

# CASH MANAGEMENT & INVESTMENT POLICY

(Organization Name)

**Instructions:** This template establishes guidelines for managing the Organization's cash and short-term investments. Customize the blanks and bracketed sections to match your organization's needs, risk tolerance, and regulatory requirements. Have legal counsel review before board adoption.

## I. PURPOSE

This policy establishes guidelines for the management of \_\_\_\_\_'s (the "Organization") cash holdings and short-term investments. The policy is designed to ensure the safety of principal, maintain adequate liquidity for operations, and maximize yield within prudent risk parameters.

## II. SCOPE

This policy applies to all operating funds, reserve funds, restricted funds, and any other cash holdings managed by or on behalf of the Organization. It does not apply to endowment funds, which are governed by a separate investment policy [if applicable].

## III. OBJECTIVES (IN ORDER OF PRIORITY)

- Safety of Principal.** Preservation of capital is the primary objective. All deposits must be held at FDIC-insured institutions or invested in instruments backed by the full faith and credit of the United States.
- Liquidity.** Funds must be available to meet the Organization's operating needs, payroll obligations, and programmatic disbursements without penalty or delay.
- Yield.** Within the constraints of safety and liquidity, the Organization seeks to maximize return on its cash holdings through competitive interest rates and minimal fees.

## IV. APPROVED INSTITUTIONS & INSTRUMENTS

The Organization is authorized to deposit or invest funds in the following:

INSTRUMENT / ACCOUNT TYPE	REQUIREMENTS
FDIC-insured demand deposit accounts	Institution must be FDIC member; deposits within insurance limits
FDIC-insured business checking accounts	Including fintech platforms banking through FDIC-insured partner banks
Money market accounts (FDIC-insured)	Same-day or next-day liquidity required
U.S. Treasury bills & notes	Maturity $\leq$ 12 months

---

Certificates of deposit (FDIC-insured)

Maturity  $\leq$  12 months; within FDIC limits per institution

---

Fintech banking platforms (such as Holdings, banking services provided by i3 Bank, Member FDIC) that hold deposits at FDIC-insured partner banks are approved provided they meet the due diligence standards in Section VI.

## **V. FDIC INSURANCE & CONCENTRATION LIMITS**

- No more than \$ \_\_\_\_\_ shall be deposited at any single institution unless FDIC insurance coverage (including program bank networks) covers the full amount.
- The Treasurer shall maintain a schedule of all depository institutions, account balances, and applicable FDIC coverage.
- Sweep or program bank arrangements that extend FDIC coverage beyond standard limits (e.g., \$3,000,000 through multi-bank networks) are permissible and encouraged.

## VI. DUE DILIGENCE FOR BANKING PLATFORMS

Before establishing a new banking relationship, the Treasurer or designee shall verify:

1. The institution (or partner bank) is a member of the FDIC
2. Deposits are held in the Organization's name at the FDIC-insured partner bank
3. The platform maintains SOC 1 Type II or SOC 2 Type II compliance
4. Data is encrypted at rest and in transit (minimum 256-bit AES)
5. The platform offers multi-user access with role-based permissions
6. The platform's uptime SLA meets or exceeds 99.9%

## VII. LIQUIDITY REQUIREMENTS

- The Organization shall maintain a minimum of \_\_\_\_\_ months of operating expenses in liquid, same-day-accessible accounts at all times.
- Funds designated for payroll, accounts payable, and program disbursements within 30 days must remain in demand deposit or checking accounts.

## VIII. REPORTING & OVERSIGHT

- The Treasurer shall provide a quarterly report to the Board (or Finance Committee) detailing: account balances by institution, interest earned, FDIC coverage status, and any policy exceptions.
- This policy shall be reviewed annually by the Board and updated as needed.

## IX. PROHIBITED ACTIVITIES

- Speculative investments, derivatives, or leveraged instruments
- Deposits at non-FDIC-insured institutions (including crypto exchanges or stablecoin platforms)
- Investments with maturities exceeding 12 months without specific board approval
- Commingling of Organization funds with personal accounts

## X. ADOPTION

This policy was adopted by the Board of Directors of \_\_\_\_\_ on \_\_\_\_\_ and supersedes all prior cash management and investment policies.

\_\_\_\_\_  
Board Treasurer / CFO

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Board Chair / President

\_\_\_\_\_  
(Print Name)

---

Template provided by Holdings · [getholdings.com](https://getholdings.com) · This is a template only and does not constitute legal, financial, or investment advice. Consult qualified professionals before adoption.