

THE NOBLE PARK HOMEOWNERS ASSOCIATION
RESERVE FUND INVESTMENT POLICY
Adopted July 30th, 2025

The purpose of this policy is to:

- Safeguard the Association's financial assets and capital improvements.
- Protect board members involved in managing investments.
- Provide clear guidance to financial professionals serving the Association.

This policy **does not**:

- Establish a required minimum reserve balance.
- Mandate an annual reserve study.
- Address tax consequences related to investment decisions.

1. Investment Goals

The Board will invest the Association's reserve funds with the following objectives:

A. Safety First

Preserving principle is the top priority. Risk will be reduced in two key areas:

- Credit Risk (risk of institutional failure):
 - Investments will be limited to the safest types allowed by this policy.
 - All financial institutions will be vetted before use.
 - Investments will be diversified to limit the impact of any single loss.
- Interest Rate Risk (risk from fluctuating rates):
 - Investments will be timed to match anticipated expenses, minimizing the chance of needing to sell early.
 - Funds will primarily be placed in short- to medium-term investments.

B. Liquidity

Investments must be timed to match the expected expenses, minimizing the chance of needing to sell early.

C. Permitted Investments

Reserve funds may only be placed in low-risk financial instruments, including:

- Money Market Accounts
- Certificates of Deposit (CDs)

D. Competitive Returns

While safety and liquidity are top priorities, the Association will aim to achieve a reasonable rate of return within those constraints, considering risk, market conditions, and cash flow.

2. Who Can Invest

The Treasurer is responsible for all investment transactions.

- The Association Secretary may act as an alternate.
- Only these two officers are authorized to transact on behalf of the Association.
- The Treasurer may engage qualified outside advisors, subject to budget and Board approval.

3. Prohibited Investments

The following types of investments are not permitted:

- Individual stocks
- Equity mutual funds (domestic or foreign)
- Mutual funds composed of bonds, mortgages, or derivatives
- Options on stocks, bonds, or commodities
- Floating rate securities
- Deposits in excess of FDIC insurance limits at any one institution

4. Approved Financial Institutions

Banks and credit unions must meet the following criteria to hold Association funds:

- Must be based in the United States
- Banks must be insured by the FDIC
- Credit unions must be insured by the NCUSIF

Institutions failing to meet these requirements—or deemed no longer secure by the Treasurer or Board—will be disqualified from handling Association funds.

5. Reporting

Each month, the Treasurer (or a designated advisor) will produce a Financial Status report for the Board that includes:

- Bank Balances.
- Reserve Status.
- Investment Status.

Annually, the Treasurer (or a designated advisor) will produce a report for the Board which


- Summarizes the monthly Financial Status data.
- Includes accrued earnings for each investment from the previous fiscal year.

Any member of the Association may request copies of the monthly and annual reports.

6. Reviewing and Updating This Policy

The Board will review this policy periodically and revise it as needed. The Treasurer may propose amendments at any time.

The Noble Park Homeowners Association

By: 
President

This Reserve Fund Investment Policy was adopted by the Board of Directors on the 30th day of July, 2025, effective the 30th day of July, 2025, and is attested to by the Secretary of The Noble Park Homeowners Association.


Secretary