

Dollar Point Association - Reserve & Capital Fund Investment Policy

Policy Approved at DPA Board meeting on February 6, 2023

Investment of Funds

The Board of Directors of the Association shall invest funds held in the Reserve and Capital accounts to generate revenue that will accrue to the respective Reserve or Capital Fund account balance pursuant to the following goals, criteria, and policies, listed in order of importance:

- a) Safety of Principal. Promote and ensure the preservation of the Reserve and Capital Fund's principal.
- b) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
- c) Minimal Costs. Investment costs (redemption fees, commissions, and other transactional costs) should be minimized.
- d) Diversity. Mitigate the effects of interest rate volatility upon Reserve and Capital assets
- e) Return. Funds should be invested to seek the highest level of return.

Limitation on Investments

Unless otherwise approved by the Board, all deposits or investments will be: under twelve months in maturity, FDIC (Federal Deposit Insurance Corporation) insured and/or Fully Guaranteed by the United States Government.

Investment Strategy

The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach. This will be done after referencing the Reserve Study to ensure anticipated liquidity needs of the association are met.

Independent Professional Investment Assistance

The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy. We believe the threshold for hiring a qualified investment counselor may become necessary when our Reserve and Capital Fund balances exceeds \$2,000,000.

Review and Control

The Board shall review Reserve and Capital Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.