# SEAL BEACH MUTUAL NO. ONE

## Mutual Operations – Banking Resolution

**1.** The 2019-2020 Board of Directors of Mutual One took office with the Mutual's reserves already invested in Municipal Bonds.

**1.1.** Mutual One's Procedure 01-7306-3 Banking Resolution, was in effect at that time and required, "That all funds will be deposited with banks and savings and loans that are insured by the F.D.I.C"; and

**1.2.** California Civil Code 1365.5 (c) (2) states, in part, "…The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account…"; and

**1.3.** With respect to the existing Municipal Bonds, the Board has the discretion to hold them to maturity or sell them as deemed prudent.

**1.4.** Any new reserve funds will be placed in federally-insured accounts and instruments or other securities backed by the full faith and credit of the Federal government.

**1.4.1.** Financial instruments that are guaranteed by the Federal government.

**1.4.2.** Financial instruments that are insured to Principal and Interest.

**1.4.3.** CDs, CDARS (Certificate Deposit Account Registry Service) that are fully F.D.I.C. Insured.

**1.5.** All Cash and Money Market accounts will be deposited with financial institutions that are insured by the F.D.I.C. and that these deposits are restricted to the maximum amount insured by the F.D.I.C.,

**1.6.** Any two of the following Mutual officers are authorized as signatories on the financial institution for the Mutual Corporation:

**1.6.1.** PRESIDENT, VICE PRESIDENT, SECRETARY, CHIEF FINANCIAL OFFICER

**1.7.** Two signatures ( The Chief Financial officer and the President or Vice President) shall be required on ALL checks in the amount of $5,000 or more.

**1.8.** The Mutual's complete ledger shall be approved by the President or Officers of the Mutual each month.

**Document History**

Adopted: March 2021

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