

Stonewater Homeowners Association

BOARD OF DIRECTORS POLICY DOCUMENT

Policy Title	Cash Management Policy
Effective Date	January 30, 2019
Last Revision Date	New
Document Revision	Original

Purpose

The purpose of this Cash Management Policy is to define the responsibilities of the Board of Directors and any other parties involved in managing the Association's cash investments and to identify or provide target cash allocations and permissible investments.

Scope

This policy applies to all operating and replacement reserve funds and their investment in various bank accounts or certificates of deposit.

Policy Statement

The overall investment objective of the Association is to maximize the return on invested cash while minimizing risk and expenses.

This is done through maintaining no more than 60 days of operating cash in the Operating Fund checking account and investing the remainder of the Association cash assets in higher yielding bank accounts. Replacement Funds must be maintained in separate accounts and can also be allocated to certificates of deposit. Transfers between Operating and Replacement Reserve Funds must be authorized in writing by the President or Treasurer.

General Provisions

- The Directors shall consider updating the Association's cash management policy on an annual basis.
- Any investment that is not expressly permitted under this Policy must be formally reviewed and approved by the Directors.
- Investments shall be allocated to minimize risk by ensuring they are FDIC insured and FDIC limits are not exceeded.

Responsibilities

The Board of Directors has ultimate responsibility for the investment and management of the Association's cash assets. The Associations Management Company is responsible for executing the bank transactions in support of this policy.