

Hacienda Carmel Community Association

Funds Investment Policy

Approved by the HCCA Board of Directors on September 26, 2013

The Board of Directors of Hacienda Carmel Community Association has a fiduciary responsibility to manage the investment of the Association's funds in a prudent manner. This policy shall serve to outline the goals, structure, strategies and controls utilized to effectively manage these funds for the benefit of the Association.

Goals and Objectives

Association funds shall be invested in an effort to achieve the following prioritized objectives:

- Preservation, without risk of loss, of the Association's principal funds.
- Structure maturity schedule to ensure the appropriate amount of funds will be liquid for anticipated expenditures.
- Achieve long-term investment growth performance appropriate for the selected classes of investments as defined by this policy.

Investment Classes

The following classes of investment vehicles shall be considered appropriate for the Hacienda Carmel Community Association:

- Liquid bank accounts in FDIC insured financial institutions not to exceed the maximum FDIC insured amount.
- Money market mutual funds investing in U.S. Treasury and treasury backed securities.
- Certificates of Deposit in FDIC insured financial institutions not to exceed the maximum FDIC insured amount.
- Treasury bills, notes or bonds purchased with the intent to hold to maturity.

Investment Committee

The Investment Committee shall be comprised of the Association's Board President, Treasurer and Finance Committee Chair, with the General Manager & Assistant General Manager/Chief Accountant as advisors. The Investment Committee shall meet a minimum of once every six months (or more frequently if deemed necessary) with the following objectives:

- Review the Association's current investments and pending maturity schedule to ensure the appropriate liquidity of funds necessary for capital expenditures scheduled in the next 12 to 36 months.
- Evaluate (with the assistance of outside consultants as deemed necessary by the committee) current trends and return rates of the prescribed classes of investment vehicles available in order to formulate recommendations to the Board for selection of appropriate investments in accordance with this policy.
- Report to the Board of Directors the current status of the Association's investments along with the committee's recommendations for re-investment of funds that have reached maturity.

Hacienda Carmel Community Association – Funds Investment Policy

Monitoring and Controls

The following methods shall be utilized for the safeguarding and ethical management of the Association's invested funds:

- All investment accounts shall be purchased in the name of Hacienda Carmel Community Association.
- The primary individual authorized to implement the actual placement of investments on behalf of the Association at the direction of the Investment Committee with approval of the Board shall be the General Manager. In the absence of the primary trader, the secondary authorized trader shall be the Association Treasurer.
- The investment broker(s) utilized by the Association shall have no personal affiliation with any present member of the Board of Directors, officers or executive management.
- The Assistant General Manager/Chief Accountant shall be responsible for monitoring the investment statements on a monthly basis.
- On a quarterly basis, current investment statements shall be reviewed by the entire Investment Committee.
- Modifications or exceptions to this policy may only be made by written approval of the Board of Directors.

#####