

Instructions:

In October 2024, the National Venture Capital Association (NVCA) added the adoption of a Cash Management Policy to the standard Investor Rights Agreement template for venture capital financings. The below sample Cash Management Policy template and accompanying sample board approval are fully open source and are available free of charge to be used or altered as desired.

Disclaimer: Waldo does not assume responsibility for the contents of, or the consequence of using, any version of this template. Before using this template, consult with your attorney.

**ACTION BY UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF
[COMPANY NAME]**

The undersigned, being all of the members of the Board of Directors (the "Board") of [Company Name], a [State and Entity Type] (the "Company"), hereby adopt the following resolutions by unanimous written consent, pursuant to the authority granted by [State Law] and the Company's Bylaws, effective as of the date of the last signature below.

WHEREAS, the Board has reviewed and considered the proposed Cash Management Policy (the "Policy") attached hereto as Exhibit A;

WHEREAS, the Board believes that it is in the best interests of the Company to adopt the Policy to establish appropriate financial controls and management procedures;

****NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby adopts and approves the Policy, as set forth in Exhibit A;

FURTHER RESOLVED, that the appropriate officers of the Company are hereby authorized and directed to take all such actions as may be necessary or advisable to implement and enforce the Policy;

FURTHER RESOLVED, that this action by unanimous written consent shall be filed with the minutes of the proceedings of the Board.

This consent may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. This consent shall be effective as of the date the last director executes it.

IN WITNESS WHEREOF, the undersigned have executed this Action by Unanimous Written Consent as of the dates set forth opposite their respective signatures.

[Director Name]: _____ Date: _____

[Director Name]: _____ Date: _____

[Director Name]: _____ Date: _____

Exhibit A: Cash Management Policy

[LOGO]

[Company Name]

Cash Management Policy

Purpose

This Cash Management Policy establishes guidelines for the prudent management of cash and investments, ensuring liquidity, security, and alignment with the Company's financial objectives. It also defines the use of investment options available through Waldo's investment platform.

Scope

This policy applies to all cash and liquid assets managed by the Company and outlines the roles and responsibilities of individuals handling cash and investment decisions.

Roles and Responsibilities

Chief Financial Officer (CFO)

- Oversees the execution and compliance of this policy.
- Determines appropriate investment allocations within Waldo's investment options.
- Reviews and adjusts investment strategies as needed.

Finance Team

- Monitors cash flow needs to ensure adequate liquidity.
- Conducts regular reconciliation and reporting of cash and investment activities.
- Ensures all investments comply with internal controls and risk tolerance guidelines.

Authorized Personnel

- Only designated employees may execute transactions per the CFO's direction.
- Must comply with security and reporting requirements.

Cash Reserves and Liquidity Management

The Company must maintain sufficient liquidity to cover operational expenses and unforeseen financial obligations.

- A minimum cash reserve of [XX] months of operating expenses will be maintained in readily accessible accounts.

- The company may invest excess cash in Waldo's available investment options based on its risk tolerance and financial objectives.

Investment Strategy

Waldo Investment Buckets

The company may allocate cash into any of Waldo's ten investment buckets, which range in risk level. The CFO may elect to use specific profiles or retain flexibility in choosing future allocations.

- ☐ **Ultra-Conservative** (Minimal risk, high liquidity)
- ☐ **Conservative Income** (Low risk, stable returns)
- ☐ **Balanced Growth** (Moderate risk, income & appreciation)
- ☐ **Strategic Yield** (Medium risk, yield-focused)
- ☐ **Market Index** (Broad market exposure, medium risk)
- ☐ **Tactical Allocation** (Actively managed, moderate-high risk)
- ☐ **High-Growth Innovation** (Higher risk, technology & emerging markets)
- ☐ **Global Diversification** (International markets, medium-high risk)
- ☐ **Alternative Assets** (Hedge funds, private credit, high risk)
- ☐ **Custom Allocation** (Tailored investment mix approved by CFO)

Investments will be made based on the company's risk tolerance, liquidity needs, and return objectives. The CFO has the discretion to modify allocations as needed.

Cash Disbursements & Controls

- All cash disbursements must be authorized and supported by proper documentation.
- Payments exceeding [threshold] require dual approval.
- Electronic transfers must follow security protocols and access controls.

Reconciliation & Reporting

- Cash and investment positions will be reconciled monthly to financial statements.
- The CFO will review investment performance quarterly and adjust allocations as necessary.
- Annual policy review to ensure alignment with financial strategy and market conditions.

Security & Compliance

- All cash and investment activities must comply with regulatory requirements and internal controls.
- Investment decisions should align with the company's risk management framework.
- Unauthorized access to financial systems or transactions will result in disciplinary action.

Policy Review & Amendments

This policy will be reviewed annually by the CFO and finance team. Adjustments may be made to reflect changes in market conditions, investment offerings, or regulatory updates. Any revisions must be approved by the Company's leadership team.

Acknowledgment & Acceptance

By signing below, authorized personnel acknowledge and accept the terms of this Cash Management Policy.

[Officer Name, Title]

Date: _____

This document serves as a guideline for effective cash and investment management. Companies should consult financial and legal professionals when implementing policies.