	Policy Name: Investment Policy	Policy Number: FN-010
	Issue Date: April 2020	Last Review Date: 3/14/2025

## I. Purpose

This statement of Investment Policy has been adopted by the Board of Directors of The Haven to provide guidelines for the investment of funds.

For the purposes of managing investment risk and optimizing investment returns within acceptable risk parameters, funds held by The Haven will be divided into three separate investment pools. The three investment pools shall be called "Operating Fund", the "Operating Reserve Fund", and the "Restricted Reserve Fund".

Except for the Restricted Reserve Fund, it is not The Haven's policy to build cash for reasons of investment purposes other than proper execution of its mission. Funds are fully intended to be used in pursuit of The Haven vision, mission and goals. Nevertheless, business operating cash needs can vary, providing the opportunity for The Haven to hold cash at varying maturities and thus maximize returns.

## II. Policy

This policy establishes investment objectives, policies, guidelines and eligible securities related to all assets held by The Haven.

### Definitions

#### Operating Fund

The purpose of the Operating Fund is to provide sufficient available cash to meet the routine day-to-day financial obligations of all operations of The Haven in a timely manner. Normally, the balance in the Operating Fund will not exceed **three** months' worth of normal operating requirements.

#### Operating Reserve Fund

The purpose of the Operating Reserve Fund is intended to meet anticipated annual expenses. Accordingly, the balance in the Operating Reserve Fund will normally not exceed **three** months' worth of budgeted operating expenses.


#### Restricted Reserve Fund

Normally, the purpose of the Restricted Reserve Fund is to provide a way for **saving for major capital purchases, ensuring that funds will be available for special programs, and having funds available in the event of special emergencies, a major downturn in the economy or other contingencies.**

These are Board designated funds.

## III. Procedure

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of The Haven and accurately reflects current financial condition:

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- A. This investment policy shall be reviewed annually by the Board Finance and Audit Committee, which will recommend any necessary revisions to the Board of Directors.
  - B. The Board of Directors will have final approval on any changes to the policy.
2. The following procedures will be used to determine the dollar amounts to be placed in the various funds.

#### **Operating Fund**


- A. In conjunction with the budget process of each year, the Finance and Audit Committee will recommend to the Board of Directors and the Chief Executive Officer a dollar amount of not more than three months of normal operating expenses to be maintained in the Operating Fund.
- B. The Senior Vice President of Finance and Administration will review the additions to and disbursements from the Operating Fund and approve an appropriate transfer from the Operating Reserve Fund an amount necessary to maintain the Operating Fund at a three-month level.

#### **Operating Reserve Fund**

- A. All grants, contract income received but unearned will be placed in the Operating Reserve Fund.
- B. The Senior Vice President of Finance and Administration will withdraw grant and contract income earned from the Operating Reserve Fund and place it in the Operating Fund. Earned income shall be defined as those fees The Haven is legally entitled to because of actual expenditures against budget or grant funds.

#### **Restricted Reserve Fund**

- A. Annually, the Board Finance and Audit Committee will recommend to the Board of Directors, the dollar amount to be placed in the Restricted Reserve Fund.
  - B. The Board of Directors will approve additions to and withdrawals from the Restricted Reserve Fund on an annual basis or as needed for special projects.
3. An Investment Advisor may be sought to manage that portion of The Haven funds held in Operating Reserves and Restricted Reserves. The Board Finance and Audit Committee will recommend the selection of an Investment Advisor to the Board of Directors.

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4. It is anticipated that funds of varying investment objectives may be sought to manage portions of The Haven funds. The following procedure shall be used for the selection of such funds.

At least annually, The Board Finance and Audit Committee, in consultation with the Investment Advisor, will review and discuss recommendations for a periodic asset allocation of the funds set aside for investment. At least annually, the Board Finance and Audit Committee will make appropriate investment strategies recommendations to the Board of Directors with due regard to the mission and appropriate investment objectives, and what targeted rate of return might best meet these objectives.

It is anticipated that the Board Finance and Audit Committee will meet at least annually with the Investment Advisor to review the objectives and to be kept informed about trends in the economy, and in the financial markets. It is recognized that market shifts may require the Investment Advisor to recommend rapid changes in market position. These recommendations will be reviewed by the Board Finance and Audit Committee if the Committee determines that changes should be adopted, the Committee Chair or Senior Vice President of Finance and Administration will forward them as recommendations to the Board at-large. Any changes shall be made by a majority agreement by members of the Board of Directors.

The Senior Vice President of Finance and Administration will report, quarterly, to the Board Finance and Audit Committee on the balances in the funds.