

**SEAL BEACH MUTUAL NO. ONE****Accounting and Fiscal****Banking Resolution**

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3 **1.** The 2019-2020 Board of Directors of Mutual One took office with the Mutual's reserves  
4 already invested in Municipal Bonds.  
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6 **1.1.** Mutual One's Procedure 01-7306-3 Banking Resolution, was in effect at that time  
7 and required, "That all funds will be deposited with banks and savings and loans  
8 that are insured by the F.D.I.C"; and  
9 **1.2.** California Civil Code 1365.5 (c) (2) states, "...The Board shall exercise  
10 prudent fiscal management in maintaining the integrity of the reserve account...";  
11 and  
12 **1.3.** With respect to the existing Municipal Bonds, the Board has the discretion to  
13 hold them to maturity or sell them as deemed prudent.  
14 **1.4.** Any new reserve funds will be placed in federally-insured accounts and  
15 instruments or other securities backed by the full faith and credit of the Federal  
16 government.  
17 **1.4.1.** Financial instruments that are guaranteed by the Federal government.  
18 **1.4.2.** Financial instruments that are insured to Principal and Interest.  
19 **1.4.3.** CDs, CDARS (Certificate Deposit Account Registry Service) that are  
20 fully F.D.I.C. Insured.  
21 **1.5.** All Cash and Money Market accounts will be deposited with financial institutions  
22 that are insured by the F.D.I.C. and that these deposits are restricted to the  
23 maximum amount insured by the F.D.I.C.,  
24 **1.6.** Any two of the following Mutual officers are authorized as signatories on the  
25 financial institution for the Mutual Corporation:  
26 **1.6.1.** PRESIDENT, VICE PRESIDENT, SECRETARY, CHIEF FINANCIAL  
27 OFFICER  
28 **1.7.** Two signatures ( The Chief Financial officer and the President or Vice President)  
29 shall be required on ALL checks in the amount of \$5,000 or more.  
30 **1.8.** The Mutual's complete ledger shall be approved by the President or Officers of  
31 the Mutual each month.  
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**Document History**

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