BellaVita at Green Tee Homeowners Association
Investment Policy

Policy – It is the policy of the BellaVita at Green Tee Homeowners Association ("HOA") that funds shall be invested in a manner that will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the HOA. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity.

Scope – This investment policy applies to all financial assets of the HOA, and includes the Operating Fund and the Replacement Fund.

Objectives – The investment policy will be governed by these primary objectives: safety, liquidity and yield. The suitability of each investment decision will be made on the basis of these objectives.

A. Safety – The foremost objective of the investment program shall be to assure the safety of funds. Investments shall be undertaken to ensure the preservation of capital while minimizing credit rate and interest rate risk. Investment for speculation purposes is prohibited. The investment portfolio shall be diversified to minimize the risk of loss resulting from over-concentration of assets in a specific investment. The HOA will limit the concentration of investment to a single investment or issuer to the level insured by the Federal Deposit Insurance Corporation ("FDIC"), or the Securities Investor Protection Corporation ("SIPC").
B. Liquidity – Funds will be invested with maturities necessary to maintain sufficient liquidity to provide adequate and timely working funds. The Operating Fund shall be maintained in liquid investments, for a period of no longer than 90 days. The Replacement Funds may be invested with longer maturities; however, at no time shall funds be invested for a period greater than three (3) years.
C. Yield – Yield on investments is of least importance compared to the safety and liquidity objectives described above.

Authorized Investments – The choice of high-grade government instruments or government guaranteed instruments is designed to provide for the safety of principal, return an acceptable yield and assure marketability. HOA funds may be invested in the following:

A. U. S Treasury obligations with the direct guarantee of the U. S. Government, not to exceed two (2) years to stated maturities. Agencies, instrumentalities and collateralized mortgage obligations are NOT allowable investments at any time.
B. Certificates of deposit that are guaranteed or insured by the FDIC, not to exceed two (2) years to stated maturity and not to exceed the FDIC insurance limits.
C. Money market mutual funds registered and regulated by the Security and Exchange Commission for which the funds are invested primarily in U.S. Treasury obligations, not to exceed SIPC insurance limits.

Investment Authority – The Board of Directors of the HOA is responsible for the implementation of these policies, and for assuring that investment management decisions and activities fully comply herewith.

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Ethics – The members of the Board of Directors of the HOA shall refrain from personal business activity that could conflict with the proper execution and management of the investment policy, or that could impair their ability to make impartial decisions. Directors shall disclose, in writing, any material interests, including personal business relationships, with any financial institution with which it is proposed that the HOA conduct business and shall refrain from decision making with regard to those affiliated entities.