



**SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
SDHSAA OFFICE BUILDING**

August 25, 2016

8:30 a.m.

Pierre, South Dakota

The Board of Directors held a regular meeting on August 25, 2016, at the SDHSAA Office Building in Pierre, South Dakota with members present as follows:

| | | | |
|--------------------|-------------|---------------------|-----------------|
| Steve Morford | Bud Postma | Dr. Jason Uttermark | Sandy Klatt |
| Dr. Roger Bordeaux | Moe Ruesink | David Planteen | Dr. Brian Maher |
| Jim Aisenbrey | | | |

Staff members present included Wayne Carney, Jo Auch, John Krogstrand, and Brooks Bowman.

The meeting was called to order by Chairman Steve Morford at 8:30 a.m. followed by the Pledge of Allegiance. Chairman Morford welcomed new Board Member, Mr. Jim Aisenbrey, Principal at Baltic High School.

Approval of the Agenda

David Planteen requested an Executive Session be added to the agenda as per SDCL 1-25-2.4. It was moved by Moe Ruesink, seconded by Sandy Klatt, to approve the agenda as amended.

The motion passed 9-0.

Approval of Minutes from the June 9, 2016 Regular Meeting

It was moved by David Planteen, seconded by Dr. Jason Uttermark, to approve the minutes from the June 9, 2016, Regular Meeting of the Board of Directors.

The motion passed 9-0.

Approval of the Financial Reports as Submitted

Following a review of all financial reports and reports from SDSHAA Comptroller, Mr. Isaac Jahn, and Reinke Gray Wealth Management Advisor, Mr. Brad Reinke, it was moved by Dr. Jason Uttermark, seconded by Dr. Roger Bordeaux, to approve the following financial reports as submitted:

- A. Income statements for May, June, and July of 2016
- B. Balance sheets for May, June, and July of 2016
- C. Cash Flow Chart
- D. Budgeted to actual for 2015-2016 fiscal year
- E. Receive report from Reinke Gray Wealth Management

The motion passed 9-0.

Consent Agenda

Chairman Morford asked if there were any items on the consent agenda that any Board member wished to move to the regular agenda.

It was moved by Bud Postma, seconded by David Planteen, to approve the consent agenda items as presented.

- A. Approval of vouchers paid as follows:
 May of 2016--\$259,898.51
 June of 2016--\$331,770.39 of which \$194,941.73 is team reimbursements
 July of 2016--\$123,583.51
- B. Determined the monetary value of awards which may be accepted by the athletes of member schools to be \$300.
- C. Adopted the mission, vision, and beliefs statements. **Please see Appendix A at the end of the minutes.**
- D. Approved the following Advisory Committee appointments:

| <u>ACTIVITY</u> | <u>MEMBER</u> | <u>TERM EXPIRES</u> |
|--------------------|--|---------------------|
| Sports Medicine | Tryg Odney, Sanford Sports Medicine | 2018 |
| Advisory Committee | Dr. Verle Valentine, Sanford Health | 2019 |
| | Darin Hunter, Miller High School | 2018 |
| | Merretta Anderson, Dupree High School | 2017 |
| | Paul Richter, BH Orthopedic & Spine Center | 2019 |
| | Dr. Jerry Rasmussen, Dakota Valley | 2019 |
| | Eric Bass, Deuel High School | 2017 |
| | Tennis | Mike Radke, Huron |
| Football | Ryan Evans, McCook Central/Montrose | 2019 |
| Music Advisory | Dolly Ellwein, Sioux Falls New Technology | 2019 |
| Speech Advisory | Susan Oleson, St. Thomas More | 2021 |

*Fulfilling a vacant position on the committee for less than a full term

- E. Approved a Dissolution of Cooperative Sponsorship of Activities between Montrose High School and Madison High School in the sport of gymnastics effective the conclusion of the 2015-2016 school year.
- F. Approved the ticket price for an adult reserved seat for basketball games at the Barnett Center in Aberdeen at \$41.00.
- G. Approved a Cooperative Sponsorship of Activities between Aberdeen Roncalli and Aberdeen Christian High Schools in the sport of girls' tennis effective for the 2016-17 school year.

The motion passed 9-0.

Staff reports:

The following staff reports were given:

- A. Debate Topic Selection Meeting—Assistant Executive Director Brooks Bowman reported on a successful NFHS Debate Topic Selection Meeting hosted by the Oklahoma Secondary School Activities Association in Oklahoma City. The five topics to emerge from the three day meeting include: China, Treaties, India, Export Controls, and Asian Pacific Ring.
- B. ASBSD/SASD Meeting— Steve Morford and Jim Aisenbrey provided report.
- C. SDMEA Report—Assistant Executive Director Brooks Bowman gave a report on the SDMEA Convention held in conjunction with the All-State Chorus and Orchestra.
- D. SDHSCA Summer Coaches Clinic – Assistant Executive Directors Jo Auch and John Krogstrand reported on the coaches' clinic held in Mitchell this past July.
- E. NFHS Summer Meeting – A report was given on the many well designed and useful workshop sessions from the 2016 NFHS Summer Meeting held in Reno, Nevada, by those who attended.

- F. Assistant Executive Director Krogstrand reported on the nomination process for the NFHS Hall of Fame.

2016-2017 Budget

The Board reviewed the revised budget for the 2016-2017 school year. Line item budget adjustments were reviewed by SDHSAA Comptroller Isaac Jahn following the close of the 2015-2016 budget.

It was moved by Moe Ruesink, seconded by Jim Aisenbrey, to adopt the revised 2016-2017 budget.

The motion passed 9-0.

Adoption of Board Policy Manual

Each year the Board officially adopts the Board Policy Manual at the first regular meeting of the current school year. Chairman Morford reviewed each section of the Board Policy Manual with members of the Board of Directors.

Following discussion, it was moved by Dr. Brian Maher, seconded by David Planteen, to approve the 2016-2017 Board Policy Manual as presented.

The motion passed 9-0.

Second reading of the SDHSAA Visual Arts and Student Council Handbooks

The minutes of the June 9, 2016, meeting of the SDHSAA Board of Directors reflects the following:

It was moved by Linda Whitney, seconded by Dr. Roger Bordeaux, to remove the post-season format proposal for the sports of volleyball and basketball and approve as a first reading the following Student Council Advisory and Visual Arts Advisory proposals:

Student Council Advisory Proposals

- 1) The Committee recommends that the registration fee for the State Student Council Convention be raised from \$50 per person to \$55.

Visual Arts Advisory Proposals

- 1) The following be added to Article 4, Section 3 of the Visual Arts Handbook:
 - a) Foldable Science Boards will not be permitted for displaying entries
 - b) Artwork check-out will begin at 4:30 p.m. on Saturday. No artwork is to be removed prior to 4:30 p.m.
 - c) Sawtooth or string hangers are recommended. If a string hanger is used, knots must be tied on both ends to prevent the hanger from coming apart.
- 2) The following be changed in Article 3, Section 2 of the Visual Arts Handbook:
 - a) The SDHSAA Visual Arts Contest is open to students in grades 7-12
 - b) The Committee recommends that the following be added to Article 6 of the Visual Arts Handbook:
 - Section 7. A representative from the school must be present at the awards ceremony in order to receive an award.

- 3) The following be added to Article 6, Section 1 of the Visual Arts Handbook:
 - a) In the event of a tie for individual awards, the tie breaker categories will be as follows:
 - 1st tie breaker – Concept and Originality
 - 2nd tie breaker – Materials and Technique
 - 3rd tie breaker – Quality
- 4) The following category be added to the Visual Arts Contest
 - a) Functional Ceramics – This category will include containers and/or items that could have a functional use and are made of clay, plaster, or porcelain such as cups, bowls, vases, plates, bookends, and other such items.
 - * disclaimer: functional ceramics are not permitted in the 3D or craft categories
- 5) The following be added to Article 4, Section 1 of the Visual Arts Handbook:
 - a) Non-original artwork can be disqualified at the judges' discretion.
 - b) An “Administrative Representative” position be added to the Visual Arts Advisory Committee.

The motion passed 9-0.

Following discussion, it was moved by Dr. Brian Maher, seconded by Moe Ruesink, to approve as a second reading the Student Council Advisory and Visual Arts Advisory proposals.

The motion passed 9-0.

Second Reading of the Proposed Calendar Changes

The minutes of the June 9, 2016, meeting of the SDHSAA Board of Directors reflects the following:

Following much discussion, it was moved by Dr. Brian Maher, seconded by Linda Whitney, to adopt as a first reading, the following changes to the current calendar:

- 1) To accommodate a one game per week schedule, effective the **2017-2018** school year, Class 9 “A”, 9 “B”, 9 “AA”, and 11 “B” football will begin practice on the Monday of week 6, August 7, 2017, with the first allowable contest on Friday of week 7, August 18, 2017.
- 2) Effective the **2017-2018** school year, boys’ and girls’ basketball will begin on Monday of week 22, November 27, 2017, with the first allowable contest on Friday of week 23, December 8, 2017.
- 3) Effective the **2018-2019** school year, there will be a five (5) day moratorium during the winter break. The moratorium shall be consecutive days and include the dates of December 24 and 25. The dates will be set by the SDHSAA Board of Directors.

The motion passed 9-0

Assistant Executive Director Krogstrand reviewed proposed calendar change number one (1) and clarified the reasons for the proposed change. Assistant Executive Director Auch reviewed proposed calendar change number two (2) and clarified the reasons for the proposed change.

The Board then discussed proposed calendar change number three (3), the five (5) day moratorium during the winter break. Board member Planteen shared with the Board the responses he received from member schools in his area related to the length of the moratorium. Was a five (5) day moratorium too long or would three (3) or four (4) days be better?

Following discussion, it was moved by Moe Ruesink, seconded by Sandy Klatt, to approve a four (4) day moratorium to include the days of December 23, 24, 25, and 26 each year.

The motion passed 8-1. Those voting aye were: Bud Postma, Dr. Jason Uttermark, Sandy Klatt, Dr. Roger Bordeaux, Moe Ruesink, David Planteen, Dr. Brian Maher, and Jim Aisenbrey. Those voting nay were: Steve Morford.

It was moved by Sandy Klatt, seconded by Bud Postma, to approve proposed calendar changes one (1) and two (2) as a second reading.

The motion passed 9-0.

Executive staff urged the membership to note that these changes would become effective the **2017-2018** school year.

Following further discussion, it was moved by Dr. Roger Bordeaux, seconded by Dr. Brian Maher, to approve amended calendar change number three (3) as a second reading. The amended calendar change now reads:

- 1) Effective the **2018-2019** school year, there will be a four (4) day moratorium during the winter break. The moratorium shall be consecutive days and include the dates of December 23, 24, 25, and 26 each year.

The motion passed 7-2. Those voting aye were: Bud Postma, Dr. Roger Bordeaux, Moe Ruesink, David Planteen, Dr. Brian Maher, Steve Morford, and Jim Aisenbrey. Those voting nay were: Dr. Jason Uttermark and Sandy Klatt.

Dr. Uttermark and Mrs. Klatt both noted that they do not oppose the winter moratorium or the dates, however, they feel the second reading of the amendment should occur at the November 2, 2016 meeting.

Executive staff urged the membership to note that the winter moratorium and dates would become effective the **2018-2019** school year.

Proposed Constitutional Changes

SDHSAA staff and Board annually review the current Constitution and Bylaws and consider any changes deemed appropriate for the 2017-2018 school year. Proposed changes must be drafted and submitted to the SDHSAA office 30 days prior to the Annual Meeting which is scheduled for April 18, 2017. Constitutional amendments may be submitted by the Board of Directors or by petition from the SDHSAA member schools. The complete method of proposing amendments may be found in the SDHSAA Constitution, Article X, Section 1, page 12.

Assistant Executive Krogstrand advised the Board that a member school has indicated an interest in proposing a constitutional amendment to Chapter II, Part I, page 16, Section 1. Change of Schools Effect on Eligibility of the Bylaws. Executive staff will assist the member school with language and report back to the Board at a later meeting.

No further action was taken at this time.

Chairman Morford declared the Board in recess at 9:50 a.m.

Chairman Morford declared the Board back in session at 10:00 a.m.

Appointments to the Site Selection Committee

Chairman Morford reviewed the history of the Site Selection Committee with members of the Board of Directors. The Committee is made up of three (3) members of the Board of Directors and five (5) athletic/activities directors which host a majority of SDHSAA state events.

Following discussion, Chairman Morford appointed the following members to the Site Selection Committee:

| | |
|---------------------------|--------------------------------|
| Steve Morford—Spearfish | Dr. Roger Bordeaux—Tiospa Zina |
| Moe Ruesink—Sioux Valley | Mark Meile—Sioux Falls |
| Darren Paulson—Rapid City | Gene Brownell—Aberdeen |
| Steve Moore—Watertown | Randy Marso—Brandon Valley |

The Committee will meet on Wednesday, December 14, 2016, in the SDHSAA Office Building in Pierre.

State Tournament Program Price

During the July 11, 2016, State Event Directors Meeting, the event directors discussed the price of a tournament program. With combined tournaments in volleyball, wrestling, and basketball, it was determined there should be a difference in the cost of a tournament program between a single class tournament and a combined tournament. After much discussion, the state tournament directors determined the price for a tournament program shall not exceed \$5.00 with the cost to be determined by the host school.

It was moved by Sandy Klatt, seconded by Roger Bordeaux, to approve the maximum cost of a state tournament program be \$5.00 with the price determined by the member school hosting the event.

The motion passed 9-0.

Review Strategic Planning/Goal Setting Meeting

Chairman Morford reviewed various portions of the Strategic Planning/Goal Setting Meeting conducted on Wednesday, August 24, 2016. Dr. Brian Maher noted that the Board will begin advertising for the position of SDHSAA Executive Director on or around September 15, 2016, with a goal of announcing the new Executive Director no later than the March 2, 2017, meeting of the Board of Directors.

No further action was taken.

Approve the Finance Advisory Committee structure

The purpose of the Finance Committee was to oversee the growth of the Corporately Funded Contingency Fund (CFCF). The goal of the 2006 Board of Directors was to grow the CFCF to 1.4 million dollars or 70% of the annual budget in 2006. With the goal being accomplished during the 2015-16 fiscal year, the Finance Committee has indeed accomplished its goal.

In an attempt to continue input from the Finance Committee, it was proposed that the structure of the Finance Committee should align with other advisory committees and report directly to the Board of Directors. A suggested structure would be:

The Board of Directors shall be advised by the SDHSAA Finance Advisory Committee. The Finance Advisory Committee shall meet at the discretion of the SDHSAA Board Chairperson with meeting dates set annually. Additional meetings of the Finance Advisory Committee may be called at the discretion of the SDHSAA Board Chairperson. The Finance Advisory Committee shall report directly to the SDHSAA Board of Directors for all final action.

The Finance Advisory Committee shall consist of the following:

- Two current members of the SDHSAA Board of Directors,
- One or two active business managers from an SDHSAA member school,
- Two current superintendents appointed by the SDSSA Executive Committee,
- Two athletic/activities directors appointed by the SDIAAA,
- One principal appointed by the SDASSP, and
- Other members as directed by the SDHSAA Board of Directors

The SDHSAA Executive Director shall conduct the meetings of the Finance Advisory Committee.

Following discussion, it was moved by Dr. Roger Bordeaux, seconded by Dr. Jason Uttermark, to approve the structure of the Finance Advisory Committee with Chairman Morford and Dr. Uttermark representing the Board of Directors on the Finance Advisory Committee.

The motion passed 9-0.

Sandy Klatt requested to serve as a member of the Finance Advisory Committee.

It was moved by Dr. Roger Bordeaux, seconded by Dr. Jason Uttermark, to add Sandy Klatt as a member of the Finance Advisory Committee.

The motion passed 8-0 with Sandy Klatt abstaining.

Executive Director Carney was instructed to contact the SD School Superintendents Association, SD Association of School Business Officials, and SD Interscholastic Athletic Administrators Association to seek members to serve on the Committee and Board Chairman Morford will contact the SD Association of Secondary School Principals to seek the name of an individual to serve on the Committee. Preliminary dates for the Finance Committee meetings for this school year are January 10, 2017 & February 28, 2017.

Approve the Investment Policy Statement

Brad Reinke, financial advisor with Reinke Gray Wealth Management reviewed with the Board the Investment Policy Statement. Following his presentation, Executive Director Carney reviewed with the Board the following two proposed changes to the document:

- G. The Board of Directors shall be advised by the SDHSAA Finance Advisory Committee. The Finance Advisory Committee shall meet at the discretion of the SDHSAA Board Chairperson with meeting dates set annually. Additional meetings of the Finance Advisory Committee may be called at the discretion of the SDHSAA Board Chairperson.
- H. The Finance Advisory Committee shall consist of the following:
 - Two current members of the SDHSAA Board of Directors,

- One or two active business managers from an SDHSAA member school,
- Two current superintendents appointed by the SDSSA Executive Committee,
- Two athletic/activities directors appointed by the SDIAAA,
- One principal appointed by the SDASSP, and
- Other members as directed by the SDHSAA Board of Directors

The SDHSAA Executive Director shall conduct the meetings of the Finance Advisory Committee.

Following discussion, it was moved by Jim Aisenbrey, seconded by Sandy Klatt, to approve the Investment Policy Statement.

The motion passed 9-0. **Please see Appendix B at the end of the minutes.**

Board Sharing

Chairman Morford encouraged the Board to share other pertinent information with those in attendance.

Executive Director hiring process

Chairman Morford requested that Dr. Brian Maher lead the discussion related to the hiring process for the next SDHSAA Executive Director.

- Recruitment Efforts—The SDHSAA will survey the SD School Superintendents Association, SD Interscholastic Athletic Administrators Association, and the SD Association of Secondary School Principals seeking input on the characteristics and qualities the various professional groups would like to see in the next Executive Director.
- Position Requirements—Once the results of the surveys have been reviewed, a formal application will be developed listing the requirements needed for the position.
- Posting Position/Accepting Applications—The goal will be to have the position posted by Thursday, September 15, 2016. Potential applicants will have until Friday, October 28, 2016, in which to file their applications. All applications will be housed within the Human Resources Department of the Sioux Falls Public Schools. Notification of the posting shall be to all SDHSAA superintendents, principals, athletic/activities directors, the Department of Education, National Federation of High Schools, Associated School Boards of South Dakota and other departments/agencies as deemed appropriate.
- Screening—Dr. Brian Maher, Moe Ruesink, and Sandy Klatt shall serve as the Screening Committee. The Screening Committee shall determine if the Board of Directors can adequately vet the applications themselves, or if an outside source should be used for the vetting process. This process shall be determined no later than the November 2, 2016, meeting of the Board of Directors.
- Timeline
 - Survey the various educational groups prior to crafting the job description & announcement
 - Goal of posting the position opening by September 15, 2016
 - Receive applications no later than Friday, October 28, 2016
 - Vet the applications prior to Wednesday, November 2, 2016

- The Board of Directors will determine the number of candidates to interview with interviews completed and the next SDHSAA Executive Director selected by no later than the March 1, 2017 meeting of the Board of Directors.

Board of Directors members will make themselves available to present at area administrative group meetings upon request and as available.

Executive Session to discuss personnel—SDCL 1-25-2.4

It was moved by Dr. Brian Maher, seconded by David Planteen, to go into executive session at 10:35 a.m. to discuss personnel.

The motion passed 9-0.

Chairman Morford declared the Board out of Executive Session at 11:28 a.m.

Adjournment

There being no further business to come before the Board, it was moved by David Planteen, seconded by Sandy Klatt, to adjourn at 11:30 a.m.

The motion passed 9-0.

Respectfully submitted,

Wayne Carney
Executive Director

MISSION STATEMENT

The South Dakota High School Activities Association will serve member schools by providing leadership in the development, supervision, and conduct of interscholastic activities which enrich the educational experiences of high school students. The SDHSAA is committed to the ideals that will provide equitable participation opportunities and positive recognition to students, while working cooperatively with all schools to enhance the achievement of desired educational goals.

We believe:

- The SDHSAA is the recognized state authority on interscholastic activity programs.
- Interscholastic activity programs enrich each student's educational experience.
- Participation in education-based activity programs promotes student academic achievement.
- Student participation in interscholastic activity programs is a privilege.
- Interscholastic participation develops good citizenship, healthy lifestyles, and strengthens cultural diversity.
- Interscholastic activity programs foster involvement of a diverse population.
- Interscholastic activity programs promote positive school/community relations.
- The SDHSAA, in conjunction with the NFHS, is the pre-eminent authority on competition rules for interscholastic activity programs.
- National competition rules promote fair play and minimize risks for student participants.
- Properly trained administrators/coaches/directors promote the educational mission of the interscholastic experience.
- Properly trained officials/judges enhance interscholastic competition.
- In earning public trust through administering honest and dependable activities programs.
- In providing South Dakota students with quality educationally based activities programs.
- In providing programming that provides balanced coverage of both athletic and fine arts programs.
- The SDHSAA and its member schools value the following:
 - equity, fairness and justice,
 - activities which support the academic mission of schools,
 - fair play and honorable competition,
 - activities which support healthy lifestyles, and
 - treating people with dignity and respect.

Numerous studies have been conducted which provide empirical evidence to the value of co-curricular programs that are supported by our member schools:

- ❖ **Activities Support The Academic Mission Of Schools.** Activities are not a diversion but rather an extension of a good educational program. Students who participate in activity programs tend to have higher grade-point averages, better attendance records, lower dropout rates and fewer discipline problems than students generally.
- ❖ **Activities Are Inherently Educational.** Activity programs provide valuable lessons for practical situations—teamwork, sportsmanship, winning and losing and hard work. Through participation in activity programs, students learn self-discipline, build self-confidence and develop skills to

handle competitive situations. These are qualities the public expects schools to produce in students so that they become responsible adults and productive citizens.

- ❖ **Activities Foster Success In Later Life.** Participation in high school activities is often a predictor of later success—in college, a career, and becoming a contributing member of society.

Did you know. . .

- School activities are not a diversion, but rather an extension of a good educational program.
- Students who participate in activity programs tend to have higher grade-point averages, better attendance records, lower dropout rates and fewer discipline problems.
- Activity programs provide valuable lessons for practical situations—teamwork, sportsmanship, winning and losing and hard work. Through participation in activity programs, students learn self-discipline, build self-confidence, and develop skills to handle competitive situations.
- Participation in high school activities is likely a predictor of later success.
- Of the 60 students listed in *USA Today's* All-USA High School Academic First, Second and Third Teams and the 51 who earned honorable mention, 75 percent were involved in sports, speech, music, or debate.
- A study by the Search Institute indicates that co-curricular activities play a central role in students' healthy development.
- School-age children and teens who are unsupervised during the hours after school are far more likely to use alcohol, drugs and tobacco, engage in criminal and other high-risk behaviors, receive poor grades, and drop out of school than those children who have the opportunity to benefit from constructive activities supervised by responsible adults.
- A nationwide study by the Women's Sport Foundation indicated that athletes do better in the classroom, are more involved in school activity programs and stay involved in the community after graduation.
- According to a study conducted by Indiana University, students participating in a number of activities not only achieve better academically, but also express greater satisfaction with the total high school experience than students who do not participate.
- Individuals at the executive vice-president level or above in 75 Fortune 500 companies indicated that 95 percent of those corporate executives participated in sports during high school. In addition, 54 percent were involved in student government, 43 percent in the National Honor Society, 37 percent in music, 35 percent in scouts, and 18 percent in the school's publication.
- The American College Testing Service compared the value of four factors in predicting success after high school. The one yardstick that could be used to predict later success in life was achievement in school activities.

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION

INVESTMENT POLICY STATEMENT

Revised August 25, 2016

I. GENERAL INVESTMENT PRINCIPLES

- A. Investments shall be made solely in the interest of the Association.
- B. The portfolio of investments shall be diversified so as to meet the current cash flow needs and the long-term capital growth goals of the Association.
- C. The investments deemed necessary to meet current cash flow needs and investment of committed capital* (from here on referred to as short-term investments) shall be managed to protect principal value, earn interest, and maintain necessary liquidity.

* capital that is earmarked for a specific project with an established time frame of 3 years or less or capital that is not earmarked for a specific project, but is expected to be used within 3 years

- D. Third Party Asset Managers (TPAM's) will be granted full discretion to determine the risk management tools which best serve the interests of the SDHSAA (if such service is offered by the TPAM).
- E. The investments allocated towards long-term capital growth and investment of uncommitted capital* (from here on referred to as long-term investments) shall be managed with preservation of principal in mind, but growth of principal as the primary objective. It is understood that in order to achieve growth of principal there may be some periods of decreased principal value.

* capital that is not earmarked for a specific project, capital that is earmarked for a specific project with no established time frame, or capital that is not expected to be used within 3 years.

- F. The Board of Directors will oversee the compliance of the Association's investment portfolio with the parameters established by this Investment Policy Statement.
- G. The Board of Directors shall be advised by the SDHSAA Finance Advisory Committee. The Finance Advisory Committee shall meet at the discretion of the SDHSAA Board Chairperson with meeting dates set annually. Additional meetings of the Finance Advisory Committee may be called at the discretion of the SDHSAA Board Chairperson.
- H. The Finance Advisory Committee shall consist of the following:
- Two current members of the SDHSAA Board of Directors,
 - One or two active business managers from a SDHSAA member school,
 - Two current superintendents appointed by the SDSSA Executive Committee,
 - Two athletic/activities directors appointed by the SDIAAA,
 - One principal appointed by the SDASSP, and
 - Other members as directed by the SDHSAA Board of Directors

The SDHSAA Executive Director shall conduct the meetings of the Finance Advisory Committee.

- I. The Executive Director and their staff are in charge of the day to day management of the investment portfolio.
- J. The Investment Advisor hired to manage the portfolio will meet with the Board at the Annual Meeting. The Investment Advisor will provide portfolio updates for each Board meeting and will be available to meet directly with the Board at these meetings if deemed necessary by the Executive Director.

II. INVESTMENTS GUIDELINES

A. ELIGIBLE SECURITIES

• Short-Term Investments

The following types of assets are eligible as investments provided they meet the aforementioned General Investment Principles:

1. Money Market Funds or Bank savings account.
2. CDs, Fixed Rate Annuities (or Fixed sub-accounts within Variable Annuities), Investment Grade Corporate bonds, commercial paper, or US Government bonds.

• Long-Term Investments

The following types of assets are eligible as investments provided they meet the aforementioned General Investment Principles:

Equity Investments – Not to exceed 75% of Long-Term Investments

1. Common stocks of US companies (mutual funds, exchange traded funds (ETF's) or unit trusts that hold such equities are acceptable).
2. Common stocks of foreign corporations so long as they are traded on U.S. exchanges, or are held in mutual funds, exchange traded funds (ETF's) or unit trusts.

Fixed Income – Not to exceed 60% of Long-Term Investments

1. All assets included in the eligible investment list for Short-Term Investments.
2. Corporate High Yield Bonds so long as they are held in mutual funds or closed end funds. This portion of the LT Investments should not exceed 25% of the total Fixed Income Allocation.
3. Investment Grade Corporate preferred stock.

Alternative Investments – Not to exceed 20% of Long-Term Investments

1. Traded and non-traded Real-Estate Investment Trusts.
2. Traded and non-traded Business Development Companies

III. Management of Long-Term Investments

The Board of Directors will determine the allocation of assets based on the recommendations of the Executive Director and the Investment Advisor.

The investments will follow an asset allocation model approved by the Board of Directors. The investments, in respect to the chosen allocation model, will be reviewed and rebalanced, at a minimum, annually.