset Allocation Guidelines**

The funds shall be segmented into three (3) pools:

- 1) Cash/Money Market Fund to administer cash flow requirements;
- 2) Short-Term Operational Reserve to cover operating functions and capital requirements;
- 3) Intermediate-Term Portfolio for enhanced income yield. Funds in this portfolio are restricted for long-term capital requirements and prohibited for use outside of Kansas 911 Grant Fund.

Pooled assets shall be segmented as follows:

<b>Poll</b>	<b>Minimum Allocation</b>	<b>Maximum Allocation</b>
1) Cash/Money Market Fund	\$100,000	
2) Short-Term Operational Reserve	30%	70%
3) Intermediate-Term Portfolio	30%	70%

**IMPORTANT:** Investment gains that result from Pool 2 shall be invested into Pool 3.

**Pool 1: Cash/Money Market Fund**

**Return Objective:** Allow for the administration of operational cash flow. Capital shall be deposited in an operational deposit account.

**Pool 2: Short-Term Operational Reserve Asset Allocation Guidelines**

**Return Objective:** The compound annual total return objective for the Short-Term Operational Reserve portfolio is an absolute return net after all expenses equal to the 90-day Treasury Bill.



Asset Class	Minimum Allocation	Maximum Allocation
<b>Domestic Equity</b>	<b>0%</b>	<b>0%</b>
<b>International Equity</b>	<b>0%</b>	<b>0%</b>
<b>Alternative Investments</b>	<b>0%</b>	<b>0%</b>
<b>Core Fixed Income</b>	<b>0%</b>	<b>90%</b>
Corporate Bonds	0%	20%
Municipal Bonds	10%	50%
US Treasury Bonds	50%	90%
International Bonds	0%	0%
Maximum Maturity Per Bond	5 years	
Maximum Average Portfolio Maturity	2 years	
Allowable Credit Quality	> A-	
<b>Cash &amp; Equivalents</b>	<b>10%</b>	<b>100%</b>

**Pool 3: Intermediate-Term Portfolio Asset Allocation Guidelines**

**Return Objective:** The compound annual total return objective for the Intermediate-Term portfolio is an absolute return net after all expenses equal to the Barclays Intermediate Government / Credit Index.

Asset Class	Minimum Allocation	Maximum Allocation
<b>Domestic Equity</b>	<b>0%</b>	<b>0%</b>
<b>International Equity</b>	<b>0%</b>	<b>0%</b>
<b>Alternative Investments</b>	<b>0%</b>	<b>0%</b>
<b>Core Fixed Income</b>	<b>0%</b>	<b>100%</b>
Corporate Bonds	0%	65%
Municipal Bonds	10%	75%
US Treasury Bonds	25%	50%
International Bonds	0%	0%
Maximum Maturity Per Bond	7 years	
Maximum Average Portfolio Maturity	5 years	
Allowable Credit Quality	> BBB	
<b>Cash &amp; Equivalents</b>	<b>0%</b>	<b>10%</b>



### **Prohibited Transactions**

Prohibited investment activities include activities not specified in the Asset Allocation Guidelines, and also include but are not limited to the following:

- Domestic and Foreign Common or Preferred Stocks, Mutual Funds, Closed End Funds, Limited Partnerships
- Margin purchases
- Private Placements or other restricted securities
- Commodities, Real Estate, or Hedge Funds

### **Plan Review**

The financial managers shall be responsible for reviewing these policy guidelines with the Council Chair, in consultation with the LCPA, at least annually to assure that they remain valid and relevant. Any recommendations as to changes should be submitted to the Council Chair in writing.