

KARUK TRIBE HOUSING AUTHORITY

CHAPTER 18

INVESTMENT POLICY

CHAPTER 1 PURPOSE

The investment policy of the Karuk Tribe Housing Authority (KTHA) shall provide for all parties associated with KTHA housing programs of a comprehensive statement of policy and actions which will be used as the criteria for governing the investments of KTHA funds.

CHAPTER 2 BANK ACCOUNTS

All KTHA accounts with financial institutions shall be covered by a General Depository Agreement (form HUD-51999). The depository must be a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation (FSLIC), or the National Credit Union Administration (NCUA).

CHAPTER 3 CASH MANAGEMENT

The KTHA shall utilize a cash forecasting system to monitor the flow of cash through KTHA accounts and to identify funds not needed for the next 90 days. A budget for the fiscal year will be developed and updated monthly to reflect changes in receipts and expenditures. Funds identified as being in excess of current needs shall be invested in securities selected by the Executive Director (and/or Housing Committee) and approved by HUD.

The Executive Director shall be the designated administrator of KTHA funds and shall be responsible for making timely investments. The KTHA shall establish and maintain an investment register to provide a complete record and description of the purchase and sale of all securities.

The Executive Director (or designee) shall prepare a monthly investment report for the Housing Committee. The report shall include a copy of the latest cash budget, a copy of the investment register, and a list of current bank account balances.

CHAPTER 4 AUTHORIZATIONS

All investment transactions shall require the signature of two authorized officials. These shall be the same persons authorized to sign checks.

CHAPTER 5 COLLATERALIZATION OF FUNDS

The KTHA shall require all depositories to continuously and fully (100%) secure all deposits in excess of the \$100,000 insured amount. The Executive Director shall be responsible for monitoring account balances to ensure excess funds are being collateralized promptly and the HUD-approved securities are pledged as collateral. The KTHA shall maintain evidence of collateralization.