

CHIEF WARRANT AND WARRANT OFFICERS ASSOCIATION UNITED STATES COAST GUARD

EXECUTIVE COMMITTEE POLICIES



2017

Marina

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PURPOSE

The purpose of this collection of CWOA policies is to provide information for all Association Members concerning the course or principle of action adopted by the CWOA Executive Committee. These policies provide the guidelines to follow in the daily operations of the Association.

AUTHORITY

The CWOA Bylaws Article I Section 2.a. "...the Executive Committee shall:" "(1) initiate broad policies of the Association." provides the authority for the creation of policies for the Association.

POLICY FORMAT

The purpose of a standard format is to ensure

Title briefly describes the context of the policy.

Purpose describes the reason the policy exist.

Responsibility establish who is responsible for ensuring that the policy is followed and who should provide recommendation to improve or discard the policy.

Discussion provides a brief description of the policy and broad procedures to follow.

EFFECTIVE POLICY LISTING

<i>POLICY NAME</i>	<i>EFFECTIVE DATE</i>	<i>LAST REVIEWED</i>
CWOA Advertising Policy	11 Apr 2013	16 Apr 2015
CWOA Artifact and Donation(s) Policy	16 Apr 2015	
CWOA Budget Policy	15 Apr 2016	
CWOA Building Fund Policy	12 May 2017	
CWOA Corporate Credit Card Policy	12 May 2017	
CWOA General Investment Policy	12 May 2017	
CWOA Death Gratuity Benefit Fund Policy	12 May 2017	
CWOA Life Membership Fee Fund Policy	12 May 2017	
CWOA Permanent Finance Committee (PFC) Policy	12 May 2017	

MOTIONS CREATING/CORRECTING POLICIES

15 Apr 2016 Executive Committee CWOA Policy PASSED
Motion made to establish the CWOA Budget Policy.
Presented by: CWO James Pulse Seconded by: *Not indicated*

16 Apr 2015 Executive Committee Policy PASSED AS AMENDED
Motion made that the following grammatical errors be corrected in the Discussion paragraph:
1. First sentence reads “The CWOA Association...” change to read “The CWO Association...”
2. Second sentence reads “The CWO Board of Directors...” change to read: “The CWOA Board of Directors...”.

Further, that the CWOA BOD provide recommendations to ensure the effectiveness of the policy in protecting the Association bran and if a list of acceptable advertisements has been created.”

Presented by: CWO James Pulse Seconded by: LT Adam Smude

** Motion to amend original*

PASSED

Motion made to amend the motion to spell out Chief Warrant and Warrant Officer Association, USCG (CWOA) in all references in the advertising policy of the CWOA.

The original motion as amended “the following grammatical errors be corrected in the Discussion paragraph:

1. First sentence reads “The CWOA Association...” change to read “The Chief Warrant and Warrant Officer Association, USCG (CWOA)”
2. Second sentence reads “The CWO Board of Directors...” change to read: “The CWOA Board of Directors...”.

Further, that the CWOA BOD provide recommendations to ensure the effectiveness of the policy in protecting the Association bran and if a list of acceptable advertisements has been created.

Presented by: CWO Laura Freeman Seconded by: *Not indicated*

16 Apr 2015 Executive Committee Policy PASSED
Motion made that the Executive Committee create the CWOA Donations Policy as per the committee recommendations.
Presented by: CWO Bill Mattoon Seconded by: *Not indicated*

11 Apr 2013 General Membership Newsletter PASSED AS AMENDED
Motion made that to approve the proposed amendment to Article 1.2a(1) of the Association By Laws for the Executive Committee to establish an Advertising Policy for use in soliciting advertisement in the CWOA News.
Presented by: CWO James Pulse Seconded by: *Not indicated*

** Motion to amend original*

PASSED

Motion made to read, “The CWOA reserves the right to reject and/or cancel any advertisement. The CWO Board of Directors shall establish a policy of unacceptable advertisements yearly.

The advertiser and their advertising agency assume full liability for content of advertisements printed and assume full responsibility for any claims made against the publisher.”

Presented by: CWO Bob Lewis

Seconded by: *Not indicated*

20 Apr 2006 Executive Committee Newsletter PASSED AS AMENDED
Motion made that the Association’s policy be that, when practical, the CWOA Newsletter be published monthly

Presented by: *Not indicated*

Seconded by: *Not indicated*

* *Motion to amend original*

PASSED

Motion made to amend the motion to read “that the Association’s policy be that the CWOA Newsletter be published bi-monthly”

Presented by: *Not indicated*

Seconded by: *Not indicated*

CURRENT POLICIES

Below are the approved policies and any changes that the Executive Committee has approved. These are the official written policies of the Executive Committee and should be followed as directed. Any motions that state policy of the Association and do not contain details are listed as approved motions creating/correcting policies and are not listed here.

Policies should be reviewed once a year during the Annual Meeting by the Executive Committee and any corrections/deletions/creation should be approved prior to following such procedures.

CWOA Advertising Policy

effective date: 11 Apr 2013

last reviewed: 16 Apr 2015

Purpose: The purpose of the CWOA Advertising Policy is to provide guidance in soliciting for advertisement ensuring the CWOA Brand is protected.

Responsibility: It is the responsibility of the CWOA Board of Directors to ensure the enforcement of this policy prior to the acceptance of advertisement.

Discussion: The CWOA Association reserves the right to reject and/or cancel any advertisement. The CWO Board of Directors shall take measures to protect the brand of the Association by providing a list of acceptable advertisements yearly. The advertiser and their advertising agency assume full liability for content of advertisements printed and assume full responsibility for any claims made against the publisher.

CWOA Artifact and Donation(s) Policy

effective date: 16 Apr 2015

last reviewed:

Purpose: To establish broad procedures for the acceptance of artifacts pertaining to history of the Coast Guard Chief Warrant and Warrant Officer Corps and the CWOA Association. Further, to establish the procedures for acceptance of donations insuring the financial integrity of the Association and its programs.

Responsibility:

Discussion: The CWO Association reserves the right to reject any artifacts or donations. The CWOA Board of Directors shall take measures to protect the history of the Coast Guard Chief Warrant and Warrant Officer Corp. The CWOA Board of Directors shall develop the procedures for accepting artifacts and donations from individuals. Further, the CWOA BOD shall include procedures for preserving the artifacts and history.

CWOA Budget Policy

effective date: 15 Apr 2016

last reviewed: **none**

Purpose: The purpose of the CWOA Budget Policy is to provide guidance to the Association Officers in establishing procedures to carry out the daily financial activities using an approved budget.

Responsibility: It is the responsibility of the CWOA President to ensure the enforcement of this policy and the CWOA Treasurer to provide quarterly reports on the effectiveness of the budget to the Executive Committee.

Discussion: The CWOA Bylaws Article V Section 2.b directs the CWOA Permanent Finance Committee (PFC) to prepare a proposed budget, Article I.2.a.(7) that the Executive Committee (EC) establish an annual budget for the Association. This policy provides the procedures for working with a CWOA an approved budget.

1. **Expenditure control.** An approved budget sets the limits for expending Association funds.
2. **Exceeding budget limits.** In establishing a budget not all financial emergencies and economic situations can be covered, thus it is important to provide a means for approval to exceed the budget limits. If any budgeted line item is projected to exceed 90% of the budgeted amount, the Association Treasurer should request an adjustment to the EC. The EC must approve an adjustment prior to exceeding the budget limits.
3. **Reporting.** An established budget is only effective if it is monitored and such data is provided to those with the authority to modify the limits. The CWOA PFC should evaluate the budget at the end of each fiscal quarter and provide such report to the CWOA Executive Committee by the end of the first week of each quarter with any recommendations for adjustments.
4. **Adjustment approval.** Only the CWOA Executive Committee can approve any changes to an approved budget. Such request must be submitted such to have seven business days of discussion prior to any vote on the adjustment. The voting shall be open for another three business days prior to counting of votes, such votes can be conducted electronically and should be recorded as a special meeting of the Executive Committee.

CWOA Building Fund Policy

effective date: 12 May 2016

last reviewed: none

Purpose: The purpose of the CWOA Building Fund Policy is to provide guidance in what expenses are acceptable to be disbursed from the fund and to establish the investment strategy to ensure fund growth.

Responsibility: It is the responsibility of the CWOA Board of Directors to ensure the enforcement of this policy and the CWOA Permanent Finance Committee (PFC) to provide recommendations for funding and investment strategies.

Discussion: The Building Fund is a Temporary Restrictive account that ensures the cost of maintaining the CWOA Office, currently known as the “Barge” and the future replacement of the same is adequately funded. This fund is supported by donations and interest earned from investments.

- 1. Fund Expenditures.** There are two types of expenditures concerning the Building Fund:
 - a. Normal maintenance expenses – these are the daily maintenance and expenses necessary to continue operations of the CWOA Office not to exceed \$5,000.00.
 - b. Abnormal or emergency expenses – these are expenses that relate to the repairs due to damage or the need to replace the office. Such expenses should be voted on in accordance with the CWOA Bylaws prior to conducting. This includes major repairs that must be contracted or dry docking the barge.
- 2. Fund Transfers.**
 - a. The CWOA Executive Committee provides approval of quarterly transfers to occur on the 1st business day of each quarter in accordance with the approved budget for expenditures listed in 1.a. into the CWOA General Funds.
 - b. Any transfer of funds due to 1.b require a 2/3 vote of the CWOA Executive Committee prior to commitment.
 - c. Any transfers for investment purposes is allowed by a 2/3 vote of the CWOA PFC. Such transfers should be reported quarterly to the General Members indicating the purpose of the transfer, any cost, and the potential gains.
- 3. Investment Strategy.** The investment strategy of the CWOA Building Fund must ensure returns to provide for the Normal Maintenance Expenses while providing adequate growth to ensure funds are available for emergencies or replacement of the current barge/office.
 - a. Liquid Assets. To determine the amount that should be retained in liquid assets take the value of the barge multiplied by 10.0%. This amount should cover expenses listed in 1.a above and other emergency expenses in 1.b. Any amounts above this calculated funds should be invested in long term high gain investments for replacement cost of the barge.
 - b. Investment Risk. The probability or likelihood of occurrence of losses relative to the expected return on any investment.
 - i. 0-25% of total fund amount in “no” to “low” risk investments such as US Bonds or Certificate of Deposits (CD).
 - ii. Remaining total fund amount in “moderate” to “high” risk investments (such as Mutual Funds). These investments encourage growth of the fund.
 - c. Portfolio Distribution. Balances the risk of the investment type to reward of returns and market volatility.
 - i. Short term (cash and less than 1 year) investments, 10% of value of CWOA Office should be in this category.

- ii. Medium term (1-5 year) investments, 0-45% of the total fund amount minus 10% of CWOA Office value. US Bonds are considered five year investment for distributions.
 - iii. Long term (5 or more years) investments, remaining total fund amount. Mutual Funds are considered Long Term investments
 - d. Sweeps. The process of pulling gains from investments and depositing into the Money Market account for use as Liquid Assets or to invest. This process is usually only conducted on Mutual Funds after the first year of purchase. For the Building Fund, such sweeps should occur annually on the last fiscal day.
- 4. Safekeeping.** CWOA General Investment Policy should be followed for all safekeeping procedures. The storage of investment documents and security certificates in a protected area is known as safekeeping. The procedures contained in the CWOA General Investment Policy, concerning safekeeping, should be followed for all Building Fund investments.

CWOA Corporate Credit Card Policy

effective date: 12 May 2017

last reviewed:

Purpose: The purpose of the CWOA Corporate Credit Card Policy is to provide guidance in the issuance, use and reconciliation of Association Corporate Credit Card(s).

Responsibility: It is the responsibility of the CWOA Board of Directors to ensure the enforcement of this policy and the CWOA Treasurer to verify the reconciliation of issued Corporate Credit Card(s).

Discussion: Corporate Credit Cards in the name of the Association will only be issued to those Board members and employees using such cards on a sustained and frequent basis for Association related expenses and travel.

- 5. Issuance of card.** Two Association Board Members must preapprove the issuance of any Corporate Credit Card. All card holders must sign documentation acknowledging this policy and any further instruction issued by the Association Board Members prior to being issued an Association Corporate Credit Card.
- 6. Preapproval requirement.** The Association Board Members may set limits for charges by Board Members and the CWOA Employees not to exceed those listed in the CWOA Bylaws. All charges in excess of the limits established by the CWOA Bylaws Article 1 section 1.c. must be preapproved by the Association Executive Committee. Such approval must be attached to the invoice and copies provided for reconciliation of the statement(s).
- 7. Permitted uses.** Association Corporate Credit Cards will ONLY be used for legitimate Association Business or Official Travel expenses. Any intentional misuse of the Association owned credit cards will result in immediate cancellation and appropriate disciplinary action.
- 8. Charge logs and receipts.** All card holders must maintain a charge log and attach all receipts for the month. Such logs must be provided to the Association Executive Director no later than five business days after the end of the month. In the event the Association Executive Director holds a credit card, their logs and attached receipts must be provided to the Association Treasurer within five business days after the end of the month.
- 9. Unauthorized or improper charges.** All cardholders will be required to immediately reimburse the Association for any unauthorized or improper charges. This is to include any charges not supported by appropriate documentation.
- 10. Statement Reconciliation.** All monthly statements will be reviewed and reconciled by the Association Executive Director within seven business days of receipt, such statements shall be verified by the Association Treasurer. In the case of the Association Treasurer monthly statements shall be verified by the Association Vice President. The Association Executive Director's monthly statement shall be delivered unopened to the Association Treasurer for review and reconciled within seven business days of receipt.

CWOA General Investment Policy

effective date: 12 May 2017

last reviewed:

Purpose: The purpose of the CWOA General Investment Policy is to provide investment authority, general investment strategy and safekeeping procedures for all investments. If a more specific investment policy for any CWOA Fund does not exist, this policy should be followed.

Responsibility: It is the responsibility of the CWOA Board of Directors to ensure the enforcement of this policy, it is the responsibility of the CWOA PFC to review and provide any recommendations to the CWOA Executive Committee of changes to this policy.

Discussion: The CWOA General Investment Policy provides guidance and authority for all investments held by the CWOA. If there is no specific investment policy for the fund managed by the Association this policy should be used to invest such funds and develop a more specific policy.

- 1. Investment Authority.** The CWOA Executive Committee authorizes the Association President and Treasurer with the authority to purchase or sell investments of the Association. Further, the Association President may delegate in writing, such authority to the Association Executive Director after six months of employment and verification of the character of the employee. Authority of any funds managed by the CWOA to purchase or sell investments is regulated by the governing body of such funds.
- 2. Investment authorized types and restrictions.**
 - a. Money market accounts. Each fund should have at least one money market account to park funds while waiting to be invested and to deposit investment returns. Such accounts can be a savings deposit or a checking. Authorization of such accounts is granted to the governing body of the fund they are to be attached.
 - b. Certificate of Deposits (CD) and US Bonds. These investment types present the lowest risk of loss to the original investment. CD's investments cannot exceed the FDIC or NCUASIF government-backed insurance deposit limits. Purchase of CD's and US Bonds is authorized by a 2/3 approval vote of the governing body of the fund. Early withdrawal (sale of CD or Bonds prior to maturity), fees and cost of purchasing must be approved by a majority vote of the governing body of the fund.
 - c. Corporate Bonds, Stocks and Mutual Funds. These investments present a high risk of loss to the original invested funds, but they offer a higher return on the investment. Thus, caution should be taken when investing in such items. No such funds managed by the CWOA shall exceed the investment limits established in the Association By-Laws. The purchase or sale of such items must have the approval by a majority vote of the governing body of the fund.

3. Investment specifications.

- a. US Savings bonds – such bonds shall be considered as five (5) year investments that mature in 30 years.
- b. Mutual Funds – interest/dividends shall be held in the Mutual Fund for the first year after purchase, after that such payments shall be “sweep” or transfer from the fund as specified in the fund investment policy. If no such policy exists, then the 2/3 of the annual interest/dividends should be transferred to the funds money market account on an annual basis. The remaining 1/3 of interest/dividends shall be left in the Mutual Fund for growth.

4. Investment Strategy. In the event, no specific investment strategy exists for a fund the following should be followed:

- a. Liquid Assets. Funds that can be converted into cash in a short time, with little or no loss (no fees or charges). These funds include Checking, Savings, Money Market accounts and investments maturing within thirty (30) days. If not specified, 5.0%-10% of the total invested amount should be retained as Liquid Fund. Whenever possible such funds should be held in an interest-bearing account.
- b. Investment Risk. The probability or likelihood of occurrence of losses relative to the expected return on any investment.
 - i. 0-40% in “low” to “moderate” risk investments (such as Mutual Funds). These should be growth and income investments. Preferably all income would be reinvested and not used for current expenses.
 - ii. 60-100% in “no” to “low” risk investments
- c. Portfolio Distribution. Balances the risk of the investment type to reward of returns and market volatility.
 - i. 25-50% in cash and short term (less than 1 year) investments
 - ii. Long term (one year or longer) investments
 1. 25-50% in investments which mature in 1-5 years
 2. 25-50% in investments which mature in 5 or more years.
- d. Sweeps. The process of pulling gains from investments and depositing into the Money Market account for use as Liquid Assets or to invest. This process is usually only conducted on Mutual Funds after the first year of purchase. If not specified for the fund, such sweeps should occur at the end of each fiscal quarter.

5. Safekeeping.

- a. Approved facilities. The CWOA Officers shall develop and maintain a list of approved investment and safekeeping facilities. Such list will be updated when necessary and approved by the CWOA Executive Committee, but must be presented to and approved at the Annual Meeting by the Membership in attendance each year. This list will be used by the CWOA PFC to ensure investments are purchased from such approved facilities.
- b. Due diligence. The CWOA Offices shall determine that approved safe keepers are regulated by the Securities and Exchange Commission, or a federal or stated depository institution regulatory agency, such as the Federal Deposit Insurance Corporation (FDIC), National Credit Union Association (NCUA), or a state trust company regulatory agency.
- c. Procedures. All investments held directly by the Association shall be under dual control. Dual control is the practice of requiring the presence of two authorized individuals to gain access to certain designated items. Thus, no one individual has all the information or keys necessary to gain access to such items without the second person's assistance. An example of dual control is two CWOA Officers must be present or one CWOA Officer and the CWOA Executive Director must be present to gain access to the safe deposit box.

CWOA Death Gratuity Benefit Fund Policy

effective date: 12 May 2017

last reviewed:

Purpose: The purpose of the CWOA Death Gratuity Benefit Fund Policy is to provide guidance in what expenses are acceptable to be disbursed from the fund, to establish the investment strategy to ensure fund growth and define authority to conduct transfers from/to the fund.

Responsibility: It is the responsibility of the CWOA Board of Directors to ensure the enforcement of this policy and the CWOA Permanent Finance Committee (PFC) to provide recommendations for funding and investment strategies.

Discussion: The Death Gratuity Benefit Fund (DGBF) is a Temporary Restrictive account that provides a lump sum death gratuity donation to the designated beneficiary of a Regular Member in good standing at the time of their death. This fund is supported by transfers from the CWOA General Funds, donations and interest earned from investments.

1. Fund Expenditures. The only expenditures allowed are payment of death benefits in accordance with the CWOA By-Laws and any cost for fees related to investments. Such fees for early withdrawal or for the purchase of an investment are allowed and must be reported quarterly to the General Membership.

2. Fund Transfers.

- a. The CWOA Treasurer has the authority to transfer funds on the 1st business day of the month to the CWOA General Funds to reimburse for payments to beneficiaries in the prior month. Such transfers shall be reported to the CWOA PFC Chair monthly after the transfer is completed. The CWOA PFC must report these transfers quarterly to the General Membership.
- b. Internal transfers for investment purposes are allowed by a 2/3 vote of the CWOA PFC. Such transfers should be reported quarterly to the General Members indicating the purpose of the transfer, any cost, and the potential gains.
- c. The fund is currently in a growth phase and requires transfers from the CWOA General Funds to ensure such growth. Transfers should be conducted at the end of each quarter with 10.0% placed in liquid funds and 90.0% in long term high gaining investments. The following minimum transfers from the CWOA General funds should be used for the proposed budget to be approved by the CWOA Executive Committee:
 - i. FY 2017-2018 90.0% of ten year average payouts.
 - ii. FY 2018-2019 80.0% of ten year average payouts.
 - iii. FY 2019-2020 70.0% of ten year average payouts
 - iv. FY 2020-2021 60.0% of ten year average payouts
 - v. FY 2021-2022 50.0% of ten year average payouts
 - vi. FY 2022-2023 40.0% of ten year average payouts
 - vii. FY 2023-2024 30.0% of ten year average payouts
 - viii. FY 2024-2025 20.0% of ten year average payouts
 - ix. Remaining FY's 10.0% of ten year average payouts

- 3. Investment Strategy.** The investment strategy of the CWOA DGBF is to develop a self-sustaining fund that requires minimum membership payments or donations.
- a. Liquid Assets. To determine the amount that should be retained in liquid assets take the last three year average payouts times 5%. This amount covers yearly payouts plus possible fluctuations in death benefits. This is the minimum amount that should be held in the Money Market account at the beginning of each fiscal year.
 - b. Investment Risk. The probability or likelihood of occurrence of losses relative to the expected return on any investment.
 - i. 0-45% of total fund amount in “no” to “low” risk investments such as US Bonds or Certificate of Deposits (CD).
 - ii. Remaining total fund amount in “moderate” risk investments (such as Mutual Funds). These investments encourage growth of the fund.
 - c. Portfolio Distribution. Balances the risk of the investment type to reward of returns and market volatility.
 - i. Short term (cash and less than 1 year) investments, 10% of CWOA DGBF should be in this category.
 - ii. Medium term (1-5 year) investments, 11%-45% of the total fund amount. US Bonds are considered five year investment for distributions.
 - iii. Long term (5 or more years) investments, remaining total fund amount. Mutual Funds are considered Long Term investments
 - d. Sweeps. The process of pulling gains from investments and depositing into the Money Market account for use as Liquid Assets or to invest. This process is usually only conducted on Mutual Funds after the first year of purchase. For the Death Gratuity Fund such sweeps should occur annually on the last fiscal day.
- 4. Safekeeping.** The storage of investment documents and security certificates in a protected area is known as safekeeping. The procedures contained in the CWOA General Investment Policy, concerning safekeeping, should be followed for all Death Gratuity Benefit Fund investments.

CWOA Life Membership Fee Fund Policy

effective date: 12 May 2017

last reviewed

Purpose: The purpose of the CWOA Life Membership Fee Fund Policy is to: 1) provide guidance for the transfer of funds to the CWOA General Fund; 2) the procedures for ensuring that CWOA Life Membership Fees are adequate; 3) to provide investment strategy guidance to ensure growth of the fund.

Responsibility: It is the responsibility of the CWOA Board of Directors to ensure the enforcement of this policy and the CWOA Permanent Finance Committee (PFC) to provide the amount to transfer, recommendations for Life Membership Fees and investment strategies.

Discussion: The Life Membership Fee fund is a Temporary Restrictive account that ensures the dues of Life Members are transferred as necessary annually. This fund is supported by the Life Membership Fees and interest earned from investments.

- 1. Funds Transfer.** Funds are to be transferred annually on 1 July. The CWOA PFC shall determine the amount to transfer prior to the end of the fourth fiscal quarter. The amount to transfer must be voted on and approved by two-thirds of the PFC members. The amount to transfer shall be calculated by the following formula:

Current number of Life Members (who have fully paid the life membership dues) times the current Regular Membership Dues amount as per CWOA Standing Rule 4.

$$\text{Life Members} \times \text{Regular Membership Dues} = \text{Transfer Amount}$$

Current returns for the Life Membership Fee Fund are inadequate to provide the total transfer amount, thus in this event the following process should be taken to determine the amount to transfer.

Yearly Returns (YR) (investment returns) are determined from 30 June to 1 July each year. This amount determines what can be transferred each year.

If the YR is less than the calculated Transfer Amount, then only one-third of the YR is transferred for Regular Membership Dues and two-thirds of the YR is reinvested to grow the fund.

If the YR exceeds the calculated Transfer Amount, and two-thirds of the YR is less than the Transfer Amount, then two-thirds is transferred for Regular Membership Dues and one-third of the YR is reinvested in the fund.

If the YR exceeds the calculated Transfer Amount, and two-thirds of the YR is greater than the Transfer Amount, then the Transfer Amount is transferred for Regular Membership Dues and the remaining funds are reinvested for growth.

2. **Adequately Funded.** The PFC shall evaluate the CWOA Life Membership Fees, CWOA Standing Rule 3, annually to ensure that the fund is being adequately supported. If the PFC determines that such fees are not providing adequate funding, then a recommendation to increase the fees should be submitted to the Executive Committee. Further, if it is determined that the fund is over supported by the fees, the PFC should recommend a decrease in the Life Membership Fee.
3. The Life Membership Fee Fund is considered properly funded if the returns from the fund investments is greater than the amount required to transfer each year and provides adequate growth of the fund.
4. **Investment Strategy.** The investment strategy of the CWOA Life Membership Fee Fund shall provide for growth while ensuring low risk of principle loss.

1st Georgetown Money Market account is the holding account for fees paid, funds to be transferred, investment returns and funds to be invested. This is the account that calculations will be made as to what is transferred to the general funds and what is scheduled for investment in the next fiscal year.

Bonds and Certificate Deposit (CD) are low risk investments. Bonds normally do not pay returns until matured, thus they should be used for long term growth. CD's provide returns at various periods, to gain higher returns on investment these should be paid annually or at the least quarterly. For maturity purposed, Bonds are considered 5 or more years, thus medium maturity. CD's can range in any period of maturity.

Mutual Funds are high risk investments and do not normally pay returns. Initially when investing in mutual funds the interest gained is not allowed to be withdrawn within the first year, thus such funds are reinvested in the mutual fund. Thus, this type of investment should be used for growth rather than immediate returns. For maturity purposes, Mutual Funds should be considered medium to long term investments.

- a. Principle Risk – this is the risk of loss of the principle investment

No more than 50% of total funds invested should be in mutual funds. This is specified in the CWOA By-Laws.

35% to 100% should be in government bonds or certificate of deposits (CD's) such that the principle is insured. The maximum in any one type of CD should not exceed current regulations for FDIC (Federal Deposit Insurance Corporation) or NCUASIF (National Credit Union Share Insurance Fund).

- b. Portfolio Distribution – this is the distribution of different terms of investment maturity periods to insure required returns and growth of the fund.

Up to 35% of the funds shall be in short term investments of one year.

The remaining 65% of investments funds shall be distributed as follows:

0-42.9% of these funds should be place in greater than 1 year to 5 year investments

43%-100% of these funds should be placed in greater than 5 year investments

- c. Sweeps. The process of pulling gains from investments and depositing into the Money Market account for use as Liquid Assets or to invest. This process is usually only conducted on Mutual Funds after the first year of purchase. Sweeps should occur at the end of each fiscal year for the Life Membership Fee Fund.
5. **Safekeeping**. The storage of investment documents and security certificates in a protected area is known as safekeeping. The procedures contained in the CWOA General Investment Policy, concerning safekeeping, should be followed for the CWOA Life Membership Fee Fund investments.

CWOA Permanent Finance Committee (PFC) Policy

effective date: 12 May 2017

last reviewed:

Purpose: The purpose of the CWOA Permanent Finance Committee (PFC) Policy is to provide guidance in the standing committee and ensure continuity.

Responsibility: It is the responsibility of the CWOA Board of Directors to ensure the enforcement of this policy and the CWOA Permanent Finance Committee (PFC) to provide recommendations for any changes to this policy.

Discussion: In reference to RONR the PFC is a “Standing Committee”, thus it has permanent existence. Six of the committee members are Association Officers that may or may not be at the end of their terms and new offices installed at the Annual Meeting. The remaining three committee members are regular members of the Association and are not replaced until appointments by the newly established Association Officers.

The fiscal year of the Association runs from 1 July to 30 June. Thus, financial and investment decisions must be made between the installation of new officers, appointment of committee members and the end of the fiscal year. To ensure continuity and smooth transition of information the following guidelines are set for the PFC.

1. Terms of Office for the CWOA PFC.

- a. Association Officers – Their term in the PFC shall began once sworn in at the annual meeting or if appointed due to vacancy. Such term in the PFC shall cease once new officers have been sworn in at the end of the annual meeting or on removal from office.
- b. Non-Association Officer Members – Their term in the PFC shall began once appointed by the Association President in writing. Such term in the PFC shall cease at the end of the Association fiscal year of such appointment or if removed in accordance with procedures in RONR. Thus, the newly appointed non-association officers will have time to transition into the committee work as the prior appointed non-association offices pass them knowledge concerning their duties and responsibilities.

2. Electing CWOA PFC Chair.

- a. Outgoing Chair - The current CWOA PFC Chair shall have no vote in the election of the oncoming new chair unless to break a tie vote if necessary. All records shall be provided to the CWOA Executive director for the prior CWOA PFC no later than fourteen (14) days after the CWOA Fiscal Year start. The outgoing CWOA PFC Chair shall conduct the meeting to elect a new CWOA PFC Chair. If they are not available then the CWOA President shall preside over the meeting.
- b. New Chair - A meeting for the election of a new CWOA PFC Chair must be held at least five (5) days prior to the beginning of the CWOA Fiscal Year. The newly elected PFC Chair shall assume the duties immediately.

DISCONTINUED POLICES (1-2 years old)

This section contains policies that have been discontinued in the past 1-2 years. The purpose of such is for historical data and to understand why actions were taken in reference such discontinued policies. After two years such policies will be removed from the records permanently.