

INVESTMENT POLICIES & PRACTICES

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Statement of Purpose:

This policy is to provide guidance and standards for the investment of the Public Relations Society of America Las Vegas Valley Chapter's cash, marketable securities and non-working capital funds.

Coverage:

The Public Relations Society of America – Las Vegas Valley Chapter (PRSA-LVVC)

Responsibilities:

The Board of Directors, the VP of Finance, the Finance Committee, the Chapter President and the Chapter President-Elect are jointly responsible for the execution of this policy.

Statement of Investment Objectives and Guidelines:

1. PURPOSE

The Board of Directors of the Public Relations Society of America Las Vegas Valley Chapter (PRSA-LVVC) will annually designate a Finance Committee that will oversee the adoption, implementation, and modification of PRSA-LVVC's investment policy.

The Finance Committee will report quarterly to the Board of Directors with respect to the progress and compliance of the investment management of the funds in the PRSA-LVVC investment portfolio.

The VP of Finance will be responsible for the day-to-day management of accounts at the designated financial institution. The Finance Committee will oversee VP of Finance in carrying out their responsibilities to provide sound investments and a defined targeted rate of return on PRSA-LVVC's investment accounts in light of PRSA-LVVC's operating activities, budgetary considerations, and ongoing financial condition.

It is necessary for the Finance Committee, VP of Finance, and the financial institution to have a clear mutual understanding of the purpose and objectives in managing the trust accounts. To this end this document will:

- Establish formal yet flexible investment guidelines incorporating prudent asset allocation and realistic total return goals;
- Identify standards of investment performance which are historically achievable and by which the investment manager agrees to be measured;
- Outline the investment related responsibilities of the parties;
- Provide a framework for regular, constructive communication between PRSA-LVVC and the financial institution.

2. OBJECTIVES

The primary objective of the financial institution is to provide sound investments that offer potential for capital appreciation and a steady income stream to meet savings goals as defined by PRSA-LVVC's Board of Directors.

PRSA-LVVC has adopted a moderate, growth-oriented investment policy. The objectives of this policy are:

- Development and preservation the value of investment assets;
- Achieve long-term consistency of performance;
- Ensure asset growth commensurate with the level of risk;
- Achieve a real rate of return over the rate of inflation;
- Provide downside market protection;
- Conform to prudent fiduciary standards.

3. ASSET ALLOCATION

PRSA-LVVC recognizes the need to diversify trust investments and has identified two types of investments as appropriate: equities and fixed income investments. The fixed income holdings provide a stable base, serving to mitigate return volatility. PRSA-LVVC believes that the following asset mix will produce a pattern of returns over time that will conform to the desired return requirement and risk tolerance:

Domestic Stock – 40%
Bonds – 35%
Foreign Stock – 10%
Short-Term (i.e. money market, CDs) – 15%

Cash equivalents may be held in lieu of any asset class at the discretion of the VP of Finance. Such funds will be invested as outlined above as opportunities arise. However, the total cash position should not exceed 25% of the portfolio, unless specifically directed or agreed to by PRSA-LVVC.

4. INVESTMENT GUIDELINES

PRSA-LVVC has established guidelines for the financial institution in order to specify the level of risk that is acceptable in the investment portfolios. It is expected that the financial institution and the VP of Finance will adhere to these guidelines, unless modifications have been authorized in writing by PRSA-LVVC.

Equity Guidelines

Risk. To achieve a rate of return greater than the Standard & Poor's 500 Index for the equity portfolio, it may be necessary to posture a commensurate risk level higher than such index. Both variability of return and volatility of return may deviate from the market on a continuing basis. It must be understood, however, that portfolio risk levels substantially higher than the index by 20% over an extended period of time are to be avoided without prior consultation with PRSA-LVVC. All equity holdings should have a minimum market capitalization of \$500 million dollars.

Diversification. No more than 5% of the market value of the portfolio shall be invested in any one company. At no time shall the portfolio hold more than 2% of the outstanding voting stock, non-voting stock or preferred stock of a company. The percentage of the portfolio invested in any one economic sector shall not differ from the S&P 500's weighing in that sector by more than ten percentage points.

Turnover. There will be no specific guidelines with regard to portfolio activity. However, turnover is discouraged. The VP of Finance and the Finance Committee are responsible to monitor the number of trades, fees, and impact on portfolio performance.

Commissions. The VP of Finance will try to minimize brokerage commissions subject to obtaining best execution and shall be subject to the determination of PRSA-LVVC regarding the reasonableness of any fees received.

Permissible Investments

- Common stocks listed on a major U.S. exchange or traded on NASDAQ, including foreign securities listed on U.S. exchanges and denominated in U.S. currencies. The percentage invested in non-US issuers shall not exceed 10% of the market value of PRSA-LVVC's portfolio.
- Mutual Funds, Exchange Traded Funds, Closed-end Funds

Excluded Investments

- Futures or options positions;
- Short sales;
- Securities denominated in foreign currencies;
- Margin purchases, lending or borrowing of funds;
- Letter stock, private or direct placements;
- Commodities contracts;
- Any other security that could be considered a self-dealing transaction.

Fixed Income Guidelines

Risk. With respect to the cash equivalent and fixed income portions of the account, the quality ratings of Standard & Poor's and Moody's will be the primary guide, as will be defined below.

Diversification. Except for debt securities issued or guaranteed by the United States, its agencies, or instrumentalities, no more than 5% of the portfolio's market value shall be invested in the securities of any one issuer. Nor shall the total securities position (debt and equity) in any one company exceed 10% of the portfolio and no more than 20% of the portfolio shall be invested in any one industry sector.

Maturity. The bond portfolio will have diversified maturity dates not to exceed 10 years.

Quality. All securities must carry a rating of at least A- by Standard & Poor's or A-3 by Moody's. Commercial paper must be rated at least A-1 by Standard & Poor's or P-1 by Moody's. If issues are downgraded so as to violate these guidelines, the financial institution must seek written approval from PRSA-LVVC to continue holding the security or should judiciously liquidate it.

Permissible Investments

- Debt securities issued or guaranteed by the United States, its agencies or instrumentalities;
- Corporate bonds, debentures and other forms of corporate debt obligations;
- Indexed notes, floaters, variable rate obligations and mortgage and asset backed securities;
- Cash equivalents including obligations of the United States government and its agencies, commercial paper, bankers acceptance, and prime quality short-term money market investment funds;
- Certificates of deposits, provided such certificates are fully insured in accordance with current FDIC regulations.

Excluded Investments

- Convertible securities;
- Securities denominated in foreign currencies;
- Securities of the financial institution, its parent or subsidiaries (excluding money market funds) or any other security that could be considered a self-dealing transaction.

5. PERFORMANCE STANDARDS

The financial institution is expected to achieve specified performance objectives in its management of the chapter's funds. The objectives have both a short and long-term component, where short-term is intended to mean one year or less and long-term is a full market cycle of approximately three to five years. The financial institution's performance will be reviewed periodically, but at least once a year, to ensure compliance with these standards.

Equities

Long-Term	Meet or exceed the return on the Standard & Poor's 500 Stock Index.
Short-Term	Rank in the top third of equity investment managers with portfolios with similar risk characteristics.

Fixed Income

Long-Term	Meet or exceed the return on the Lehman Brothers Aggregate Index.
Short-Term.	Rank in the top third of fixed income investment managers with portfolios with similar risk characteristics.

6. RESPONSIBILITIES OF THE FINANCIAL INSTITUTION

In recognition of the role as a fiduciary of the fund, the financial institution shall assume the following responsibilities:

Notification of Changes. To promptly inform PRSA-LVVC of any material changes in the chapter's accounts relating to outlook, policy, tactics or in the financial institutions' structure including ownership, financial condition and personnel changes.

Reporting. To provide PRSA-LVVC with a monthly report, listing all holdings at the end of the quarter and transactions occurring during the quarter. To provide monthly asset valuation reports to PRSA-LVVC's management and to work with the VP of Finance to coordinate portfolio investment activities with PRSA-LVVC budgeting and financial planning.

Availability for Meetings. To meet at such times as PRSA-LVVC may reasonably request to discuss investment outlook, performance, strategy and tactics, organizational and personnel changes, and other pertinent matters.

Compliance. To comply with this statement and any other written instructions provided by PRSA-LVVC. Furthermore, to adhere to the prudent diversification of investments and comply with all federal and state regulations that pertains to the investment of such assets.

7. RESPONSIBILITIES OF VICE PRESIDENT OF FINANCE

In recognition of the role as a fiduciary of the fund, the VP of Finance shall assume the following responsibilities:

Investment Responsibility. To make all investment decisions with respect to the assets under management in coordination with the Finance Committee and based on the recommendations of the financial institution.

Compliance. To comply with this statement and any other written instructions provided by PRSA-LVVC. Furthermore, to adhere to the prudent diversification of investments and comply with all federal and state regulations that pertains to the investment of such assets.

Voting of Proxies. To vote all proxies with respect to stock owned in the fund unless directed otherwise by PRSA-LVVC and to advise PRSA-LVVC on how such proxies have been voted, if requested.

Notification Responsibility. It will be the responsibility of PRSA-LVVC's VP of Finance to contact the financial institution no less frequently than quarterly to ensure that the financial institution is cognizant of all significant financial and budgeting factors affecting PRSA-LVVC's financial statements and the management of PRSA-LVVC's investment portfolio.

8. RESPONSIBILITIES OF THE CHAPTER BOARD OF DIRECTORS

PRSA-LVVC Board of Directors shall assume the following responsibilities:

Review. PRSA-LVVC's Board of Directors should review portfolio activities and expected portfolio cash flows to ensure that the portfolio is being managed in a manner that is coordinated with anticipated needs for cash flow to supplement PRSA-LVVC's operating activities and programs throughout the year. This review should occur once a quarter.

9. AMENDMENT OF STATEMENT

PRSA-LVVC may amend this statement upon written notice to the financial institution. PRSA-LVVC also reserves the right to direct the financial institution to take any appropriate actions, whether or not consistent with this statement, if market conditions, liquidity needs or other circumstances so indicate.

10. INVESTING SHORT-TERM FUNDS

Proper Cash Management will from time-to-time produce excess cash. Excess funds may be invested in a variety of ways to produce income or reduce costs of the organization:

Approved methods -

- Reduce any outstanding debts to save interest charges.
- Expedite trade payments to obtain discounts.
- Take advantage of bulk purchase discounts.
- Purchase commercial paper from high rated businesses.
- Purchase short-term interest bearing certificates of deposit.

11. MONITORING

The VP of Finance and the Finance Committee shall be responsible for monitoring the investments and the financial institutions ongoing compliance with the investment policy statement. The VP of Finance shall report to Board members with quarterly statements that reflect the detailed analysis of the portfolio.

The VP of Finance will act as the primary interface between the financial institution and the Board. The VP of Finance and the Finance Committee will obtain all necessary information from the financial institution that is required to keep the Board well informed with regard to PRSA-LVVC's investment progress.