I. POLICY PURPOSE:
The purpose of this policy is to establish the investment goals and objectives and policy guidelines for managing the short- and long-term investment funds of Michigan ENA State Council. It is intended that these goals, objectives and guidelines provide meaningful guidance and expectations in the management and performance of the funds and to provide the flexibility to respond to given changing economic, business and investment conditions.

II. STANDARDS/Criteria:
A. Investment Goals:
   a. The State Council’s funds should be invested in such a manner as to: A. Maximize total returns consistent with
      i. Acceptable levels of risk and
      ii. The liquidity needs of the Council; and B. Adhere to applicable statutes and policies related to fiduciary responsibility.
B. Short-Term Funds and Long-Term Funds:
   a. Short-term Funds: The goals of investing short-term funds shall be preservation of principal, liquidity timed to spending needs and reasonable current income, subject to any grant restrictions.
   b. Long-term Funds: The goals of investing long-term funds shall be to generate a reasonable rate of return at a relatively low level of risk, prescribing the real inflation-adjusted value of the fund over time.
C. Investment Objectives:
   a. The investment objective is to grow the value of the Council’s investment funds over the long term and to earn total rates of return greater than those currently received by the Council’s banking strategy, while avoiding undue risk and generating liquidity sufficient for the needs of the Council’s operations. Although short-term fluctuations will affect portfolio performance, the Council expects: (a) the short-term investments to preserve principal and the invested portion thereof to generate current income equal to a market rate of return for short-term fixed income securities; and (b) the long-term investments to provide for any emergency liquidity needs of the Council and to generate a total return net of investment expenses over a five-year moving time period that exceeds the rate of inflation plus three to five percent (3-5%) annually.
OPERATIONAL POLICY

Investment Policy