

SUBJECT: INVESTMENT OF CASH FUNDS
AMENDED: SEPTEMBER 2022

ARR NUMBER 1.6

PURPOSE: To establish guidelines for the investment of cash funds in excess of those needed to provide for current or short-term operational and/or reserve expenditures

POLICY: It is the policy of the Board of Directors to invest excess funds in legal investments that will provide the Association with safety, liquidity, and maximum earnings without jeopardy to the principal base of the investment.

The Board of Directors authorizes its professional management agent and Board Treasurer to make the following investments and report the details of these investments at the monthly Board meetings.

1. The investments should be placed in only the most credit worthy financial institutions [as rated by nationally recognized firms such as Standard & Poor's, Moody's etc.] The Board of Directors must pre-approve all banking relationships.
2. Investments are to be federally insured [FDIC, NCUA] and the amount invested in a given account may not exceed the limits of the institution's insurance, typically \$250,000.
3. Maturities in any single investment are not to exceed 1 year unless specifically authorized by the Board of Directors.