**NLN Affiliated Constituent League**

**Policy and Procedure**

|  |  |
| --- | --- |
| policy number  | **4.5** |
| policy name  | Investments (basic policy) |
| **date of origin** | (Date) |
| purpose | The treasurer/chief executive shall invest XYZ’s short-term funds in such a way as to maximize return while protecting principal and will follow the guidelines listed below. |
| 1. **policy**
 | * The finance or investment committee on a regular basis should review investment activity.
* When held in commercial bank, investment of XYZ funds should not exceed $\_\_ in any one institution for federal insurance purposes, unless approved by the board.
* Accounts such as interest-bearing checking accounts, money market accounts, certificates of deposit, investment-grade commercial paper, and government securities are to be the primary investments. Investing in any other type of investment vehicle requires prior approval by the finance or investment committee.
* Investments should be limited in term. The committee must approve any investments with a term longer than \_\_ years.
* A current list of financial institutions approved as depositories for investment will be kept on file and updated regularly by the committee. This list includes commercial banks, savings and loans, insurance companies, and brokerage houses insured by the Securities Protection Investment Corporation.
* Within guidelines, maximum interest rates shall be sought, with the maturity of the investments governed by expected cash needs.
* All securities are to be written in the name of XYZ.
 |
|  |  |

Revision Dates: