



Board of Directors Meeting
September 19, 2023
5:30 p.m.
AGENDA

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|-------------|---|-------------------------------------|
| I. | Welcome and Call to Order
a. Introductions | Marty Kelman, Chair |
| II. | Governance
a. Approval of Minutes 02.14.23*
b. Board Member Expectations & Conflict of Interest Form* | Marty Kelman |
| III. | Managed Organization Overview and Highlights
a. Staff Chart
b. Division of Responsibilities | Laura Kaplan |
| IV. | Review of Key Vendors
a. Adams Keegan- HR Services
b. Whitehorn Tankersley Davis - Accounting Services
c. ATA CPAs + Advisors - Auditing Firm
d. Duncan Williams Asset Management - Retirement Plan monitoring and support | Laura Kaplan |
| V. | Financial Review
a. Budget Review
b. New Dashboard
c. Investment Review | Laura Kaplan/Charles Jalenak |
| VI. | Legal & New Policy Updates
a. New MJF Investment Policy*
b. Petition to change spend policy on Garfinkel Endowment Fund of Memphis Jewish Federation
c. New JFOM Operating Surplus Policy* | Laura Kaplan/Michael Kaplan |
| VII. | Adjournment

*attachment | Marty Kelman |

Important Upcoming Dates

Major Gift Solicitations	September 18-22
November 12 & 13	Leadership Sunday and Monday Campaign Fundraising
December 6, 2023	Latke & Vodka – Foundation Fund Holder & Advisor Event
December 19, 2023	Combined Board Meeting MJF, JFOM, JCP

JCP Board of Directors Meeting

***February 14, 2023, 5:30 pm
MINUTES***

On February 14, 2023, Jewish Community Partners held a Board Meeting to conduct its business in person at the MJCC Board Room.

At 5:30 pm, Mr. Scott Vogel, chair of the Jewish Community Partners Board of Directors, called the meeting to order.

JCP Board of Trustees in attendance

Herbert Gerson, Mark Gillenson, Charles Jalenak, Michael Kaplan, Martin Kelman, Josh Sanderson, Irvin Skopp, and Scott Vogel.

Jewish Community Partners Staff in Attendance

Phyllis Abraham, Laura Kaplan, Laura Linder, Carrie Richardson and Tim Wheat

Mr. Vogel called for approval of December 14, 2022, Board Minutes. Irvin Skopp moved to approve the minutes, and Herbert Gerson seconded the motion. December 14, 2022, Board Minutes were approved.

Financial Review

Tim Wheat, JCP Director of Finance, reviewed the financial packet showing Foundation assets are at 136 million and an operating surplus of 182k; Federation assets are at 24 million and an operating surplus of 88k. Mr. Wheat reported that the Finance Committee met on February 7 to review operating budgets. The Investment Committee met on February 13 and Sheri Gadberry has worked to get significant changes in the money market rates.

Human Resources Update

Laura Kaplan, JCP VP of Finance and Operations, reviewed new hires of Jessica Weiss; Leslie Freeman and Carolyn Schrier. Open positions are Content Developer; Controller; PT Data Entry; Campaign Associate and PJ Library.

KPI Dashboard

Laura Kaplan, JCP VP of Finance and Operations, reviewed the newly created KPI Dashboard based on the board member requests from January board meeting. This dashboard is a consolidated view of the organization across the board. All key categories, CY financial data and a 2 year historical view are included in the dashboard which is customizable. This will be updated monthly.

Scott Vogel, JCP Chair, adjourned the meeting at 6:40 pm.



AMENDED AND RESTATED INVESTMENT POLICY STATEMENT

September 1, 2023

THIS AMENDED AND RESTATED Investment Policy Statement of Memphis Jewish Federation is entered into to clarify and amend certain provisions of the July 1, 2021 Investment Policy Statement of Memphis Jewish Federation and is adopted to be effective as of September 1, 2023.

I. INTRODUCTION AND DEFINITIONS

A. Purpose

The Memphis Jewish Federation Investment Policy Statement (“IPS”) was adopted by the Board of Directors of the Memphis Jewish Federation (“MJF”) as a productive guideline for the prudent investment of the investable assets (“Assets”) for which the MJF has fiduciary authority to manage. The Assets are to be managed and invested in a manner consistent with the investment objectives stated herein. MJF has delegated financial oversight of the Assets through a management agreement with Jewish Community Partners, a Tennessee non-profit corporation (“JCP”), but, at MJF’s discretion, may utilize different managers or may directly provide the Services utilizing MJF employees.

To support the prudent management of the Assets, this IPS has been adopted for these purposes:

- Establish policies, procedures, and guidelines to assist the Board, the Investment Committee and the Professional Staff of JCP (or an additional or replacement manager) in effectively supervising, monitoring, reporting, and evaluating the

management of the Assets for satisfying their fiduciary obligations under applicable federal and state statutes and regulations and under the MJF Charter and Bylaws currently in effect or as may be amended.

- Maintain the continuity of the investment management through changes in Board members, Committee members, Professional Staff of JCP or other manager, investment managers/advisors, investment consultants and securities markets.
- Specify evaluation tools (i.e., benchmarks) for the investment performance of the Assets, and encourage realistic expectations of investment performance by the Board and Committee members.

This IPS has been recommended by the Investment Committee (the “Committee”) and approved by the Board to be effective as of the date noted above. It is expected that this document will be reviewed periodically by the Committee. Any revisions will be recommended to the Board and will be subject to Board approval.

B. Scope

The Assets under management of MJF include unrestricted endowment funds, designated endowment funds, unrestricted accounts and operating accounts. This IPS outlines a general framework for the maintenance and on-going evaluation of a pooled endowment investment platform, where appropriate. Any pooled assets will be accounted for on a separate account basis and reported on in accordance with MJF usual practice.

The scope of this IPS does not extend to special situation assets owned by MJF, such as, real estate, life insurance policies, certain trusts or life income funds, certain operating funds/non-pooled funds. These assets are reviewed and monitored by the Professional Staff of JCP (or other manager) as part of its management services and reported to the Investment Committee or the MJF Executive Committee, as may be directed.

C. Fiduciary Duty

In seeking to attain the investment objectives set forth in this IPS, the Committee and its members, as a condition of their qualifying to serve in such capacity, acknowledge their obligation act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. Investment of funds shall be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. All investment actions and decisions must be based solely in the interest of MJF and its Affiliates. Fiduciaries are expected to provide full and fair disclosure to the Committee of all material facts regarding any potential conflicts of interest. The Committee, as fiduciaries, shall act in accordance with the standards of the Tennessee Uniform Prudent Investor Act of 2002.

II. DELEGATION OF DUTIES AND RESPONSIBILITIES

A. Board of Directors

The MJF Board is responsible for the oversight and prudent management of the Assets over which it has authority and is responsible for the adoption of written policies and procedures. The Board also has the responsibility to ensure that the Assets are managed in a manner that is consistent with the policies and objectives of the MJF as set forth in its business plan, Charter, current or future amended Bylaws, and this IPS. In this regard, the Board also has oversight responsibility for full compliance with all applicable laws.

While the ultimate responsibility for prudent management of the Assets rests with the Board, it delegates supervisory and operating responsibility to the MJF Investment Committee. It is the duty of the Committee to review, evaluate and approve investment strategies (investment options), hiring and firing of investment managers or investment consultant(s) that may be utilized, monitoring performance of the investments on a regular basis, and maintaining sufficient knowledge about the Assets and its managers to be reasonably assured of their compliance with this IPS. All major decisions in the implementation of this IPS must be reported to the Board and performance evaluations presented to the Board on a regular basis. The Board believes that delegating the investment management and custodial functions to competent and experienced third parties and oversight responsibility to the Committee properly fulfills the Board's fiduciary responsibility. The Board acknowledges its ultimate responsibility is for adopting a prudent process to manage the Assets but is not otherwise responsible for the investment performance.

B. Investment Committee

The Investment Committee administers this IPS and is charged with the responsibility of overseeing all aspects of the MJF's investment platform, including, but not limited to:

- The design of the asset allocation.
- The selection and on-going evaluation of the underlying investment vehicles, investment managers and/or investment consultants executing the strategies (yet the Investment Committee is not otherwise responsible for the investment performance) and taking any appropriate corrective action.
- The review and evaluation of investment results, as well as evaluating the costs of the investments as fair and competitive.

In carrying out its responsibilities a quorum of the Investment Committee must be present, either in person, by teleconference, videoconference, or by email for each meeting at which the Committee considers or decides on policy or management matters. A quorum is at least 50% of the members of the Investment Committee. Each member shall be entitled to one vote and each decision of the Committee shall require the assent of a majority of those voting.

The Investment Committee shall be comprised of a Vice Chair Investment appointed by

the Chair of MJF and confirmed by the Board of Directors, and such other members as may be appointed by the Chair upon consultation with the Vice Chair Investment and MJF executive committee, including where deemed appropriate, the current MJF Chair, the current Chair of the Lemsky Endowment Committee, the current MJF Vice Chair Finance

C. Application to Management Company

JCP or any other company employed to manage the business operations and affairs of MJF, as a condition of such employment shall be charged with, through the work of its staff providing services to MJF (the “Staff”), the implementation and administration of the policies, strategies, and procedures adopted and enacted by this IPS and the Investment Committee.

The Staff shall be required to (i) assemble reporting materials prepared by the investment manager(s), investment consultant(s), pooled endowment portfolio(s), and any other custodian(s) of the Assets, (ii) communicate regularly, including recommendations, to the Investment Committee and Board, as directed, and (iii) convene periodic meetings to review the investment performance, asset mix, asset management, this IPS and any other related matters. The Staff is not, however, responsible for the investment performance. The Staff shall maintain ongoing business relationships with investment managers/consultants’ professional staff and lay leadership to include the monitoring of investment agreements and communicating any changes thereto with the MJF’s Legal Committee.

The Investment Committee and Staff will work directly with the investment manager(s), investment consultant(s) and other organizations engaged to manage the Assets regarding adherence to approved asset allocation strategies, manager structures and relevant rebalancing requirements.

III. INVESTMENT OPTIONS & STRATEGIES

Investment Options for the Assets under the supervision of the MJF and its Investment Committee include:

- A. Endowment Option
- B. Menu of Publicly Traded Funds Option
- C. Cash Option

A listing of the current Investment Options and the investment managers/advisors and/or investment consultants for the Assets of MJF and its affiliates is included in the Addendum & Exhibits Section to this Investment Policy Statement. These descriptions and materials may change over time, and Staff shall be responsible to maintain up to date information on behalf of the Investment Committee and the Board.

A. Endowment Option

The Endowment Option is invested with the objective of long-term growth and preserving the real purchasing power of the capital. To meet this objective, the Endowment Option will be managed as a balanced portfolio comprised of two major components: an equity portion and a fixed income portion.

Endowment equity investments will be to maximize the long-term real growth of the portfolio assets, while the role of the fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of the equity investments. Cash investments will, under normal circumstances, only be considered as temporary holdings and will be used for liquidity needs or to facilitate a planned program of dollar cost averaging into investments in the other asset classes.

The Endowment Option will hold investments across broad asset and sub-asset categories with varying degrees of risk and return. The investments are to consist of publicly traded stocks and bonds, mutual funds, exchange-traded-funds (ETFs), cash and money market cash equivalents. Diversification across and within asset classes is the primary means by which the Endowment Option expects to avoid undue risk of large losses over long time periods. Reasonable precautions are to be taken to avoid excessive investment concentrations to any individual company, industry group, capitalization size or style of investing. Outlined below are the long-term strategic asset allocation guidelines for the Endowment Option, given its long-term objectives:

Asset Allocation Guidelines:

<u>Asset Class</u>	<u>Sub-Asset Class</u>	<u>Target</u>	<u>Range</u>
Equity		60%	40-80%
	<u>Within Equity</u>		
	<i>Domestic (U.S.)</i>	60%	50-90%
	<i>International</i>	40%	10-50%
Fixed Income		40%	20-60%
	<u>Within Fixed Income</u>		
	<i>Domestic (U.S.)</i>	85%	60-100%
	<i>International</i>	15%	0-40%
Cash/Money Market		0%	0-20%

The target represented in the above guidelines chart is stated as an example here, and ultimately determined by the investment managers and/or investment consultants in consultation with the Investment Committee. It is likely that the Endowment Option's actual asset allocation will vary from its target asset allocation because of the varying periodic returns on its investments in different asset and sub-asset classes. The portfolio is expected to be re-balanced to its target normal asset allocation either through 1)

incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio or 2) periodic review of the portfolio's deviation from target weightings.

Unless expressly authorized by the Investment Committee, the Endowment Option, its investment managers and/or its investment consultants are prohibited from:

- Purchasing securities on margin or executing short sales.
- Purchasing or selling derivative securities for speculation or leverage.
- Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected given the objectives of the Endowment Portfolio.

B. Menu of Publicly Traded Funds Option

A Menu of Publicly Traded Funds provides various options with a varying degree of risk and safety with varying investment allocations between equity and fixed income. The menu has a broad allocation range from 100% equity to 100% fixed income, and different allocations in between. The funds may be passive indexed based strategies or actively managed strategies. Diversification, manager tenure, consistency of investment style, benchmarking of returns, and expense structure are just some of the factors considered by the Investment Committee in determining the menu of funds and its investment managers.

C. Cash Option

A Cash Option is offered that invests 100% in cash equivalents, money market funds, certificates of deposit, government insured accounts in local and national banks, and short-term obligations issued or guaranteed by the U.S. Federal Government, U.S. Federal Agencies or U.S. government-sponsored corporations and agencies such as U.S. Treasury and Agency bills.

IV. OPERATIONS & INVESTMENT OBJECTIVES

A. General Operational Structure

The MJF's investment platform is designed to provide sufficient flexibility to meet the diverse needs of MJF. Investment options may be added or removed from the platform upon approval by a simple majority of the voting members of the Investment Committee; however, there must always be a minimum of three option offerings.

The Investment Committee is authorized to change manager(s) or the manager allocation within the Endowment Option upon approval by a simple majority of the voting members of the Investment Committee. In addition, the Investment Committee can add or take away funds that are part of the Menu of Publicly Traded Funds Option investment strategy

upon approval by a simple majority of the voting members of the Investment Committee. The Investment Committee also is authorized to change an investment manager or money market/cash depository institution within its Cash Option upon approval by a simple majority of the voting members of the Investment Committee.

B. Investment Objectives and Performance Review

This IPS is designed to support the mission and charitable spending policies of MJF and its Affiliates. Investment objectives are intended to ensure funds are available for both distributions and administrative requirements in support of operations while considering the preservation and long-term growth of investment assets required to sustain purchasing power. Invested assets are expected to earn competitive returns relative to capital market measures that include broad market indices and funds with similar objectives. The Board and the Investment Committee recognize that risk must be assumed to achieve the long-term investment return objectives. Therefore, the Board and Investment Committee have adopted a long-term investment horizon such that the probabilities and duration of investment losses are carefully weighed and evaluated against the long-term appreciation of assets.

The validity and achievability of the primary investment objectives will be reviewed not less than annually by the Investment Committee. Additionally, investment performance will be reviewed at quarterly Investment Committee meetings and will be judged on an absolute basis, as well as a relative basis by comparing the returns to appropriate benchmarks which generally measure similar funds, along with widely used broad market indices. In its evaluation process, the Investment Committee generally will review asset allocation studies, capital market projections, economic outlook data and other analyses.

V. PROCEDURES FOR REVISING THIS DOCUMENT

All investment policy guidelines contained herein including the addendum and exhibits will be reviewed annually or when deemed necessary by the Investment Committee. All revisions to the Investment Policy Statement, unless otherwise stated, must be submitted to the Investment Committee for review. Those revisions that receive the recommendation of the Investment Committee shall be submitted to the MJF Board for final approval.

[Signatures on following page]

[Signature Page to MJF Amended and Restated Investment Policy Statement – 9-1-2023]

Scott Notowich
Board Chair

Eileen Posner
Vice Chairman Investment

Laura K. Linder
President

Foundation Operating Surplus Waterfall
Proposed June 25, 2023

The goal of this policy is to ensure Jewish Foundation of Memphis is able to support and grow its operating budget over time. The finance committee will recommend annually the use of operating surplus from the PRIOR FY:

First - Surplus Roll Forward – Allow for a certain dollar amount to roll forward into next FY budget in order to fund capital expenses (e.g. new website, software, computers, etc.). Staff will present needs to the finance committee for review.

Then Credit Agency Participation Fees – Offer credits in incremental amounts based on the value of the Operating Surplus. (\$25,000 - \$35,000)

Then put aside funds toward Operating Reserve – Maintain an operating reserve equal to 50% of current operating budget, or \$500,000. Goal would be to fund this over a 5 – 7 year time period.

Then put additional dollars into the Operating Endowment – Grow Operating Endowment to \$5 million which would be sufficient to cover 20-25% of the current annual operating costs (\$225,000) and reduce spending policy to 4.5% of 3-year average balance.

Then Grant the funds to MJF Local Allocations committee to award to local Jewish organizations with the greatest need.