

Investment Policy for the Tri-Township Public Library District

Pursuant To The Public Funds Investment Act (30 ILCS 235/2.5)

It is the policy of the Tri-Township Public Library District to invest public funds in a manner which will provide the highest investment return with the maximum level of security, while simultaneously meeting the daily cash flow demands of the library, and conforming to all state and local statutes governing the investment of public funds.

The purpose of this policy is to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Tri-Township Public Library District (hereafter referred to as the "Library District").

This policy includes all funds of the Library District governed by the Board of Trustees, including without limitation, any bond accounts, debt service funds and debt service reserve funds.

Investments shall be made with judgment and care, under the circumstances then prevailing, and take into account diversification, which persons of prudence, discretion and intelligence exercise in the management of their own funds - not for speculation, but for investment. In considering the probable safety of capital, as well as the profitable income to be derived, investments shall be made in accordance with this policy of the Library District.

All investment policies and procedures of the Library District will be in accordance with Illinois law. The authority of the Board of Trustees to control and invest public funds is defined in the Illinois Public Funds Investment Act, and the investments permitted are described in detail therein.

Management and administrative responsibility for the investment policy is hereby delegated to the Treasurer or his/her designee. The Treasurer, and by designation, the Library Director, are both responsible for establishing internal controls and written procedures for the operation of the investment policy, which shall be designed to prevent loss, theft, or misuse of funds.

OBJECTIVES

In selecting financial institutions and investment instruments to be used, the following general objectives should be considered in the priority listed:

1. Legality- conformance with federal, state and other legal requirements.
2. Safety- preservation of capital, including diversification appropriate to the nature and amount of the funds and protection of investment principal.
3. Liquidity - maintenance of sufficient liquidity to meet current obligations and operating requirements and those reasonably anticipated.
4. Return on Investment - the investment portfolio shall be designated with the objective of obtaining a positive market rate of return on investments throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.
5. Simplicity of Management- the Treasurer, Library Director, and other designated administrative staff must be able to manage Library District investments effectively and efficiently

within the time constraints imposed by other responsibilities and limitations imposed by their respective levels of financial expertise. The Treasurer and by delegation, the Library Director, shall both review the portfolio periodically as to its effectiveness in meeting the Library District's need for safety, liquidity, rate of return, diversification and performance.

ETHICS AND CONFLICT 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 investment decisions.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Board Treasurer shall maintain a list of financial institutions authorized as depositors for funds and to provide investment services. The Board of Trustees may approve contracting the services of an investment advisor or money manager.

AUTHORIZED AND SUITABLE INVESTMENTS

Authorized investments include and will primarily consist of: Certificates of Deposit, Treasury Bills, Bonds, Notes, and other securities guaranteed by the U.S. Government, or any other investments allowed under Illinois state law that satisfy the investment objectives of the Library District, provided any such investment is specifically approved and authorized in advance by the Board of Trustees at a duly constituted public meeting.

SAFE KEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the Library District, shall be conducted in a manner that ensures security. The Library District is required to keep receipts and a written record of all transactions.

REPORTING

Investments, fund balances, and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board of Trustees, and at least quarterly include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date. At least annually, the Treasurer, or his/her designee, shall review this policy for any needed modifications and report to the Board of Trustees on the investment portfolio, its effectiveness in meeting the Library District's need for safety, rate of return, and general performance.

Any policy, rule or law of the Library District or parts thereof in conflict with this Policy is hereby repealed to the extent of such conflict.