

Family Partnerships of Central Florida

POLICY

Series:	Board Governance	COA: RPM 2, 4, 5, 6, 8; GOV 7, 8; FIN 1-4, 5 CFOP: NA
Policy Name:	Investment Management	
Policy Number:	GOV204	
Review Date:	5/16/2024	
Revision Date:	5/23/2024	
Effective Date:	1/1/2009	
Applicable to:	Family Partnerships of Central Florida Family of Agencies (FPOCF FOA) Governance Board of Directors and All Family Partnerships of Central Florida Family Of Agencies Staff	

SUBJECT: Governance of funds invested by Family Partnerships of Central Florida (FPOCF)

PURPOSE: To establish a policy to invest public and private funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of FPOCF and conforming to all federal, state, county, and local statutes governing the investment of funds.

References

FPOCF Policies/Procedures: GOV001, GOV002, GOV005, GOV008, GOV202, GOV203, PR-901

OMB Circular: A-110, 2 CFR Part 215.22

State of Florida Contract

Definitions

Cash Flow

An analysis of the movement of cash through an organization as contrasted with the earnings of the organization.

Federal Deposit Insurance Corporation (FDIC)

A federally sponsored corporation that insures accounts in national banks and other qualified institutions.

Interest Rate

The annual rate of return received by an investor from the investment of cash or cash equivalent.

Investment Instrument

Commitment of money to gain profit or interest by purchasing a security.

Liquidity

Refers to the ability of an instrument to be converted into cash rapidly without substantial loss of value.

Market Value

The price at which a security is trading and could be purchased or sold on a given day.

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Portfolio

Collection of securities held by an investor.

Principal

The face amount or par value of a debt security.

Securities

Documents that can be traded for value; an instrument of ownership or debt used to finance government and corporate entities.

POLICY:

Scope

This policy applies to all cash management and investment activities of FPOCF FOA.

Responsibility for the daily management of FPOCF's cash and investment portfolio is delegated to the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer under the direction of the President and Chief Executive Officer by the FPOCF Governance Board of Directors. The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer establishes and maintains written procedures for the operation of the cash management and investment program consistent with this policy. Such procedures include explicit delegation of authority to persons responsible for cash and/or investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer.

Investment Performance Standards

Funding for FPOCF is derived from federal, state, and private sources. In order to ensure compliance with funding requirements, the funding sources are segregated as follows:

- Federal and state funding received from the State of Florida, Department of Children and Families contract is maintained, at a minimum, in a separate FDIC insured bank residing in Brevard County, Florida. As required by OMB Circular A-110, 2 CFR Part 215.22, advanced and idle federal funds are maintained in an interest-bearing account.
- Private funds are maintained, at a minimum, in a separate FDIC insured bank residing in Brevard County, Florida.

All funds deemed idle, based on projected cash flow, may be invested in a manner that seeks to maximize their productivity until such time as they are needed for the operations of FPOCF.

Investments shall be at the highest rates obtainable at the time of investment, within the limitations of the law and under the following criteria:

- Safety – The primary tenet of the FPOCF investment strategy is ensuring the safety of the principal cash investment. Preservation of capital in the portfolio is paramount.
- Return on Investment – The investment portfolio shall be designed to attain, at a minimum, a market-average rate of return throughout budgetary and economic cycles, taking into account

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the FPOCF Governance Board of Directors risk constraints and the cash flow needs of FPOCF operations. Reference policy GOV203, Risk Management.

- Liquidity – The FPOCF investment portfolio shall remain sufficiently liquid to enable the organization to meet all operating requirements and expenses.

Prudence Standards

The standard of prudence to be used by the FPOCF Governance Board of Directors and other designated investment officials shall be the "prudent investor" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The rule shall be applied in the context of managing the entire portfolio.

Investment officers acting in accordance with written procedures and the "prudent investor" rule shall be relieved of personal responsibility for a specific security's credit risk or market price changes.

Investment Instruments

All investment instruments and banking relationships must be approved by the FPOCF Governance Board of Directors. Investment instruments may be purchased from eligible banks, savings and loans, primary dealers and Federal or State Treasurer's Offices.

Internal Controls

The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer establishes written procedures compliant with policy GOV202, Internal Controls. These controls shall be designed to prevent loss of funds due to fraud, error, misrepresentation, or imprudent actions.

Investment Diversification and Procurement

When possible and practicable, the FPOCF investment portfolio should not be concentrated at one financial/investment institution. This will serve to help protect FPOCF from the failure of any one financial institution.

Under no circumstances are federal and state funds to be commingled with private FPOCF funds.

Procurement of investment instruments or banking relationships shall be governed as outlined in procedure PR-901, Procurement of Commodities and Services, and policy GOV008, External Communication.

Ethics and Conflicts of Interest

Members of the FPOCF FOA Governance and Advisory Board of Directors and FPOCF FOA employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Members of the FPOCF FOA Governance and Advisory Board of Directors and FPOCF Family of Agencies employees are required to disclose any material financial interests in financial institutions that conduct business with FPOCF, and they shall further disclose

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any large personal financial/investment positions that could be related to the performance of FPOCF as outlined in the following policies: GOV001 Ethics, and GOV002 Conflict of Interest.

Reporting Requirements

The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer shall have generated quarterly reports of all investment instruments for management purposes. The reports will be made available to the President and Chief Executive Officer and FPOCF Governance Board of Directors, at a minimum, on a bi-annual basis as part of the Board financial report.

Approved by the Family Partnerships of Central Florida Governance Board of Directors on 5/23/2024.

AS APPROVED BY THE BOARD OF
DIRECTORS:



DANIEL P. RODGERS
Board Chair

Signature Date: 6/4/2024

BY DIRECTION OF THE PRESIDENT AND
CHIEF EXECUTIVE OFFICER:



PHILIP J. SCARPELLI
President and Chief Executive Officer
Family Partnerships of Central Florida

Signature Date: 6/5/2024