

# *The Manual of the Bloomsburg Investment Group*

## **I. Procedures of the Bloomsburg Investment Group**

### **A. General Procedures**

- i. All non-Executive members will choose or be assigned a sector group within the ten S&P sectors derived by a prior top-down approach.
- ii. When all members are in groups, they will begin a screening of Russell 1000 companies within their sector. Refer to The Bloomsburg Investment Group Investment Policy Statement, Section 3, for guidelines.
- iii. Each group will select certain companies from their screening process to conduct further background research. Senior Analysts may work individually or partnered with Junior Analysts. Sector Heads will be responsible for all activities within their assigned sector. Refer to The Constitution of the Bloomsburg Investment Group, Article 4: Membership Positions, for roles of each position.

### **B. Procedures to Purchase Securities**

- i. Analysts will present an informal PowerPoint presentation (Security Presentation/Stock Pitch) during a General Meeting of the Bloomsburg Investment Group. Members will be able to debate and question after the presentation. A majority consensus must be achieved by the Members present to warrant further research on that security.
- ii. For approved securities, analysts must complete the Bloomsburg Investment Group Research Report (the current model template was created by BIG and is available from Morningstar Direct). Analysts must also complete the Formal Presentation.
- iii. The Formal Presentation and Research Report must be made during a General Meeting to present to the Members of the Bloomsburg Investment Group. Upon completion of the Final Presentation, an in-depth discussion and analysis by BIG members will be conducted.
- iv. A vote will take place on the security in question following the Formal Presentation. Refer to The Constitution of the Bloomsburg Investment Group Article 8: Security Voting, for details on voting procedures. A Security Vote Form (Form #001) must be completed upon approval of a security.
- v. Upon completion of the Security Vote Form, the Executive Board must complete the Security Purchase Form (Form #002) during an Executive Board Meeting.
- vi. Upon completion of the Security Purchase Form, the Advisor, or anyone authorized, to the Bloomsburg Investment Group will place a trade order following the details of the Security Purchase Form the next available business day.

### **C. Procedures to Sell Securities**

- i. In the event any Member, including Executive Board Members, believes a position held in The BIG Fund should be sold, in portion or in liquidation, he/she shall complete the Request to Sell Form (Form #003). That Member will make a formal request during an Executive Board Meeting.
- ii. After the formal request to sell is made, the Executive Board must discuss the reason(s) for the request and make a decision on whether to approve the request or not. If approved, the Executive Board must complete the Security Sale Form (Form #004), during that Executive Board meeting.
- iii. Upon completion of the Security Sale Form, the Advisor, or anyone authorized, to the Bloomsburg Investment Group will place a trade order following the details of the Security Sale Form the next available business day.

D. Trade Authorization

- i. The Dean of the College of Business holds the power to authorize any individual to place trades on behalf of the Bloomsburg Investment Group. Authorization will be granted upon completion of the Trade Authorization Form (Form #006).
- ii. The Dean of the College of Business holds the power to revoke previously granted trade authorization from any individual. Authorization will be revoked upon completion of the Trade Authorization Termination Form (Form #007).
- iii. The Chairman of the Department of Finance holds the right to place trades on behalf of the Bloomsburg Investment Group.

E. Procedures for Documentation

- i. The Treasurer will assemble copies of the Trade Confirmation, Form #002 or Form #004, Form #001 or #003, and the Research Report. Documents must be sent to Bloomsburg University Foundation, Inc. in a timely manner.
- ii. An independent group of Accounting Association students, separate from BIG, will conduct an audit on all BIG financials
- iii. Storage of Physical Documents
  1. All documents pertaining to the Bloomsburg Investment Group and The BIG Fund will be stored in a lockable, fire-proof filing cabinet located in the Office of the Chairman of the Department of Finance.
  2. The Chairman of the Department of Finance will hold the key to the cabinet.
  3. Documents must be kept at least seven years for tax purposes.

F. Procedures to Monitor Positions

- i. Analysts are required to keep daily track of current events on companies held by The BIG Fund within their sector.
- ii. On a bi-weekly basis, Sector Analysts are required to update Research Reports on the securities held in their sector positions.

- iii. Each sector will update valuation models for each security in their respective sector following the company's quarterly report. If an analyst discovers a security held in The BIG Fund is nearing fair value, rebalancing must be considered (Refer to Bloomsburg Investment Group Investment Policy Statement Section 3, subsection D).
- G. Procedures for Summer and Winter Breaks
  - i. Prior to ending the academic semester, trailing stop orders will be placed on all securities held in The BIG Fund (Refer to the Bloomsburg Investment Group Investment Policy Statement for Trailing Stop Order guidelines).

## **II. Liquidation and Distributions**

- A. The Office of the Dean holds the power to liquidate The BIG Fund at any time.
- B. Following the decision to liquidate, all held positions will be sold at market value. The Cash value of The BIG Fund will be transferred to the College of Business.
- C. Funds may be transferred from The BIG Fund to the College of Business and College of Business Scholarship funds at any time. Only the Dean of the College of Business holds the right to transfer funds into and out of The BIG Fund.
- D. Funds may not be dispersed by cash or transfer to any account other than that of the Bloomsburg University College of Business.

## **III. The BIG Fund Account**

- A. The BIG Fund will be invested through a financial intermediary of BIG's choice. Once per year, the Executive board will conduct a cost-benefit analysis of the broker to determine whether it still provides the most efficient, effective, and convenient service for The BIG Fund. If the opinion on the broker should change, The BIG will conduct additional research on other financial intermediaries to find a suitable company.
- B. The Account will be under the ownership of the Bloomsburg University Foundation, Inc., and control of the account rests with the Dean of the College of Business.
- C. The Chairman of the Department of Finance has the authorization to place trades on the account for the Bloomsburg Investment Group.
- D. Trade confirmations and account statements will be available through the online brokerage account.

## **IV. Disciplinary Policy**

- A. All student members of BIG are subject to PRP #4802: Student Code of Conduct and Judicial Process available in the Bloomsburg University Student Handbook.
- B. All persons involved with the Bloomsburg Investment Group and The BIG Fund must abide by the College of Business Code of Honor.

## **V. Amendments to By-Laws**

- A. Amendments to the Bloomsburg Investment Group By-Laws can be proposed by any Member, Advisor, or Board of Director of the Bloomsburg Investment Group. Amendments shall be proposed to the Executive Board at an Executive Board

Meeting. The Executive Board holds the right to modify proposed Amendments. The proposed Amendment must pass a 4/5 vote by the Executive Board to allow a vote in the General Meeting. The Amendment will pass following a seventy percent vote in the General Meeting and will be signed into effect by each member of the Executive Board and the Advisor.