

EUREKA PUBLIC LIBRARY DISTRICT

INVESTMENT OF PUBLIC FUNDS POLICY

(A copy of this Policy shall be available to the public at the Library's administrative offices)

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 Eureka Public Library District. Its scope is all public funds of the Library.

RESPONSIBILITIES

All investment policies and procedures of the Eureka Public Library District will be in accordance with Illinois Law. The authority of the Eureka Public Library District 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 who is hereby designated as the "chief investment officer" of the Library acting under the authority of the Eureka Public Library District Board of Library Trustees.

DELEGATION OF AUTHORITY

Management and administrative responsibility for the investment program is hereby delegated to the Chief Investment Officer. The Chief Investment Officer, and by designation, the Library Director, is 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 officer, 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)
- 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].
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 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 of Illinois law, considerations of safety, 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.

Approved by EPLD Board of Trustees August 27, 2018

Reviewed by EPLD Board 08/23/2021

