Mission Valley Aquatics (MVA)

Investment and Expenditure Policy

Board of Finance

The duly appointed board members are the fiscal body of the Mission Valley Aquatics (MVA) Project and thus constitute "The Board of Directors". The MVA Board of Directors serve without compensation.

Monthly Meeting

Mission Valley Aquatics Board of Directors shall meet monthly to review the written report of the Finance Committee.

Investment Policy Amendments

The MVA Board of Directors has the authority to amend the investment policy as needed. Amendments will be made at monthly meetings by a majority vote.

Fiscal Officers

The project director of Mission Valley Aquatics, the chairperson of the Finance Committee, or one or more authorized board members are the fiscal officers of the project.

Finance Committee

The Finance Committee consists of MVA board members and community members who have a background in financial affairs. The Finance Committee is responsible for budget development, reviewing monthly financial statements, and providing monthly reports for the MVA Board of Directors to review and approve.

Deposits

All funds received by MVA shall be deposited in a depository in a timely manner following receipt and shall be deposited in the same form in which they were received.

Allowed Investments

1. Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by

   - The United States Treasury;
   - A federal agency;
   - A federal instrumentality;
   - A federal government sponsored enterprise.

2. Discount notes issued by any of the following:

- A federal agency;
- A federal instrumentality;
- A federal government sponsored enterprise.

3. Repurchase Agreements (including standing repurchase agreements, commonly known as sweep accounts):
With Depositories designated by the State Board of Finance as depositories for state investments or fully insured or guaranteed by the United States, a United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise.

Investments made by the MVA fiscal officers must have a stated final maturity of not more than two (2) years after the date of purchase or entry into a repurchase agreement.

Investment Cash Management
All interest derived from an investment by MVA fiscal officers shall be receipted to the fund of which they are a part.

Depositories
Funds of MVA shall be deposited in the designated depositories that are federally insured. Special consideration will be given to community-based depositories located in Western Montana. The MVA fiscal officers will invest available funds from total monies on deposit in a prudent and timely manner.

Prohibited Investments
The MVA fiscal officers may not purchase securities on margin or open a securities margin account for the investment of MVA funds.

Transaction Accounts
The fiscal officers of MVA shall maintain a transaction account in a selected depository.

Electronic Transfer of MVA Funds
The following type of transactions may be conducted by electronic transfer between financial institutions in order to expedite the transfer of funds as well as maximize interest earnings:

1. All investment transfers for certificates of deposit and savings accounts authorized by the fiscal officers of MVA.

2. Payroll for MVA employees.

The fiscal officers will maintain appropriate documentation of the transactions so these may be audited as required by statute. The fiscal officers signatures will be on the letter of authorization for transfers that will be forwarded to the bank.

Expenditure Clause

The MVA budget is approved annually by the Board of Directors. The board has authorized expenditures of monies by the fiscal officers not to exceed 10% for any transaction in any one line item in the annual budget. For expenditures which exceed 10%, approval must be granted by the board of directors. Two fiscal officers' signatures are required for all expenditures.

Endowment Spending Policy

The Mission Valley Aquatics (MVA) endowment, if and when developed, will consist of gifts intended by the donor or the Board to be held in perpetuity, the principal of which may not be spent immediately.

Net income from the endowment will consist of annually accrued interest and dividends. Gain or loss on sale of investments and loss for expenses related to maintenance of the endowment will be calculated as part of net income.

The annual amount of endowment funds available for distribution in any one fiscal year shall be determined by an amount equal to no more than five percent of the principal amount of the endowment as measured at the beginning of the period, reduced by the previous fiscal year expenditures to manage and maintain the fund. Funds available but not allocated within the current fiscal year will be reinvested and will not carry over as available in a subsequent period.

The annual amount of available funds may be overridden in extraordinary circumstances, either as required to continue essential MVA services or when the principal endowment reaches $1,000,000. However, the expendable amount of the income in all extraordinary instances shall be limited by the exclusion of the principal of the nonexpendable trust.

The MVA Board will determine appropriate expenditures of the net income from the endowment. The Board will prioritize non-recurring expenses and expenses of a magnitude or character which makes the expenses impracticable to be funded in an annual operational budget.

Mission Valley Aquatics Funds

MVA may establish funds for money and securities. All monies from whatever source derived will be receipted into funds established by the board of directors under authority of 501-C3 laws. The authorized funds are as follows:

Operating Fund

The Operating Fund is the MVA checking account. All money collected from interest on investments of MVA monies, and other revenues, shall be deposited into the MVA Operating Fund. The funds must be budgeted and expended in compliance with the MFA Investment and Expenditure policy (refer to Expenditure Clause). Two fiscal officers' signatures are required for all expenditures.

Petty Cash Fund

This fund has been established for the purpose of paying for miscellaneous or emergency items, not to exceed $25.00 for any one expenditure.

Gift Fund

Money or securities accepted and secured by MVA Board as a grant, gift, donation, endowment, bequest or trust may be invested in one or more funds. These funds shall be expended, without appropriation, in accordance with the conditions and purposes specified by the donor and endowment spending policy.

Designated Gifts: Designated gifts are those to which the donor has attached terms, conditions and purposes. These may be general or quite specific, such as water slides, bleachers, lane lines, etc. All designated gifts are placed in the Gift Fund.

Undesignated Gifts: Undesignated gifts are those to which the donor has not attached terms, conditions or purposes. These gifts are also placed in the Gift Fund but may be transferred to the Operating Fund.

Gifts of Stock

Fiscal officers may not purchase securities for the investment of MVA funds. However, when MVA receives gifts of stock certificates, the fiscal officers will turn the stock over to the local security firm of choice within 48 hours so that MVA will become the owner of record.

When gift stock is transferred from the donor's broker to the MVA broker, MVA will automatically, at transfer, become the owner of record.