

# ***SWANEA HOUSING AUTHORITY***

## **Investment Policy**

### **1. Administration of Investment of Funds**

- A. The Managing Agent is responsible to develop, maintain and execute the investment policy.
- B. Funds available for Investments: monies on deposit in the General Fund in excess of those monies necessary for the daily operation of the Housing Authority for a period of ninety (90) days should be considered available for investment. These funds should be invested when the expected yield exceeds amounts received in the general fund.

### **2. Insurance of Deposits**

The Swansea Housing Authority requires that their depositories continuously and fully insure all deposits – regular savings, NOW Accounts, Money Market and Certificates of Deposit, in excess of the amount insured by the FDIC be insured by the Depositors Insurance Fund (DIF) which insures all amounts over \$250,000.

### **3. Objective**

The objective of the Investment Policy is to prudently invest the maximum funds for the longest term at the highest interest rate, thereby realizing the greatest return on all cash not needed for operations.

### **4. Estimating Amounts Available for Investments**

- A. The Swansea Housing Authority must, at each Board meeting, prepare a financial statement showing an estimate of amounts available for investment.
- B. When the Housing Authority is engaged in the development of one or more projects, the statement will show a breakdown of development funds and operating funds available for investment.

## 5. Terms of Investment

### A. Definition of Term

- i. Investments may be classified into three (3) time categories; long-term investments (over two (2) years); medium-term investments (one (1) to two (2) years); and short-term investments (less than twelve (12) months).

### B. Selection of Term

- i. The selection of short term investments will depend upon a current cash forecast of immediate needs.
- ii. Medium and long-term investments will be based on the needs of non-routine expenditures.

## 6. Approval Investments

A. **Certificates of Deposit.** Time deposits that are available from the Housing Authority's depository may be established for the investment of funds where it is determined to be advantageous. It must be provided in the rules governing time deposit accounts, or by a valid agreement with the depository, that any amount contained in the account may be withdrawn in full. Further, the amount of deposit in such an account must be insured fully through FDIC and DIF as provided in Section II of this policy.

B. **N.O.W. Accounts.** (Negotiable Order Withdrawal) The Swansea Housing Authority will use NOW accounts to insure a constant investment of idle cash. The Authority will require also that these accounts are fully insured with FDIC and DIF.

C. **Savings Certificates.** These are savings deposits which range in term from one (1) to nine (9) years with variable interest rates depending upon the term. This type of instrument would be used when:

- i. A medium to long term investment is advisable
- ii. Projected yield of this instrument is deemed favorable in relation to other alternatives.

D. **Savings Accounts.** These are regular and ninety (90) day notice savings accounts. These would be used when:

- i. A short term investment is advisable
- ii. Projected yield of this type investment is deemed favorable in relation to other alternatives.

- E. **FDIC Insured Money Market Fund.** These accounts allow the Swansea Housing Authority maximum flexibility in transferring funds back and forth to the checking account.
  
- F. **Massachusetts Municipal Depository Trust.** This account may be used in lieu of a checking account, assuring the Swansea Housing Authority that all excess funds are always invested.

ADOPTED BY BOARD:  
May 12, 2015