

Bylaws Amendment 04-08S
Endowment Investment Group &
Student Investment Group

Sponsors: Nathan Bossie, SGA Treasurer; Keith Buzby; Joanna Gibson, Senator

Whereas: Bill #-07S has allocated \$160,000 in order to create an endowment fund for the SGA;

Whereas: the SGA endowment has potential benefits aside from the annual interest yield that have yet to be explored;

Whereas: One conceivable benefit of the endowment fund is providing students the educational opportunity for hands on experience in financial investing;

Whereas: Another benefit the endowment fund could offer is the chance to actively engage with the responsibilities of being a shareholder of a corporation. By investing \$2,000 in the stock of any single company an investor can submit what is called a 'shareholder's resolution.' This is a formal request of a company to alter something other than their business operations. When a resolution is submitted to a company one of two things happens: either the company and the submitter of the resolution come to an agreement and the resolution is dropped or, the resolution is mailed to the shareholders for a vote. (One example of a shareholder's resolution is when an investor asks a company to make public their energy efficiency strategy.) If a resolution gets 3% of the vote from shareholders, the resolution automatically would go out to the shareholders again should the company and the submitter be unable to come to an outside agreement and;

Whereas: Having both a student investment group and a student shareholders responsibility group would allow these groups to collaborate more effectively than if either of these groups were not student run;

Whereas: Currently the SGA endowment is invested the same way as the rest of the college's endowment money;

Whereas: To invest its money, the college holds an account with the Foundation. The Foundation is paid by taking a percentage of the investment return;

Get from Torre? How the college's endowment fund is invested

Whereas: The institutional memory of the SGA is poor and, having a student investment group would ensure this endowment fund is not forgotten or lost within the larger college endowment fund;

Whereas: Creating two separate student run groups to invest the SGA endowment and to take responsibility as shareholders benefits the student body as described above and does not forfeit the security offered by the Foundation. The Foundation and SGA have a

contract in which the Foundation's compensation is dependant on the profitability of the SGA Endowment. To ensure the financial wisdom of investments, the student investment group will not be able to proceed with a purchase without the approval of the Foundation;

Whereas: Similar student invested fund accounts have been successful at other institutions and;

Be it hereby Amended: *Section C* be added to *Article V* of the SGA Bylaws and shall read:

Section C. Student Investment Group

1. Purpose

The Student Investment Group is charged with the management of the Student Government Association's Endowment Fund. The group will also educate its members in the field of portfolio management and investment.

2. Composition of membership

- a. President
- b. Vice President, Outreach and Development Division
- c. Director of Outreach
- d. Chief of Alumni Relations
- e. Vice President, Investment Division
- f. *Principals*
- g. Research Analysts

Research Analyst is the entry level position in the Student Investment Group. Any full time degree seeking student of St. Mary's College is invited to enter the group as an analyst. All analysts must select a principal to support. When an analyst successfully proposes a new investment strategy for the group he or she will be considered for a promotion to principal.

Members are named *Principals* who have been highly active in the past and have significant experience. *Principals* are responsible for closely monitoring one of the Student Investment Group's investments. *Principals* give a report to the group at each meeting on the investment they are tracking. If the *principal* is unable to make a meeting, their report should be given by one of the assigned research analysts.

3. Responsibility

- a. To manage the portfolio for the Student Government Association's endowment fund.
- b. To publish portfolio and report on its performance.
- c. Report the gains or losses to the senate once each semester
- d. Communicate portfolio to Shareholder Responsibilities Group

4. Procedures
 - a. Investment strategies will be researched and analyzed.
 - b. Investment strategies will be presented to the Student Investment Group.
 - c. Student Investment Group members will vote on proposed investment strategy.
 - d. Student Investment Group will propose the investment strategy to members from the Foundation who will vote to confirm or reject the investment proposal. This proposal may be done in person or through another mode of communication.
 - e. The Student Investment Group will introduce the proposal to the Student Government Senate who will then vote to confirm or reject the proposal by a simple majority.

5. Elections
 - a. For the purpose of elections the Student Investment Group shall function as a club of the SGA.

Be it hereby further Amended: Section D be added to Article V of the SGA Bylaws and shall read:

Section D. Shareholder Responsibility Group (SRG)

1. Purpose

The SRG shall research companies the SGA endowment fund is invested in and compose, consider, and submit shareholder resolutions.

2. Composition

All full time degree seeking students of the St. Mary's college may serve on the SRG. The chair of the SRG shall be elected by a simple majority vote at the first meeting of each semester. The chair must be confirmed by the SGA Senate by a simple majority vote.

3. Responsibility
 - a. To set annual goals based upon current and relevant issues of corporate policies
 - b. To research policies of those companies invested in with the SGA endowment
 - c. To compose shareholder resolutions for consideration by the SRG
 - d. To submit shareholder resolutions to the companies of interest

Keith R. Buzby
SGA President