

American Council of Engineering Companies of Florida (ACEC-FL)

Policy 2

ACEC-FL Investment Policy

The purpose of this policy is to create a framework within which ACEC-FL funds may be invested to maximize returns within acceptable risk.

ACEC-FL is a non-profit organization and its investments should not be designed for speculation. It must be recognized that all investments carry some degree of risk, not only of the safety of the principal itself, but also with regard to the inflationary erosion that occurs from the failure to achieve an adequate return on invested assets.

The Investment Policy segregates ACEC-FL funds into two categories, Operating funds and Strategic Reserve funds.

Operating Funds

The Operating funds shall be the ACEC-FL monies that are equal to 60% of the total ACEC-FL budgeted annual revenues.

Purpose – To provide sufficient cash flow to meet the financial obligations of ACEC-FL.

Objectives

- * Liquidity
- * Preservation of capital

Allowable Investments

- * FDIC insured Checking accounts
- * FDIC insured Money Market accounts
- * FDIC insured Certificates of Deposit
- * Amounts invested may exceed FDIC insured limits

Strategic Reserve Funds

The Strategic Reserve funds shall be the ACEC-FL monies that exceed 60% of the total ACEC-FL budgeted annual revenues.

Refer to Article III, section 7 of the ACEC-FL Bylaws

Purpose – To improve the return on Strategic Reserve funds for expenditure over the next one to five years, while managing investment risk.

Objectives

- * Preservation of capital

- * Liquidity
- * Optimize investment return within a one to five-year time frame

Allowable Investments

- * FDIC insured Checking accounts
- * FDIC insured Money Market accounts
- * FDIC insured Certificates of Deposit
- * Direct Obligations of the U.S. Government, its agencies and instrumentalities
- * Stocks and Bonds
- * Amounts invested may exceed FDIC insured limits
- * Mutual Funds with prior ACEC-FL Board of Director's approval

Prohibited Investments

- * Any investment that is not regulated by the SEC, such as:
- * Private Placements
- * Letter Stock
- * Derivatives
- * Securities from issuers which have filed for bankruptcy
- * Commodities or commodity contracts
- * Short Sales
- * Margin sales
- * Margin transactions
- * Option trading
- * Any speculative investment activities