

FINANCIAL AND INVESTMENT POLICY

1. **FISCAL YEAR:** The fiscal year is January 1 through December 31.
2. **ACCOUNTING:** Cash basis of accounting will be used.
3. **INSURANCE:** SEE INSURANCE REQUIREMENTS POLICY
4. **ASSOCIATION FINANCIAL MANAGEMENT:**
 - A. Financial Accounts
 - a. Checking Account: Authorized individuals that will have check writing privileges include the President, Vice President, the Secretary-Treasurer and Association Executive. If a payment of \$500 or more is required to be made and it has not been previously approved in the budget, the Board of Directors should be contacted via email for approval. Signature cards will be reviewed and updated annually to reflect the current officers.
 - b. Investments: The treasurer and president, in accordance with the Investment Policy and Objectives, will be responsible for determining where and when money will be invested based on current investment advice, degree of financial stability of the Association, liquidity demands and available funds. Such determinations must be presented to, and approved by, the Board of Directors prior to the Association Executive taking action.
 - B. Investment Policy and Objectives
 - a. The objective of the investment program is to obtain the maximum possible return on Association funds while assuring adequate protection of invested assets. Because IREM is a non-profit organization, investments should not be designed for speculation.
 - b. It must be recognized, however, that all investments carry with them some degree of risk, not only as to the safety of the principal itself, but also with regard to the inflationary erosion which occurs from failure to achieve an adequate return on invested assets.
The Investment Policy segregates funds into two categories; Operating fund, Reserve fund.
5. **CASH AND INVESTMENT CATEGORIES**
 - A. Operating Fund
 - a. Purpose - To provide sufficient cash flow to meet the financial obligations of the Association
 - b. Objectives
 - i. Liquidity
 - ii. Preservation of capital
 1. Maturity - limited to one year or less
 2. Allowable Investments
 - a. Checking accounts in federally insured banks
 - b. Money Market Funds which invest in government back securities
 - c. Federally-Insured Certificates of Deposit
 - B. Reserve Fund
 - a. Purpose - To improve the return on funds held for expenditure over the next one to five years, while managing investment risk.
 - b. Objectives
 - i. Preservation of capital
 - ii. Liquidity
 1. Optimize investment return within a one to five year time frame
 2. Dollar Range - Amount necessary to overcome any expected cash flow deficiencies for the next three years as well as an amount to cover an unexpected association need.
 3. Maturity - From one to three years
 4. Allowable Investments
 - a. FDIC insured Money Market Accounts
 - b. Money Market Funds which invest in government back securities.
 - c. Federally-Insured Certificates of Deposit.

- d. Direct Obligations of the U.S. Government, its agencies and instrumentalities.
 - 5. Prohibited Investments
 - a. Corporate Notes with a minimum rating of investment grade by one rating service.
 - b. Corporate Securities
 - c. Private Placements
 - d. Letter Stock
 - e. Derivatives
 - f. Securities from issuers which have filed for bankruptcy
 - g. Commodities or commodity contracts
 - h. Short sales
 - i. Margin transactions
 - j. Option trading
 - k. Any speculative investment activities
- C. Policy on Non-Dues Income
 - a. The activities in which Utah Chapter 33 and its committees engage to generate non-dues income shall further the Chapter's objectives and functions, and shall not be in conflict with the Chapter's bylaws and policies.
- D. Budgets:
 - a. Operating Budget: The President Elect is responsible for overseeing annual operating budget development and prepared to present the budget to the Board of Directors for approval. The Board of Directors then accepts and/or amends the budget. The Board of Directors may amend the budget during the fiscal year.
 - b. Unbudgeted Expenditures - If a payment of \$500 or more is required to be made and it has not been previously approved in the budget, the Board of Directors should be contacted via email for approval, and budget amended.

6. FINANCIAL STATEMENTS AND ACCOUNT REPORTS:

- A. Financial statements shall be prepared monthly and transmitted to the treasurer around the 15th of each month, which reports financial activity for the previous month. The treasurer shall review the statements, take appropriate corrective action, if necessary, and report any concerns to the Board of Directors at each Board of Directors meeting.

7. FINANCIAL AUDITS:

- A. See the Audit Policy

8. MEMBERSHIP REPORTING:

- A. It will be the responsibility of the president to ensure that a financial report is published annually, which shall include a breakdown of revenues and expenses. The report should be circulated to the members in a method that is approved by the Board of Directors. The previous year end financial statement is available to members upon request.
- B. If a third party requests a copy of the Association's Form 990 Federal Information Return, the President and Treasurer shall be notified immediately. All such requests should be in writing and accompanied by a \$20 reproduction and handling charge.

9. REIMBURSEMENT OF EXPENSES TO MEMBERS:

- A. Every effort should be made to have the Association pay for expenses directly.
- B. Requests for reimbursement must be received by Utah Chapter 33 within 30 days after incurring Utah Chapter 33 authorized expenses or the end of the fiscal period, whichever comes first.
- C. Reimbursement forms for expenses submitted to for payment must be in compliance with the annual operating budget.
- D. Reimbursement submission must be received in the same fiscal year, unless the expense is incurred during the month of December, at which time the expense should be submitted no later than January 7th.



10. CHAPTER CREDIT CARD:

- A. Association Executive is authorized to use a credit card on behalf of Utah Chapter 33. The credit card will be owned by the Association Executive. The card will only be used for Chapter expenses. Every payment that is made by the Chapter will be approved by Secretary Treasurer using the statement of all transactions during billing cycle.

Approved: August 1, 2025