

Investment of Public Funds Policy

[A copy of this Policy shall be available to the public at the Library's administrative offices.]

Policy

It is the policy of the Fox River Grove Public Library District to invest public funds in a prudent manner which will provide the highest investment return within a lowest-risk environment, while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

Purpose and Scope

The purpose of this policy statement is to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Fox River Grove Public Library District. Its scope is all public funds governed by the Library Board of Trustees.

Responsibilities

All investment policies and procedures of the Fox River Grove Public Library District will be in accordance with Illinois Law. The authority of the Library Board of Trustees to control and invest public funds is defined in the Illinois Public Funds Investment Act [30 ILCS 235/1 et seq.] and the investments permitted are described therein. Administration and execution of these policies are the responsibility of the Treasurer and Budget Committee acting under the authority of the Library Board of Trustees. Investments, fund balances, and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board.

Delegation of Authority

Management and administrative responsibility for the investment program is hereby delegated to the Treasurer (and in the Treasurer's absence, the Vice-President) and Budget Committee. The Treasurer and Budget Committee, and by designation, the Library Director, are responsible for establishing internal controls and written procedures for the operation of the investment program.

"Prudent Person" Standard

All Library investment activities shall use a "prudent person" standard of care. This standard shall be applied in the context of managing an overall portfolio and specifies that 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. Investment officers, acting in accordance with this Policy and the written procedures of the Library, and exercising due diligence, shall be relieved of personal responsibility for a security's credit risk or market price/value changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Objectives

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

- Legality (conforming with all legal requirements)
- Safety (preserving capital and including diversification appropriate to the nature and amount of the funds)
- Liquidity (maintaining sufficient liquidity to meet current obligations and those reasonably to be anticipated)

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environment of stable interest rates. Performance should be compared to benchmarks with similar maturity, liquidity, and credit quality represented in a typical lowest-risk portfolio.

Authorized Financial Dealers and Institutions

Any investment advisors, money managers and financial institutions shall be considered and authorized only by the action of the Board of Library Trustees upon the recommendation of the Treasurer and Budget Committee. The Treasurer and Budget Committee will maintain a list of financial dealers and institutions authorized to provide investment services.

Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that might conflict with the proper execution and management of this investment program, or that could impair their ability to make impartial decisions, or that could give the appearance of impropriety.

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