

**Rocky Mountain Governmental Purchasing Association**  
**Reserve Investment Policy Statement**  
**October 21, 2009**

**Introduction**

This statement of Investment Policy has been adopted by the Board of Directors of the Rocky Mountain Governmental Purchasing Association (RMGPA) to provide guidelines for the investment of reserve funds held by the association.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds shall be held in at least two separate investment instruments. The process for determining the dollars amount in each investment instrument is set forth in the “Procedures” section of this document. .

**Procedures**

1. The following procedures shall be followed to insure the investment policy statement is consistent with the current mission of RMGPA and accurately reflects the current financial condition:
  - a. This investment policy shall be reviewed annually by the RMGPA Executive Board for any necessary revisions to ensure the policy statement is consistent with the current financial condition of the association.
  - b. Recommendations for any revisions or modification shall be made by the Executive Board to the RMGPA Board of Directors for their review and approval.
  - c. The Board of Directors will review and reconfirm this Investment Policy Statement annually.
2. The following procedures shall be used to determine the dollar amount to be placed in the Reserve.
  - a. The Executive Board shall determine the dollar amount to be placed in Reserve for the current fiscal year.
  - b. The Board of Directors shall be notified of the dollar amount placed in Reserve.

## **Reserve**

### **Purpose**

The purpose of the RMGPA Reserve is to provide financial stability; to ensure growth of capital to meet the future needs of RMGPA and to provide a source of revenue to bridge a possible budget shortfall in a given year. In the normal course of events, it is expected that the monies allocated to the Reserve will not be used in the current fiscal period.

### **Objectives**

The objectives of the account should be pursued as a long-term goal designed to maximize the returns without exposure to undue risk.

### **Allowable Investments**

The Executive Board shall be authorized to invest the Reserve upon consultation with and the written concurrence of one of the remaining two, as follows:

1. Federally-Insured Certificates of Deposit not to exceed \$100,000 including interest at commercial banks or savings and loans institutions;
2. Interest bearing checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts;

### **Maturity**

The maturities on investments for the Reserve shall be limited to one year or less with the shortest term being three months. Investments shall be laddered so there is no more than a three-month period between instruments.

### **Interest**

Interest earned will be transferred into the operating fund as the instruments are renewed.

### **Reporting**

RMGPA Treasurer shall prepare reports on a quarterly basis for presentation to the Board of Directors.