

## **POLICY**

### **---- Investing Reserve Funds ----**

#### **1) PURPOSE:**

The purpose of this policy is to ensure Association Reserve funds are invested in a prudent manner, which considers both risks and returns, with the objectives of maximizing funds security and growth, ensuring timely access to the funds, and transparency in all investment activities.

#### **2) SCOPE:**

This policy applies to all Association funds classified as reserves by the Association.

#### **3) POLICY:**

- a. Investment Authorization: Reserve funds may be invested in order to grow the value of those funds.
- b. Permitted Accounts: Reserve funds may only be invested in interest-bearing accounts that are insured by the FDIC/FCU.
- c. Approved Financial Institutions and Instruments: Reserve funds may only be invested and/or maintained in CD's and/or MMDA's at community banks, savings banks, commercial banks, savings and loan associations, or credit unions, provided these institutions are FDIC/FCU insured. All such investment choices are directed by the treasurer and affirmed by the BOD.
- d. Account Signatories: All CD's and/or MMDA's must have signatures from at least two (2) BOD members on the accounts.
- e. Non-Standard Institutions: To invest in financial institutions other than those listed above, an approval vote of Unit Owners shall be required.
- f. Investment Recommendations: The Association Treasurer will recommend investment options to the BOD based on the prevailing highest interest rates, aligning matching maturity dates with projected expenditure needs, and considering FDIC/FCU insurance limits. The BOD is responsible for affirming investment choices in a prudent manner.
- g. Government Insurance Limits: The total of all Association funds (both Reserve and Operating) in any one financial institution shall not exceed the then current FDIC/FCU insurance limit. However, if the maturity date(s) of the investment instrument(s) cause the total fund value in a financial institution to temporarily exceed the FDICFCU limit, this may be allowed for a short period. It is not the intent of this policy to require the "early withdrawal" of a CD solely to avoid exceeding the FDIC/FCU limit. Best efforts should be made to plan CD maturity dates to minimize the likelihood of exceeding the FDIC/FCU limit.

- h. *Rollover of Maturing CD's*: When a CD matures, if it is to be 'rolled over', all interest income earned in that CD shall be deposited into the reserve MMDA account..
- i. *Fiduciary Responsibility*: All investment decisions shall be made in the best interest of the Association.

**4) DEFINITIONS:**

- a. "BOD" means the Association's Board of Directors.
- b. "CD" means Certificate of Deposit.
- c. "FCU" means Federal Credit Union.
- d. "FDIC" means Federal Deposit Insurance Corporation.
- e. "MMDA" means Money Market Deposit Account.
- f. "Operating Funds" means those funds used to meet the regular, recurring costs of operations.
- g. "Reserve Funds" means those funds used to fund future replacements, major repairs, and purchases of additional commonly owned assets.

**5) APPROVAL / REVISION HISTORY:**

- a. BOD APPROVAL: December 18, 2025
- b. BOD REVISIONS; N/A

This policy was approved by the Association's Board of Directors on the 18<sup>th</sup> day of December, 2025 and shall be effective as of the 18<sup>th</sup> day of December, 2025.

Wray Myers

Signature - Secretary

12-20-25

Date