

LC OPERATIONS MANUAL

13.15 INVESTMENT STRATEGY

13.15.1 The Association generates two types of income:

13.15.1.1 Operational Income such as, but not limited, to member fees, sponsorship, donations earmarked for specific projects, interest income, and dividends.

13.15.1.2 Non-Operational Income such as, but not limited to, donations not earmarked for specific projects.

13.15.2 Operational Income is used to finance the short term requirements of the Association. Accordingly, Operational Income will be invested in liquid investments including money market accounts, term deposits, guaranteed investments certificates, etc. The maximum term of these investments will not exceed 365 days.

13.15.3 Non-Operational Income is used to create operating income for the association. These funds will be invested in a combination of short and long term products to generate positive returns on the investment.

13.15.4 Dividends and interest income from investments will accumulate annually from April 1 of one calendar year to March 31 of the next calendar year. The cumulative total of all interest and dividend income will be split 60/40 with 60% being transferred to Operational Income in the following fiscal year and 40% being reinvested as Non-Operational Income.

13.15.5 Non-Operational income will be held in a mix of short term liquid investments and longer term low risk investments. Once the available Non-Operational income reaches \$500,000, the Finance and Audit Committee will seek proposals from Professional Money Managers and present the proposals to the Board of Directors for approval.

13.15.6 Investment Strategy on long term investments will be reviewed by the Board of Directors prior to reinvestment.