

**AMERICANA CENTRE CONDOMINIUM, INC.**

**POLICY RESOLUTION NO. 2017-06-03**

**Resolution Relating to Investment Policy and Guidelines**

**WHEREAS**, Article V, Section 3 of the By-laws of Americana Centre Condominium, Inc.(hereinafter referred to as “By-laws” and “Council” or “Corporation,” respectively) states that “The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Corporation and the condominium project and may do all such acts and things as are not by law or by these By-laws directed to be exercised and done by the members; and

**WHEREAS**, Article IX of the By-laws states that all members shall pay an annual assessment in monthly installments to the Council to pay each members proportionate share of the Corporation’s annual expenses to be used, in part, for funding reserves; and

**WHEREAS**, Article IX, Section 3 of the Bylaws states, in pertinent part that the reserve fund for replacements “shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America”; and

**WHEREAS**, it is the desire of the Board to establish guidelines for the investment of funds not required for short-term use in condominium operations.

**NOW THEREFORE, BE IT RESOLVED THAT** that the Board of Directors approve the following Investment Policy and Guidelines:

- A. Investment Goals.** The Council shall endeavor to meet these goals when investing reserve funds.
- 1) *Safety of Principal:* Safety of the investment principal and interest shall be paramount.
  - 2) *Liquidity and Accessibility:* Sufficient funds shall be readily available for projected expenses including a reasonable allowance for unforeseen circumstances.
  - 3) *Minimal costs:* Investment costs (redemption fee, commissions, and other transaction costs) shall be minimized.
  - 4) *Management:* Funds shall be invested in a professional manner with institutions that have excellent reputations, sound credentials and provide full principal security through sufficient insurance or collateral.
  - 5) *Yield:* Funds shall be invested through a competitive process or directly with U.S. Treasury Direct that produces the highest level of yield that is consistent with preservation of the purchasing power of the principal and accumulated interest.

## **B. Investment Process**

- 1) Annually, the Board shall include in its budget a regular contribution to the reserve account. In addition, the Board shall periodically (ideally, annually) cause to be determined, the availability of funds not needed for short term operational use (excess funds). The Treasurer, after consulting with the Financial Management Committee and receiving approval from the Board, is authorized to invest the excess funds in accordance with this policy. Investments shall be limited to the following:
  - a) FDIC Insured Bank Accounts, Money Market accounts, and Savings Accounts
  - b) Certificate of Deposits with institutions covered by FDIC insurance
  - c) Treasury Securities
  - d) Any other Bonds with the full faith and credit of the U.S. Treasury
- 2) A competitive process for pricing and interest rates for the desired maturity shall be secured unless the investment is secured through the U.S. Treasury Direct.
- 3) No investment, including interest earned on such investment, shall exceed the FDIC limit in a single FDIC institution.
- 4) Investments shall be laddered or staggered to provide liquidity when cash flow schedules indicate that funds will be needed.
- 5) Professional Management: *Funds may be invested with professional managers and/or institutions that have excellent reputations and sound credentials following the above guidance.*

## **C. Internal Controls and Reporting Requirements.** The following internal controls including reporting shall be followed.

- 1) Two signatures (one board officer and one management agent or two board officers) are required to withdraw funds from investments. Annually, the Board shall determine the two signatories.
- 2) All signatories on investment accounts shall be covered by fidelity insurance to protect the Council from losses due to theft.
- 3) The Treasurer shall provide investment reports to the Board of Directors on a monthly basis including confirmation the Reserve Fund Manager understands and follows the above process.

This resolution supersedes and replaces all prior resolutions related to the investments. The effective date of this Resolution shall be June 15, 2017

This resolution was adopted pursuant to §11-111 of the Maryland Condominium Act.

AMERICANA CENTRE CONDOMINIUM, INC.

RESOLUTION ACTION RECORD

Resolution Type Policy No. 2017-06-03

Pertaining to: Policy and Procedures Concerning the Investment Policy and Procedures

Duly adopted at a meeting of the Board of the Americana Centre Condominium, Inc. held, June 1, 2017

Motion by: John Becker

Seconded by: Janet Wilson

VOTE: YES NO ABSTAIN ABSENT

<u>Janet Wilson</u> Janet Wilson, President	✓			
<u>Sam Brewster</u> Sam Brewster, Vice President	✓			
<u>Debbie Jackson</u> Debbie Jackson, Secretary	✓			
<u>Shashi Koduru</u> Shashi Koduru, Treasurer	✓			
<u>John Becker</u> John Becker, Director	✓			
<u>Tyler Bennett</u> Tyler Bennett, Director	✓			
<u>absent</u> Connie Mar-Pawloski, Director				✓

ATTEST:

Debbie Jackson  
Secretary

June 30, 2017  
Date

Resolution effective: June 15, 2017.