BLUE WATER DEVELOPMENTAL HOUSING, INC.
POLICIES AND PROCEDURES: BOARD INFORMATION

SUBMITTED BY: Executive Director	**DATE SUBMITTED:** 04/2002	**SECTION:** Board Information Policies and Procedures	
BOARD APPROVED ON: 09/14/2016	**DATE REVISED:** 01/10/2016, 09/30/2026	**SUBJECT:** Cash and Investments	
ANNUAL REVIEW BY EXECUTIVE DIRECTOR: 5/8/19, 10/14/20, 10/1/22, 09/30/2026, 11/11/2026		**POLICY #:** BD-003	**PAGE #:** 1 of 2

I. APPLICATION

The provisions stated herein shall apply to all cash and investments of the Blue Water Developmental Housing, Inc.

II. POLICY

It is the Organizations policy to maintain adequate cash reserves to carry out the operations of the organizations without the need to liquidate investments and sacrifice interest or incur penalties.

The Organization maintains investments for excess cash which are conservative in terms of risk and which obtain a reasonable return on investment with minimum risk while meeting the daily cash flow demands of the organization and are directed by the Executive Director/Designee with approval and oversight by the Board of Directors.

Investment objectives of the organization include:

A. Preservation of Principal
B. Protection against inflation
C. Increase assets without sacrificing liquidity
D. Meet current income requirements
E. Receive stable returns
F. Achieve long-term growth

III. NOTIFICATION/PROCEDURE

WHO	DOES WHAT
Executive Director	1. Actively manages cash and investments to maximize return while maintaining minimum risk.
	2. Maintains all cash, other than petty cash, in FDIC or NCUA insured financial institutions. If balances exceed federal insurance limits, institutions must maintain a BauerFinancial rating of three stars or higher and be reviewed at least annually.
	3. Limits short-term investments to approved investment vehicles including U.S. Government obligations, insured certificates of deposit,

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qualified commercial paper, U.S. Government agencies, and Board-approved mutual funds.

4. Limits long-term investments to approved investment vehicles including those authorized for short-term investments, mutual funds, UITs, REITs, ETFs, index funds, and Board-approved stocks and bonds.

Board of Directors

5. Reviews and approves annually all financial institutions where organizational funds may be deposited.

6. Reviews and approves annually bank balances, uninsured balances, and financial institution ratings.

7. Reviews and approves annually all short-term and long-term investments held by the organization.

8. Reviews and approves annually all investment consultants and investment managers.

9. Reviews annually all investment and bank accounts, account balances, uninsured balances, and investment performance.

10. Reviews and approves annually the targeted cash and investment allocation for the organization and the entities with which the organization conducts investment business.

11. Determines annually the amount of cash reserves to be invested on a long-term basis and authorizes transfers to or from the long-term investment portfolio.

Executive Director

12. Serves as the authorized agent to implement and control this policy, purchase and sell investments, transfer funds between accounts, and report such actions at the next Board meeting.