



Preparation for Investment Management and Coordination Checklist

Below are policy and practice considerations for managing permanently restricted cash assets (like endowments), designated cash reserves, unrestricted net assets, and cash equivalents.

Needs assessment

- Does the project have large, long-term unrestricted net cash assets that they will not utilize for longer than one year?
- Does the project make an effort to build internal cash reserves?
- Does the project and its advisory board reach out to us (the sponsor) to talk about cash assets management needs?
- Does the project intend to spin out in the next 2 years?

Internal resources and policy assessment

- Does our organization have an established relationship with an investment company?
- Does our organization have a reliable and supportive relationship with our bank?
- Do we have an established investment policy for internal investments' management?
- Do we have internal finance staff who would be available to provide guidance to the projects as well as oversee project specific investments?
- Do we have approval from our board, if necessary, to do this?
- Do we have written policies about how project fixed cash assets are transitioned in and out of the fiscal sponsorship relationship and how fees are assessed (i.e., principle is not assessed, operating draws are)?
- Do we have written policies on how to manage gifts of stock or other securities?

Key aspects we need to establish prior to offering support for cash assets

- Guidance on how to build reserves, and how we can help keep those designated reserve funds separated from the rest of the operating activities.
- Determine the investment options that we could manage and oversee:
 - Will we offer short-term investment options like CDs or money market accounts?
 - Will we offer long-term investment options like a separate account with an investment company?
 - What costs will it take to offer the particular services? Will these costs of managing the investments be covered by the established fees?
 - What risks does this service create? How can they be mitigated?
- Summarize the offerings and determine how we are planning to include this additional support into the current agreement.