

INVESTMENT POLICY OF THE ITASCA COMMUNITY LIBRARY

SCOPE:

This policy applies to investments of the Board of Library Trustees of the Itasca Community Library.

PRUDENCE:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio.

OBJECTIVE:

The primary objective, in order of priority, shall be safety, liquidity and yield. (SLY).

DELEGATION OF AUTHORITY:

Management and administrative responsibility for the investment program is hereby delegated to the Library Treasurer who, under the direction of the Board of Trustees, shall establish written procedures for the operation of the investment program.

ETHICS AND CONFLICTS OF INTEREST:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions, or that could conflict with other Library Board of Trustee policies.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The Board of Library Trustees will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness.

AUTHORIZED INVESTMENTS:

Investments shall be limited to those investments authorized by the Public Funds Investment Act, 30 ILCS 235/0.01 et seq.

RATING OF DEBT SECURITIES:

Credit risks shall be limited to AA or higher as provided by Moody’s or Standard & Poor’s, and money market mutual funds that are allowed (e.g., ILFUNDS).

SUITABLE INVESTMENTS:

Investments shall be made that reflect the cash flow needs of the fund type being invested.

COLLATERALIZATION:

Funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement.

SAFEKEEPING AND CUSTODY:

All security transactions, including collateral for repurchase agreements, entered into by the Board of Library Trustees, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent third-party custodian designated by the Board of Library Trustees and evidenced by safekeeping receipts and a written custodial agreement.

DIVERSIFICATION:

The Board of Library Trustees shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds.

MAXIMUM MATURITIES:

To the extent possible, the Library Board of Trustees shall attempt to match its investments with anticipated cash flow requirements.

INTERNAL CONTROL:

The Library Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting
- Custodial safekeeping
- Written confirmation of telephone transactions for investments and wire transfers

PERFORMANCE STANDARDS:

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio.


REPORTING:

Monthly financial reports shall be prepared by Library Staff and submitted to the Board for review and acceptance. The content of the monthly financial reports may be revised from time to time by Board directive based on the nature of the Library investments.

Passed this 19th day of February 2019 by a vote of:

Ayes: , Nays: , Absent or not voting: .

Approved:

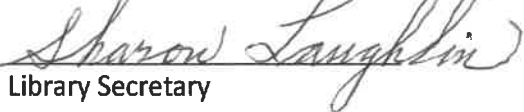

Maxine A. Swanson, Library President

Attest:

I, the undersigned Secretary of the Board of Library Trustees of the Itasca Community Library, hereby state that the foregoing Resolution entitled:

INVESTMENT POLICY OF THE ITASCA COMMUNITY LIBRARY

was duly adopted by said Board of Library Trustees at a valid meeting on February 19, 2019


Library Secretary