



REDI Investment Policy

I. Purpose and Objectives The purpose of this Investment Policy is to establish guidelines for the safe and conservative investment of the financial assets of Rockville Economic Development, Inc. The primary objectives of our investment strategy are as follows:

- Preserve the principal of our assets.
- Ensure the safety and security of investments.
- Maintain liquidity to meet operating expenses and commitments.

II. Investment Options REDI will invest its financial assets exclusively in the following FDIC-insured instruments and may exceed FDIC-insurance by \$25,000 per bank:

- Bank Accounts: Capital Bank
- Certificates of Deposit (CDs): Capital Bank
- Money Market Deposit Accounts: Capital Bank and WesBanco

III. Risk Tolerance Given our exclusive focus on FDIC-insured instruments, our risk tolerance is very conservative. We prioritize the safety and preservation of our principal over the pursuit of higher returns.

IV. Liquidity Needs The organization will maintain sufficient liquidity to cover at least three months of operating expenses and any planned capital expenditures. The operating reserve will serve as a primary source of liquidity.

V. Investment Guidelines

- Investments shall be made only in instruments that are FDIC-insured.
- Diversification is not required since all investments are insured by the FDIC.
- Investments shall be made with reputable and federally insured financial institutions.

VI. Reporting and Monitoring

- Investment holdings and performance shall be monitored periodically to ensure compliance with this policy.
- Reports on investment balances and interest earnings shall be provided to the Finance Committee and the Board of Directors on a [quarterly/annual] basis.

VII. Reinvestment and Distribution

- Interest income and maturing CDs shall be reinvested to maintain liquidity and preserve the principal.
- Any funds needed for operating expenses or capital needs shall be withdrawn from the accounts as necessary.

VIII. Policy Review This Investment Policy shall be reviewed annually by the Finance Committee and updated if necessary. Any amendments shall require approval by the Board of Directors.

IX. Compliance with Legal and Ethical Standards REDI shall comply with all legal and regulatory requirements related to investments. We shall also adhere to any ethical considerations outlined in this policy.

X. Board Approval This Investment Policy has been approved by the Board of Directors of REDI on **January 25, 2024**. Any amendments to this policy shall also require Board approval.