



## Investment Policy

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### General Policy

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

### Scope

This policy includes all funds governed by the Board of Library Trustees.

### Prudence

The standard of prudence to be used with investment officials shall be the “prudent person” standard. Investments shall be made with judgement 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.

### Objectives

The following objectives, in order of priority, shall be:

- Legality – conformance with federal, state, and other legal requirements
- Safety- preservation of capital and protection of investment principal
- Liquidity – maintenance of sufficient liquidity to meet operating requirements
- Yield- attainment of market rates return
- Simplicity of Management – the time required by Library administrative staff to manage investments shall be kept to a minimum

### Delegation of Authority

Management and administrative responsibility for the investment program is hereby delegated to the Treasurer of the Board of Library Trustees or the Treasurer’s appointed delegate. For purposes of this policy, the Treasurer hereby appoints the Library Director as its designated delegate.

### 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 with their ability to make impartial decisions.

### Authorized Financial Institutions

Qualified and licensed financial institutions shall be selected which qualify as depositories or custodians under Illinois law. In making these selections, the Library shall consider the financial stability and strength of the institutions and the availability of financial data regarding the institution.

Should it become necessary to select an investment or money manager, at least three firms shall be considered prior to selection. Interviews may be conducted by the Board as a whole or by delegated trustees and/or staff. The final selection will be made by the Board. No investment advisor or money manager shall be retained except by contract approved by the Board.

## **Authorized and Suitable Investments**

Investments may be made in any type of security allowed for by Illinois statutes regarding the investment of public funds. Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy if and to the extent permitted by the Public Funds Investment Act (30 ILCS 235).

- U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations, which have a liquid market of readily determinable market value
- Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier (e.g. A-1, P-1, or D-1 or higher) by a nationally recognized rating agency
- Investment-grade obligations of state and local governments and public authorities
- Repurchase agreements whole underlying purchased securities consist of the foregoing
- Money market mutual funds regulated by the Securities and Exchange Commission
- Local governmental investment pools, either state administered or through joint powers statutes and other intergovernmental agreement legislation
- Any other investment authorized by the Illinois Compiled Statutes

## **Collateralization**

Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be insured with proof of such provided to Library or secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the Library.

## **Safekeeping and Custody**

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

## **Diversification and Maturation**

The Library shall diversify its investments to the best of its ability based on the nature of the funds invested and the cash flow needs of these funds. Diversification can be by investment type, number of institutions invested in, and/or length of maturity.

## **Operational Procedures/Internal Controls**

The investments are perused each month noting when the investments are maturing and what the cash needs are within each fund established by the Library. The Treasurer and the Library Director shall discuss the cash needs within the respective funds and project investment or reinvestment in accordance with the highest rates and terms available at that time; any trades necessary shall be executed by the Library Director. No monies from any Library accounts are to be transferred into any accounts other than those accounts belonging to the Library. Bank confirmations are to be received on all investment transactions and all transfers between funds.

## **Performance Standards**

The investment portfolio will be managed within the parameters specified within this policy.

## **Reporting**

The Treasurer or designee shall prepare a monthly investment report for the Board of Trustees. The report should be in a format suitable for review by the general public. An Annual Treasurer's Report shall also be provided to the Board.

**Investment Policy Adoption**

The investment policy shall be adopted by the Board of Library Trustees. The policy shall be reviewed on an as needed basis. Modifications to the policy must be approved by the Board of Library Trustees.

*The Library staff shall develop such rules and procedures as are necessary to ensure compliance with the Woodridge Public Library Investment Policy.*

Approved by the Woodridge Public Library Board of Trustees on 4/21/2021