

## Investment Policy

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### 1.0 General

The Investment Policy applies to all operating funds accounted for in the WSHIP financial statements. The Investment Policy should be implemented only when the objectives in section 3.0 - Objectives of the Investment Policy below are met by doing so. In the event that the Investment Policy inhibits these objectives, an alternative method of investing cash (such as a sweep account or other alternative methods) should be agreed upon by the Board of Directors and adopted as such. Each investment made after adoption of this Investment Policy must be authorized by law and the written Investment Policy.

### 2.0 Responsible personnel

The responsibility for conducting investment transactions resides with the Executive Director. Those responsibilities may be delegated, however, to the pool administrator.

### 3.0 Objectives of the Investment Policy

The primary objectives, in order of priority, of all investment activities involving financial assets shall be the following:

- a. Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective.
- b. Liquidity: Maintaining the necessary liquidity to fund normal operating budget/expenses is the second investment objective.
- c. Total Return: A reasonable rate of return is a third investment objective.

### 4.0 Prudence

The Executive Director when investing shall exercise the care, skill, prudence and diligence under the circumstances prevailing at the time that a person acting in a like capacity and familiar with such matters would use to accomplish the investment objectives outlined above.

### 5.0 Investments Eligible for Investment

- a. Treasury Bills or short-term securities issued at a discount which pay interest and principal at maturity and are backed by the full faith and credit of the U.S. Government.

- b. Certificates of deposit and other evidences of deposit at Federally insured depository institutions.
- c. Agency securities or debt obligations issued by U.S. Government-sponsored enterprises.

All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including Investment Maturity Limitations and Diversification Requirements.

## **6.0 Prohibited Investment and Investment Practices**

Assets shall not be invested in the following:

- a. reverse repurchase agreements,
- b. futures and options contracts, or
- c. any investment not listed within Section 5 of this policy.

Assets shall not be invested pursuant to the following investment practices:

- a. trading of securities for speculation or the realization of short-term trading gains;
- b. pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the investment assets;
- c. If an individual or company with custody of investment transaction records fails to produce requested records when requested by this firm within a reasonable time, the firm shall make no new investment with or through the individual or company and shall not renew maturing investments with or through the individual or company.

## **7.0 Investment Maturity Limitations**

To fully accomplish the investment objectives set forth previously it may be necessary to segment the funds available for investment. This should be done to distinguish between those funds necessary for normal operating expenditures arising in the regular course of business and those funds which may be around for a longer period of time. Positions of 1-month to 3-months will be used. Consequently maturity limitations may change as the firm's cash needs fluctuate. When possible the investment manager may look to extend to a longer term for a reasonable pickup in yield, but at no time should the investment decision disregard the firm's potential to require cash.

## **8.0 Diversification**

Where possible, it is the policy of WSHIP to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In establishing specific diversification strategies, the following policies and constraints shall apply:

- a. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.

- b. Liquidity practices to ensure that operational expenses are covered by cash on hand so as not to use funds from investments.

## **9.0 Reporting**

If investment activity has occurred the Board Treasurer will present an investment report to the Board that summarizes the current portfolio, rate of return and transactions since the last reporting period.