

IRONBRIDGE PROPERTY OWNER'S ASSOCIATION  
**REVISED POLICY AND PROCEDURE  
INVESTMENT OF RESERVE FUNDS**

Revised March 9, 2023

The following policy and procedure has been adopted by the Executive Board ("Board") of Ironbridge Property Owners Association ("Association") in compliance with the most current Colorado statutes, for the investment of the Association's reserve funds. This policy shall supersede all prior policies regarding the investment of reserve funds.

**PURPOSE**

The purpose of this policy is to institute proper guidelines for the ongoing management of the Association's investment of its reserve funds; should the Board decide that reserve funds are needed for the Association.

**INVESTMENT OBJECTIVES**

The purpose of the reserve fund is generally for repair and replacement of those items for which the Association is responsible, or for purposes deemed necessary by the Board, in compliance with the Bylaws of the Association.

Reserve funds are to be invested in a manner that assures maximum safety and liquidity, and maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:

1. Preservation and safety of principal;
2. Liquidity to meet expected and unexpected expenditures;
3. Maximization of yield; and
4. Minimize investment costs.

**INVESTMENT RESPONSIBILITIES**

The Board has sole authority to approve and amend this policy. Any revisions to this policy shall be in writing and approved by the Board.

The Board shall have direct control with regard to opening appropriate bank and investment accounts (and "Eligible Investments" as described below) establishing safekeeping of such accounts or other arrangements for the custody of securities and to execute such documents as may be necessary. The Board may employ the services of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy.

The board or its assignee (the Finance Committee), will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the

Association's objectives. The Board shall review investment performance at a minimum of once per quarter.

The Association's Board Treasurer or Finance Committee shall maintain and review monthly statements, including detailed accounting of current values, income and all transactions.

## **INVESTMENT GUIDELINES**

### **A. Eligible Investments**

The Portfolio will be limited to the following investments:

1. Certificates of Deposit (CD's);
2. Money Market deposit accounts;
3. Money Market Funds;
- 4.

U.S. Treasuries and U.S. Treasury zero coupons; and/or 5. Bank FDIC insured savings accounts.

### **B. Credit Quality Restrictions**

All investments shall be AAA-rated or U.S. Treasury Securities

### **C. Maturity Limits**

1. No individual investment may exceed 2 years in maturity.

### **D. Strategy**

Investments shall be structured with maturity dates in successive periods to minimize rate risk. The following circumstances should be considered in investing reserve funds:

1. General economic conditions;
2. Possible effect of inflation or deflation
2. Expected tax consequences; and
3. Other resources of the Association

### **E. Custodian**

Investments will be held in custodial accounts with approved banks or financial institutions that are insured through SIPC, FDIC or similar US Government programs, with no more than \$250,000 held in one bank or institution.

### **F. Procedures**

1. A quarterly report of earnings shall be prepared by management company, financial advisor, finance committee or board treasurer and presented at the following Board Meeting to verify that all investments are consistent with the policy as herein stated and are achieving the above stated Investment Objectives;
2. In addition to any requirements provided by the Association's governing documents, the Association shall maintain coverage of fidelity insurance to protect against theft or

dishonesty from anyone with access to the reserve funds.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of Ironbridge Property Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Executive Board of the Association, at a duly called and held meeting of the Board on March 3, 2023, and in witness thereof, the undersigned has subscribed his/her name.

Ironbridge Property Owners  
Association a Colorado Non-Profit  
Corporation

**BY: DICK**

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Secretary