

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST (GALA)
CHECKING & VISIONS ACCOUNTS USAGE GUIDELINES

I. PURPOSE

To establish guidelines so that the Board of Directors of the Gay and Lesbian Alliance of the Central Coast can effectively monitor the transactions and investment results, as applicable, of the Checking, & Visions Accounts.

II. OBJECTIVES

- A. CHECKING ACCOUNT: This is GALA's general operating account. It shall be held in a financial institution which is FDIC insured. There is no investment objective for this account per-se other than to earn a small rate of return typically associated with checking accounts. The Checking Account may contain grant awards providing that each such grant award is tracked as a separate class.
- B. VISIONS ACCOUNT: This is GALA's general operating reserve (savings) account. It's investment objective is to provide long term growth to become (or maintain) a value equal to 1 year of GALA's general operating expenses. General Operating expenses are defined as those expenses necessary to keep the GALA Center operating and staffed. **It does not include program or event funding.**

III. ASSET ALLOCATION

This section is attributable only to the Visions Account for which the general policy shall be to hold all assets in a savings or money market type of account with relative liquidity.

IV. INVESTMENT MANAGEMENT GUIDELINES

- A. The Board has the authority to retain and compensate an investment manager for the Visions Account.
- B. The investment manager will have full discretion to invest assets of the Visions Account in a prudent manner, consistent with the Fund's objectives, and within the guidelines established in section III above.
- C. Reporting. The investment manager for the Visions Account shall report no less than quarterly on the performance of the portfolio. The report shall include an evaluation of performance of both funds on a total return basis as compared to the Fund's objectives and relative market indices.

V. SPENDING RULES

- A. CHECKING ACCOUNT: Money from this account may be spent in accordance with the rules of the GALA Bylaws. Money from the grant classes contained within the Checking Account may only be used for expenses incurred to

support the respective grant award for which it was funded.

- B. VISIONS ACCOUNT: The Visions Account is intended to serve as general operating reserves for the GALA Checking Account, as well as for the use of those funds to initiate programs for which GALA does not have funding. It may be used at the Board's discretion to fund normal operating expenses when the GALA Checking Account is unable to do so. However, it should be replenished as soon as is feasible so that it maintains a balance equal to 1 year of general operating expenses.