

Policy 1003—Investment Policy: Definition of Accounts

1003.1 Purpose, Authority and Scope of Investment Policy	<p><u>Purpose:</u></p> <p>It is the intent of AAUW California to invest its monies in a manner that will provide an acceptable investment return for both growth and income while minimizing risk. The purpose of the policy is to provide a clear understanding of the guidelines and objectives related to the total AAUW California investment portfolio for the AAUW California Board of Directors, the Investment Subcommittee, Finance Committee, investment manager, and others. Related activities provided by this Investment Policy include good cash management, control of disbursements, and cost-effective banking relations.</p> <p><u>Authority:</u></p> <p>Delegation of authority is defined in Policy 604, Chief Financial Officer, and Policy 906, Finance Committee.</p> <p><u>Scope:</u></p> <p>These Investment Policies apply to all investment assets of AAUW California. All investments shall be pooled into one investment account with three sub-accounts:</p> <ul style="list-style-type: none">● General Reserve Fund● Operations Reserve Fund● State Project Reserve Fund <p>Balances by type of investment for each sub-account must be maintained in the AAUW California General Ledger.</p>
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<p>1003.2 General Reserve Fund</p>	<p>Purpose: The purpose of the General Reserve Fund is to provide a backup cash fund in case membership dues received are much lower than expected.</p> <p>Requirements: This account maintains a \$15,000 balance. It shall be invested in a money market fund. Any balance over \$15,000 should be transferred to the Operations Reserve Fund at the end of the fiscal year.</p>								
<p>1003.3 Operations Reserve Fund</p>	<p>Purpose: The purpose of the Operations Reserve Fund is to provide a source of funds to allow AAUW California to continue to operate in the event of unforeseen or exceptional cash shortages and cover the day-to-day operating expenses of the organization. This account acts as a reserve for contingencies.</p> <table border="1" data-bbox="646 926 1468 1465"> <tr> <th data-bbox="646 926 1068 968">If...</th><th data-bbox="1068 926 1468 968">Then...</th></tr> <tr> <td data-bbox="646 968 1068 1083">an emergency occurs,</td><td data-bbox="1068 968 1468 1083">the board must approve the amount needed to regain status quo.</td></tr> <tr> <td data-bbox="646 1083 1068 1234">approved,</td><td data-bbox="1068 1083 1468 1234">that approved amount will be transferred to the checking account for disbursement.</td></tr> <tr> <td data-bbox="646 1234 1068 1465">the balance drops below \$75,000,</td><td data-bbox="1068 1234 1468 1465">the board should act to replenish the fund by transferring funds from other accounts or proposing raising membership dues.</td></tr> </table> <p>The Operations Checking account shall have any losses from state events such as the Annual Event, whether a convention or annual meeting, reimbursed from this account.</p> <p>If at the close of the fiscal year the Operations Checking Account Balance is in excess of \$75,000 (excluding “deferred dues”), the excess above \$75,000 should be transferred to this fund for investment.</p> <p>Requirements: The Operations Reserve Fund balance shall have a minimum balance of \$75,000. The principle of this fund should be invested as described in the Investment Guidelines.</p>	If...	Then...	an emergency occurs,	the board must approve the amount needed to regain status quo.	approved,	that approved amount will be transferred to the checking account for disbursement.	the balance drops below \$75,000,	the board should act to replenish the fund by transferring funds from other accounts or proposing raising membership dues.
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