

WEST SIDE HEALTH CARE DISTRICT

INVESTMENT AND CASH MANAGEMENT POLICY

It is the policy of the West Side Health Care District to invest public funds in a manner which will provide a prudent return on investment with assets invested in institutions, accounts, bonds or securities that have a low-to-no-risk for loss of capital. Cash assets will be invested with consideration of the District's daily or periodical cash flow requirements. Section 32127 through 32127.5 of the California Government Code provide legal authorization and requirements for the District's management of fixed, cash and cash-equivalent assets of the District including investment of funds with local agencies when applicable.

BOARD POLICY AND STRATEGY

The current and long-term asset management and investment strategy of the West Side Health Care District is as follows:

1. Understanding of the suitability of the investment to meet the financial requirements supporting the Mission, Vision and Values of the District;
2. Preservation and safety of principal is the fiduciary responsibility of the Board;
3. Prudent business practice is to reserve and retain to the maximum extent possible the net surplus from operations and to minimize the cost of capital acquisitions;
4. Maintain sufficient cash reserves; and, maintain an awareness of short-term and long-term cash flow requirements including and evaluation of the liquidity of invested assets;
5. Consideration will be given to placing the cash assets of the District in financial institutions that provide competitive financial and investment services within the boundaries of the District. Risk factors and yield potential criteria will affect investment decisions.
6. The District will obtain the highest rate of return on investments of capital in a predictably low-risk investment market.
7. The Board of the District will commission an annual Audit of the District's financial performance/compliance in accordance with Board Policy 5.1

STANDARD OF CARE

1. Investment of funds shall be governed by the following investment objectives in order of priority:
 - a. Preservation and safety of principal;
 - b. Liquidity;
 - c. Yield.
2. With consideration for safety of principal and the income to be derived, investments shall be made with judgment and care, not for speculation but for prudent investment with competitive return on investment.

THE CASH MANAGEMENT PROCESS

1. The cash and other liquid assets of the District will be overseen on behalf of the Board of Directors by the Finance Committee with support from the District Management Team (Executive Director and District Manager's staff with the advice, support and consultation of a qualified Financial Consultant).
2. District savings and investment accounts will be monitored (Balances, earnings and interest rates) no less often than quarterly by the Board of Directors. Investment accounts will be government insured to the maximum extent possible. Accounts that are not insured can only be established/approved by the Board of Directors pursuant to Board action in open session.
3. District operating accounts (checking, payroll, etc.) will be monitored by the District Manager and Executive Director on routine basis.
4. Checking, Savings and Investment accounts will be monitored by the District Management Team to ensure that each account has an appropriate number of signers from the current Board members (as designated by the Board President) and, the Executive Director who will be designated signers for each account.
5. Approved access to monitor each account to verify deposits, withdrawals, transfers, to reconcile statements and prepare Committee and Board reports will be designated by the Board President or the Executive Director.