

Investment of Public Funds Policy Henderson County Public Library

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 Henderson County Public Library. Its scope is all public funds of the Library.

Responsibilities

All investment policies and procedures of the Henderson County Public Library will be in accordance with Illinois law. The authority of the Library Board of Trustees to control and invest public funds as defined in the Illinois Public Funds Investment Act and the investments are described therein. Administration and execution of the policies are the responsibility of the Treasurer of the Library acting under the authority of the Library Board of Trustees.

Delegation of Authority

Management and administrative responsibility for the investment program is hereby delegated to the Treasurer. The Treasurer, and by designation, the Library Director, are responsible for establishing internal controls and written procedures for the operation of the investment program.

Objectives

In selecting financial institutions to be used, the following general objectives shall be considered in the priority listed:

- A) Legality (conforming with all legal requirements)
- B) Safety (preserving capital)
- C) Liquidity (maintaining sufficient liquidity to meet current obligations and those reasonably to be expected)
- D) Yield (attaining a market rate of return on investments)
- E) Simplicity of management

Guidelines

The following guidelines should be used to meet the general investment objectives:

- A) Legality and Safety:
 - 1. Investments will be made only in investments guaranteed by the Federal Deposit Insurance Corporation (FDIC). Deposits will not exceed the amount insured by the FDIC coverage (unless adequately collateralized pursuant to regulations of the Federal Reserve regarding custody and safekeeping of collateral. The Library will require written verification of this pledge).
 - 2. Authorized investments include and will primarily consist of Certificates of Deposit, Treasury Bills, and other securities guaranteed by the U.S. Government, participation in the State of Illinois Public Treasurer's Investment Pool, and any other investments allowed under State law that satisfy the investment objectives of the Library.

- B) Liquidity:
In general, investments should be managed to meet liquidity needs for two to three months and any reasonable anticipated needs.
- C) Yield - Return on investment:
Within the constraints of Illinois law, considerations of safety, and this investment policy, every effort shall be made to maximize return. All excess funds will be kept in interest bearing account.
- D) Simplicity of management
The time required by library administration staff to manage investments shall be kept to a minimum.
- E) Internal Controls and Written Operational Procedures
 1. It is required that the Treasurer be bonded.
 2. Checks are written and invoices approved through direction of the Library Director. All checks are reviewed and signed by either the Treasurer, President or Secretary of the Board. All checks require only one signature. The treasurer will review all account statements.
 3. Transfers between the checking account and the money market account can be performed by the Library Director and the accounting clerk in order to cover checks that were written. These transfers can be made by phone or internet.
 4. Tax disbursements are received by the Treasurer at his home and will be deposited within two days of receipt by the Library staff.
 5. The Library Director and accounting clerk will review excess funds and determine the best investment choice available. The Treasurer will be notified and will give the final approval.

Reporting

Investments, fund balances and the status of such accounts will be reported at the regularly scheduled meeting of the Library Board of Trustees. These reports will be available to the general public upon request. At least annually, the Treasurer and the Board of Trustees shall review this policy for any needed modifications required.

Authorized Financial Institutions

Local financial institutions, who are a member of FDIC, shall be considered for investment of the Library's funds. The Board prefers to keep the funds on deposit with a financial institution located in Henderson County, Illinois.

Adopted: February 7, 2011; reviewed April 2, 2018