

# HPLD | INVESTMENT OF PUBLIC FUNDS POLICY

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## PURPOSE

The purpose of this policy statement is to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Heyworth Public Library District.

## RESPONSIBILITIES

All investment policies and procedures of the Heyworth Public Library District will be in accordance with Illinois law. The authority of the Library Board of Library Trustees to control and invest public funds is defined in the Illinois Public Funds Investment Act, and the investments permitted are described therein. Administration and execution of these policies are the responsibility of the Treasurer, President and, by designation, the Library Director acting under the authority of the Library Board of Library Trustees. Investments, fund balances, and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board.

## "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:

- 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)
- Yield (attaining a market rate of return on investments)
- 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 securities guaranteed by the U. S. Government, or in FDIC-insured institutions including SAIF of the FDIC. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage (unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral). Any credit union accounts would not

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exceed insured amounts and otherwise would be in complete compliance with the legal requirements for such accounts and institutions.

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 district.

B) Liquidity:

In general, investments should be managed to meet liquidity of needs for the current month plus one month (based on forecasted needs) and any reasonably anticipated special needs.

C) Yield - Return on investment:

Within the constraints on Illinois law and this investment policy, every effort should be made to maximize return on investments made. All available funds will be placed in investments or kept in interest-bearing deposit accounts except for those used in checking accounts for payment of bills.

D) Simplicity of management:

The time required by library administrative staff to manage investments shall be kept to a minimum.

Approved 8/9/11

REVIEWED June 13, 2023:

  
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President, Board of Trustees

ATTEST:

  
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Secretary, Board of Trustees