



Special Olympics North Carolina Summary about Invested Funds

The Board of Directors for Special Olympics North Carolina, Inc. (SONC) is responsible for the governance and fiduciary oversight of the Special Olympics movement as determined by Special Olympics, Inc. (SOI), the State of North Carolina and the Internal Revenue Service (IRS). SOI sets forth policies and procedures for accreditation as a United States Program. The State of North Carolina and the IRS determine laws and regulations which non-profit organizations must follow to maintain 501(c)3 and incorporation status.

Each local program raises money which is designated for use specifically in that program. In some cases, local programs raise more funds than are needed for expenses in a given year. In this case, the Board of Directors has an investment policy for managing funds that they deem appropriate to put in an investment account that is managed by a professional investor with oversight by the SONC President/CEO and the Board of Directors.

SONC is committed to regular communication with local programs in regards to finances and investments. If the Board proposes shifting funds into investments, the local program will be given notice and the opportunity to provide input before the change is made. All monies put into investments from a local program bank account continue to be funds that are dedicated specifically for that local program's use.

The regular review of SONC's financial position is conducted by the SONC Board Finance Committee that meets quarterly. This committee has up to five members from various business backgrounds, all of whom have a professional knowledge of investments and finances.

Invested funds for local programs are managed separately from funds invested on behalf of state level SONC invested funds. Wells Fargo Advisors manages the investments.

SONC goes through an annual audit process with McMillan, Pate & Company of Raleigh to ensure that all financial processes follow IRS guidelines.

SONC shares an annual update on local program investment balances once the audit is complete.

All gains and/or losses in the investment account are realized by the local program. SONC pays a fee for management of these investment accounts and that fee is shared amongst all participating local programs.

The investment policy was revised in 2000 by the Board's Finance Committee with input from members of the committee, the SONC Board, Wachovia Securities (formerly First Union Securities), Smith Barney and SONC's law firm at the time (Smith Helms Mulliss & Moore).

This summary includes excerpts from the investment policy. The full investment policy is spelled out in the SONC Operating Policies located on the web site at <http://sonc.net/wp-content/uploads/2015/08/OperatingPoliciesMar15.pdf>.

Questions and/or comments about the SONC investment policy should be sent to the SONC President/CEO.