

## **FINANCE**

### **Centralized Banking, Borrowing, and Investment**

#### **PURPOSE:**

To enable the Conservancy to centrally manage its assets and debt in order to provide control of the Conservancy's funds to conduct business around the world

#### **POLICY:**

The Nature Conservancy shall pool and centrally manage and invest all of its assets and shall also centrally manage its debt. The Chief Finance Officer, Assistant Treasurer, and the Vice President and Chief Investment Officer are authorized to execute all borrowings on behalf of the Conservancy, subject to the overall limits established by the Finance Committee of the Board of Directors. The above-named individuals are also authorized to designate financial institutions as depositories of Conservancy funds, to open accounts therein in the name of the Conservancy, to invest short-term cash, and to take any and all actions necessary to prudently manage the Conservancy's short-term cash, foreign currency exposure, and debt.

The Finance Committee of the Board of Directors is responsible for overseeing the Conservancy's investment portfolio. The Chief Finance Officer, Assistant Treasurer, and the Vice President and Chief Investment Officer are authorized to take any and all actions necessary to manage the investment portfolio in accord with the broad policy direction established by the Finance Committee. The intent of the Finance Committee shall be reflected in a separate and more detailed Investment Policy Statement, which shall be maintained and updated by the Vice President and Chief Investment Officer and approved by the Chief Finance Officer.

The Board of Directors must approve of changes to the Time Horizon, Return Objective, Risk Tolerances, and Liquidity objectives within the Investment Policy Statement. Additionally, Asset Allocation Targets, which are documented in the organization's Investment Policy Statement, must be within 'Allowable Ranges,' which are approved by the Board. Board discussion regarding changes to the above investment objectives or Allowable Ranges should include consultation with the Chief Executive Officer and Chief Finance Officer to provide management's perspective on such changes.

The Chief Finance Officer, Assistant Treasurer, and the Vice President and Chief Investment Officer may further delegate this authority, where appropriate. Such authority, unless otherwise stated in writing, also includes the authority to delegate to any person the ministerial duties necessary to implement this Policy.

#### **ORIGIN:**

This Policy combined the "Investment Policy" (originally approved in March 1996) and the "Centralized Banking and Signature Authority Policy" (originally approved on March 15, 1996). Revised and approved by the Board of Directors: January 30, 2009, June 2018; Technical Correction: March 2012, June 2016; June 2017 (title change from "Chief Financial and Administrative Officer" to "Chief Financial Officer"). Reference Section Updated: October 2017.

#### **REFERENCES, RESOURCES, and EXPLANATORY NOTES:**

##### Other Resources

To understand who has the principal authorization to engage in interest rate derivative transactions on behalf of TNC as an Authorized Trader, please see the [Authorized Trader Statement](#) in the [Finance Reference Library](#).

**Note:** The Conservancy's officers and employees shall inform the Authorized Trader of all relevant communications with Derivative Transaction counterparties to the extent that such communications involve:

(a) recommendations for Derivative Transactions or trading strategies for a Derivative Transaction, or

(b) the terms and conditions of Derivative Transactions which the Conservancy is entering into as a result of a recommendation from a Derivative Transaction counterparty.

For information about the Finance Committee's oversight of the Conservancy's investment portfolio, see the October 2019 "[Investment Policy Statement](#)" ("IPS").

**RESPONSIBLE PARTY:**

Chief Finance Officer