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## FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

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### GENERAL POLICY No. 302

### SUBJECT: APPROVED DEPOSITORIES AND INVESTMENT OF GENERAL FUNDS

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#### I. PURPOSE:

In order to provide for orderly and safe handling of Cooperative funds, it is necessary to establish official depositories and outline the policy and procedures for the investment of general funds. The goal is to utilize Cooperative funds to generate value for the members while limiting undue risk.

#### II. POLICY:

In conformity with the By-laws of the Cooperative it shall be the policy of the Cooperative to deposit all funds of the Cooperative, with the exception of petty cash, in the banks designated in the procedures outlined in this policy. The Cooperative will establish a uniform system for the investment of the general funds to obtain earnings with limited risk and establish an investment guideline to be used by management in making investments.

#### III. RESPONSIBILITY:

The CEO/General Manager is responsible for seeing that the provisions of this policy are carried out.

#### IV. PROVISIONS:

The following provisions and procedures apply to this policy:

A. The following banks shall be approved depositories for the specified accounts of the Cooperative:

1. CoBank, General and Operating Funds Account
2. Key Bank, General and Operating Funds Account
3. Citizens Community Bank, General and Operating Funds Account, Employee Flex and HSA Spending Account

4. First Security Bank, West Yellowstone, Montana, General and Operating Funds Account
5. Any other federally or state-chartered bank in the service area of the Cooperative, which is insured by the Federal Government or any agency thereof, may be used as an official depository of General and Operating Funds. ~~The Management shall attempt to maintain only \$250,000.00 in any one bank at any one time, when the use of such banks will, in the opinion of the CEO/General Manager, be of value in meeting the objectives of the Cooperative upon the approval by the Board.~~

B. Deposits

Deposits shall be prepared by the Manager of Member Services or designated employee, in accordance with the regulations of the bank or banks being used, and with accepted sound business practices.

C. Bill Collection

The following banks shall be approved to receive bill payments to be deposited directly into the Cooperative General and Operating Funds Account:

1. Citizens Community Bank, Ashton, Idaho
2. Key Bank, Driggs, Idaho
3. First Security Bank, West Yellowstone, Montana

**V. INVESTMENT PROVISIONS AND CONDITIONS:**

It shall be the policy of the Cooperative to invest general funds held by the Cooperative to maximize earnings through the investments of general funds in securities while giving consideration to the following:

- A. Loans outstanding and the payment of principal and interest on those loans versus investment of the general funds;
- B. Appropriateness of the investment decision;
- C. Maintaining minimum working balances in cash accounts;

- D. Acceptable risks as outlined by the Board of Directors;
- E. Advances to the Cooperative on a line of credit to be used for operating purposes to preserve any acceptable long-term investments while meeting all cash obligations, provided that such advances are in compliance with the Cooperative's approved budget, financial forecast and equity management plan. Funds so advanced shall be repaid as soon as possible.

**VI. INTEREST EARNINGS:**

Interest earnings from the investments shall be credited to the general fund of the Cooperative to be used for general operating purposes or investments as determined by the approved Cooperative budget and the Cooperative financial plan.

**VII. PRIMACY OF POLICY**

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

APPROVED BY THE BOARD OF DIRECTORS



Brent Crowther, President

DATE APPROVED: June 26, 2000

DATE REVIEWED: July 22, 2013

October 27, 2014

June 17, 2019

August 22, 2022

December 22, 2025