This report was prepared by T. Cliffton Morgan, ISA Treasurer, acting as the chair of the ISA Finance Committee (members include Mary K. Meyer McAleese, Tim Dunne, Beth DeSombre, Amanda Licht and Layna Mosley, with ex-officios Mark Boyer, Amitav Acharya, Paul Diehl, T.V. Paul and Jennifer Fontanella). The report was submitted in January 2015 for the 2016 Governing Council meeting in Atlanta, as the ISA Finance Committee Business excerpt from the larger Treasurer’s 2016 Report to the Governing Council.

**FULL REPORT**

At the annual meeting in March (New Orleans) the Finance Committee reviewed the reports from our financial manager, David Behnke-Seper, on the performance of our portfolio of investments with First Affirmative Financial Network. We also considered a number of other issues. One of these involved a decision to experiment with not having a finance committee meeting at APSA, but rather conducting any mid-term business electronically and through a conference call if necessary. Some of our decisions were reached electronically during the fall.

Several key decisions reached by the committee this year:

1. On David’s recommendation, we decided to maintain a more conservative posture with respect to our investments. We moved from a 70:30 (stocks:bonds) allocation to a 30:70 allocation. This was done to ‘lock in’ the significant increases we have realized and to be well-positioned to move back into a more aggressive posture when the stock market experiences a significant downturn.

2. We have expressed a strong desire for Mark Boyer to initiate a review of ISA’s long-term goals relating to the purpose of the endowment. This will guide future decisions regarding investment strategies.

3. The committee decided to explore way to evaluate our financial advisor. The results of this will be discussed at the Finance Committee meeting in Atlanta.

4. The committee approved a request to exceed the budget request for the current fiscal year, if necessary, to address possible overages due to the transition of headquarters to UCONN.

5. The committee approved a proposal to create a procedure, and a budget, for dealing with ad hoc requests for project funding. The proposal would allocate up to $60,000 for such proposals. The proposal includes a mechanism requiring that this be evaluated in 2018 in order to be extended.

A copy of the proposal mentioned in item 5 is attached.