



COMMUNITY ASSOCIATION
Financial Investment Policies & Procedures

This Policy originally approved on June 14, 2007 and has been amended by the Board of Directors at its regular meeting held on February 12, 2009 to the following:

Board Authority

Prescott Lakes Community Association Bylaws, Article 7, and Section 7.5 – Implied Rights: Board Authority: “The association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.”

Prescott Lakes Community Association Bylaws, Article III, Board of Directors: Selection, Meetings, and Powers: Section C, Powers and Duties, Sub-Section 3.17. Duties; paragraph (e): “depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited in the Board’s best judgment, in depositories other than banks;”

Purpose:

These policies and procedures are established to provide the basis for the protection of the integrity of Association’s monetary assets, to provide assurance that the financial obligations of the Association will be met when due.

Objectives:

The primary objectives, in order of importance are: to provide protection of principal amounts appropriate liquidity; and finally an optimized the rate of return.

Types of Accounts:

Taking into consideration recommendations of the Finance Advisory Committee, the Board shall direct the Treasurer to deposit funds based on anticipated use with the following provisions: Operating funds in specific commercial bank(s) in regular checking account(s) in amounts that are fully protected by the Federal Deposit Insurance Corporation (FDIC); Reserve funds and other non-operating funds to be invested in Certificates of Deposits fully protected by the FDIC; Treasury Bills, Notes and Bonds or similar instruments issued by the U.S. Treasury and/or its Agencies.

Time Horizon:

The Finance Advisory Committee shall recommend to the Board of Directors investment maturities that offer interim opportunities for reasonable return, which when combined with annual dues, provide reasonable assurance of accumulating the amounts necessary to meet the projected future demands for capital expenditures.

Authorities:

The Board shall have the exclusive right to determine which financial institutions will receive and maintain all accounts of the Association; establish investment accounts maturities; and to authorize signatories on all accounts.

Procedures:

The Treasurer of the Association shall develop and, upon approval by the Board, implement appropriate investment and payment procedures for all financial accounts. The Controller of the Association shall be responsible for establishing and maintaining the accounting records for all financial transactions.

Amended on February 12, 2009