

**LITTLE TRAVERSE BAY BANDS OF ODAWA INDIANS
SHORT TERM INVESTMENT POLICY**

SECTION I. PURPOSE

The purpose of this policy is to establish the process for identifying available cash and converting it into United States Treasury bonds or Certificate of Deposits.

SECTION II. DEFINITIONS

A. "Appropriation and Finance Committee, (AFC)" means the Tribal Council committee established by Statute.

B. "Bond" means a United States Treasury bond (T-Bond) is a marketable, fixed-interest U.S. government debt security with a maturity of less than 2 years.

C. "Certificate of deposit, (CD)" means a savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination and are insured by the Federal Deposit Insurance Corporation (FDIC).

D. "General Fund Revenues" means the unrestricted monies received by the Tribal Government from enterprises and other sources.

E. "General Fund Balance" means any remaining unrestricted funds from prior years and any funds that have been restricted as Supplemental Funding, but are unspent.

F. "Office of Finance and Revenue, (OFR)" is the Office that is responsible for advising Tribal Council on financial matters and is established under the Legislative Branch.

G. "Restricted General Fund Revenues" means funds which are designated for a specific use by Tribal Council Resolution, but are not spent immediately.

H. "Tribal Council" means the elected Legislative body of the Tribe.

SECTION III. AVAILABLE CASH

A. To determine the unrestricted cash available for short-term investment, the Office of Finance and Revenue (OFR) will perform an analysis to determine the cash needed to maintain government operations within a specific year for each of the previous five years. The OFR will analyze the month end unrestricted cash balances for a given year and subtract the lowest monthly balance from the December 31st balance of the previous year. Once this has been completed for the past five years, the highest amount calculated of the five years will then be subtracted from the most recent year-end unrestricted cash available. This will be considered the unrestricted cash available for short-term investment.

B. Example: For calculation of the cash needed for operations within a specific year: If the lowest monthly unrestricted available cash balance, within a 12-month cycle, is identified as \$2 million and the year-end unrestricted available cash balance from the previous year is \$5 million, then the cash needed to maintain governmental operations for that particular year is \$3 million. If this \$3 million amount was the highest amount calculated of the past five years, and if the last prior year-end unrestricted cash available balance is \$7 million, then the amount of unrestricted cash available for short-term investment is \$4 million.

C. After assessing the immediate needs for the current fiscal year, the OFR will recommend to Tribal Council via the Appropriation and Finance Committee the recommended amount of available cash that can be converted to either a CD or bond, or a combination of both.

SECTION IV. RESTRICTED GENERAL FUND BALANCE

A. The OFR will review the Restricted General Fund Balance to determine immediate, short-term and long-term use of the funds.

B. The OFR will recommend to Tribal Council, via the Appropriation and Finance Committee, the recommended amount of available cash that can be converted to either a CD or bond, or a combination of both.

SECTION V. REPORTING OF REQUESTED FUNDING

Any and all of the following shall be submitted to Tribal Council via the AFC:

A. A quarterly report of the CDs and bonds held by the Tribe, with amounts, interest rates and expiration dates.

B. The OFR will make recommendations as to cashing, continuing or renewing the CDs or bonds.

SECTION VI. SAVINGS CLAUSE

In the event that any phrase, provision, part, paragraph, subsection or section of this policy is found by a court of competent jurisdiction to violate the Constitution, laws or ordinances of the Little Traverse Bay Bands of Odawa Indians, such phrase, provision, part, paragraph, subsection or section shall be considered to stand alone and to be deleted from this policy, the entirety of the balance of the policy to remain in full and binding force and effect.

SECTION VII. EFFECTIVE DATE

Effective upon approval of a majority vote of the Tribal Council.

This Policy was approved by Tribal Council on:


Julie Shananaquet, Tribal Secretary

1-23-17
Date