At the annual meeting in Baltimore, the Finance Committee reviewed the reports from our financial manager, David Behnke-Seper, on the performance of our portfolio of investments with the First Affirmative Financial Network. In general, the committee felt that our current investment strategy (30% securities, 70% bonds) is too conservative, especially considering that ISA typically retains a significant amount of cash outside the investment portfolio. Because securities markets have been rising for a number of years, however, it was decided to begin shifting to a more aggressive portfolio slowly by transferring the funds currently held in CDs to First Affirmative. We had expected to transfer $400,000 over the course of the year but the penalties for early withdrawal on the CDs were far greater than we had anticipated. So far, $100,000 has been transferred, the remainder will be transferred as the CDs mature.

The second major order of business for the Finance Committee followed from the changes to ISA financial policies adopted at the 2017 Governing Council meeting. All ISA reserve funds are now consolidated (i.e., we no longer have a cash account designated as the rainy day fund, another designated as the transition account, another as savings, and the brokerage accounts designated as the endowment). As part of this change, the Finance Committee is mandated to designate a portion of the Reserve Funds as “untouchable,” meaning that it is not available to be spent except to make up for an emergency (e.g., a cancelled convention) or for a HQ transition. The Finance Committee designated $2.25 million of the reserve fund as unavailable.