


	1.4.3	CASH MANAGEMENT	Effective: 04/90 Revised: 03/09; 06/23; 09/25 Reviewed/Approved by Bd. of Dir.: 06/26  Teddi Hernandez, President/CEO
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Policy Statement:

Lakemary Center (LMC) is committed to effective and responsible fiscal management of its cash resources. LMC will maintain appropriate liquidity to meet operational needs while optimizing the use of available funds. LMC will comply with all applicable state and federal regulations regarding investment and utilization of funds, adhering to prudent investment practice that balance risk, return, and liquidity needs. LMC is committed to transparency, accountability, and financial sustainability in managing its cash and investments.

Policy:

Liquidity and Operating Reserves

- LMC will maintain a balance in operating cash reserves sufficient to fund normal operating activities.
- The CEO and CFO will regularly assess cash flow projections to ensure liquidity is sufficient to meet payroll, vendor obligations, and other short-term liabilities.
- Sweep accounts are used to safeguard balances under FDIC insurance limits and maximize interest earnings.
- Operating cash in excess of the target balance will be transferred into interest-bearing investment accounts consistent with the Investment Committee’s Investment Policy.

Restricted and Designated Funds

- Restricted funds (including Capital Campaign contributions) are safeguarded and tracked separately within LMC’s accounting system and Quasi-Endowment accounts.
- LMC maintains three Quasi-Endowment accounts: Unrestricted, Restricted, and Capital Campaign.
- Restricted receipts and releases are recorded monthly, with review by the CFO. When restrictions are satisfied, funds may be moved to the Unrestricted Quasi-Endowment Fund or the operating account, depending on cash flow needs.

Quasi-Endowment and Reserve Funds

- The Quasi-Endowment Funds serve as both an investment pool and a reserve for capital improvements and operating support.
- Investments are managed under the oversight of the Investment Committee, following the allocation, credit quality, and diversification standards outlined in the Investment Policy.

Policy reference: None

Procedure reference: Accounting Departmental Procedure Manuals

Application: All services

- Quasi-Endowment balances provide liquidity for known upcoming projects, budgeted capital improvements, and a minimum of two payroll cycles.
- Transfers exceeding \$300,000 from Endowment Funds require approval in accordance with the Investment Policy.

Oversight and Reporting

- The CFO provides detailed reports on restricted funds received and released at least quarterly to the Audit & Finance Committee.
- All bank and investment accounts are reconciled monthly by someone independent of deposit/withdrawal processing. The CFO reviews and signs off on reconciliations, with discrepancies reported to the CEO and Audit & Finance Committee.

Policy reference: None

Procedure reference: Accounting Departmental Procedure Manuals

Application: All services