

WESTCHESTER PUBLIC LIBRARY

INVESTMENT POLICY

Reviewed and Readopted January 11, 2018

STATEMENT of PURPOSE

It is the policy of the Westchester Public Library to invest its funds in a manner that will provide the maximum security with the highest investment return, while meeting the daily cash flow needs of the Westchester Public Library and complying with Indiana Code 5-13-9

INVESTMENT OBJECTIVES

The primary objectives of the Westchester Public Library's investment activities shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio .

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment: The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow from characteristics of the portfolio.

INVESTING OFFICER

The Library Director is designated as the investing officer in order to receive bids for the Library's invested funds and to negotiate the sale of investments for the purpose of depositing the proceeds into the Library's checking account.

GUIDELINES FOR INVESTMENTS

The Library will invest funds as allowed by Indiana Code 5-13-9, which includes:

Any security backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States; and issued by the United States Treasury, a federal agency, or a federal instrumentality, or a federal government sponsored enterprise

Deposit accounts issued or offered through a designated depository. maintaining coverage through the Federal Deposit Insurance Corporation whenever possible.

The Library will not purchase securities on margin nor will it open a securities margin account for the investment of Library funds.

TERMS OF INVESTMENTS

The Library Board may adopt a resolution, pursuant to IC 5-13-9-5.7, authorizing its investment officer to make investments having a stated final maturity that is more than two (2) years but not more than five (5) years after the date of purchase. The total investments of the Library with maturities of two (2) to five (5) years outstanding at the time of purchase may not exceed twenty-five percent (25%) of its total portfolio of public funds invested, including balances in transaction accounts. Such resolution expires on the date on which this Policy expires, which may not exceed four (4) years.

Interest on investments shall not be automatically added to the investment. The investing officer shall direct the investment issuer to pay both principal and interest to the library at the termination of the investment. The investment officer shall post the principal and interest to the fund from which the investment was made. Mixed fund investments may be made, with interest pro-rated to the various funds.

BIDDING PROCEDURE

The Library Board has adopted a Resolution authorizing the investing officer to make investments including certificates of deposit through a depository that is selected by the investing officer

INVESTMENT ACTIVITY REPORT

The Westchester Public Library Director shall provide a written report to the Board of Finance concerning the investment of Westchester Public Library funds annually at a meeting held after the first Monday in January and on or before the last day of January. At this meeting, the Board of Finance will also review the Investment Policy of the library.