

Falls Creek Ranch Association, Inc.
Capital Reserve Fund Investment Policy
Effective 1/30/2023

The Colorado Common Interest Ownership Act (CCIOA) requires that HOAs have a policy for how reserve funds shall be invested.

1. FCR Bylaws Section 11.6 Reserves. “The Board is authorized to deposit reserve funds with national or state banks or with any state chartered or federally chartered savings and loan association doing business in Colorado for fixed periods of time at such rate of interest as may be negotiated but in no event shall any such deposit be in excess of the amount insured by the federal deposit insurance corporation or its successor. The Board is also authorized to invest reserves in mutual funds, stocks or CDs or hire an investment brokerage firm to accomplish same, as long as the investment of said funds are, in the opinion of the Board and their financial advisor, “low-risk” investments.”
2. FCR Bylaws Section 4.7 Treasurer. “Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board of Directors decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two Directors, one of whom may be the treasurer if the treasurer is also a Director.”
3. Reserve funds shall be maintained in a separate accounting fund (class), a separate bank account and a separate investment account(s).
4. Reserve funds shall be managed by the following criteria:
 - a) Reserves shall be appropriately funded for short- and long-term capital asset repair and replacement planning, and to minimize special assessments.
 - b) Investment decisions shall prioritize the preservation of reserve funds while assuring liquidity of funds and earning returns.
 - c) Investments shall only be made in low-risk FDIC-insured accounts and investments; these may include Certificates of Deposit (CDs) including laddering, savings accounts with interest or money market accounts. US Treasury bills, while not FDIC-insured but are backed by the US government, may also be used.
 - d) A variety of timed investments to maintain liquidity and return on investment may be considered.
 - e) No more than one-half, or \$150,000, of reserves (whichever is less) may be invested at any time.
 - f) Investments shall be reviewed annually during budget preparation for any needed changes.
 - g) One or more banks may be used for investment options.
 - h) All reserve investment decisions shall be approved by a majority of the Board and noted in meeting minutes.

Approved January 29, 2023
Falls Creek Ranch Board of Directors