

***HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION
NEW JERSEY CHAPTER***

Policy: B05

Title: Investment Policy

Approved by the Board of Directors: May 10, 2011

Most Recent Revision: February 13, 2018

Last Reviewed: February 13, 2018

Eff. Date: February 13, 2018

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Policy: The Policy of the Chapter is to invest excess cash in various investments that will reasonably protect principal, attain a reasonable rate of return and maintain certain liquidity of funds as determined by the Investment Committee and approved by the Board.

The Chapter has formed an Investment Committee comprised of the current President, Treasurer and three (3) additional Board members as selected by the President and Treasurer. The Committee will receive guidance from its current investment adviser. The investment adviser will be chosen by the Investment Committee, with the approval of the Board. Any change to the Investment Adviser is predicated on a recommendation of the Investment Committee to the Board.

The Investment Committee and its investment adviser will develop an initial investment plan; which will be presented to the Board for approval. Prospectively, any other investment changes, including buy/sell; new investments, change of investment philosophy etc. will be presented to the Board for approval prior to the Investment Committee advising the investment adviser to proceed with implementation.

Purpose: The objective of the Chapter regarding investments is the following:

- Attain a reasonable rate of return on invested funds without exposing the principal balance to undue risk.
- Maintain certain liquidity of funds as determined by the Investment Committee.
- Maintain a long term view on investments.

Procedures: The funds of the chapter may be invested in individual instruments or mutual funds as determined by the Investment Committee and approved by the Board. The instruments allowed are:

- **Certificate of Deposits** - The amount invested in any one banking or savings institution shall not exceed the \$250,000 FDIC insurance limit. Maturity of any CD will be no longer than one year.

- **Cash Management Accounts** – These investments shall be limited to an amount not to exceed \$100,000.
- **US Government Securities** – These investments shall include securities issued by the federal agencies backed by the full faith and credit of the US government, including Treasury bills and notes.
- **Corporate Bonds or Notes** – These investments shall be limited to ratings of AA- or better by Standard & Poor's and Aa3 or better by Moody's for commercial paper and a rating of AA or better for investment grade corporate bonds.
- **Mutual Funds** – As determined by the Investment Committee and approved by the Board.
- **Individual publicly traded common and preferred stocks** – As determined by the Investment Committee and approved by the Board.
- **Other Investment Vehicles** – As determined by the Investment Committee and approved by the Board.

The Treasurer will provide quarterly reporting to the NJ Chapter Board regarding the return on investment and invested balances by category.

Annually, the Chapter's investment adviser will make a presentation to the Board, either live or telephonically, to review the prior year Chapter's investments, rates of return and prospective views on the economy.