

Dunlap Public Library District Investment of Public Funds Policy

Adopted 25 October 1999

Last Reviewed 22 August 2022

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

RESPONSIBILITIES. All investment policies and procedures of the Dunlap Public Library District will be in accordance with Illinois Law. The authority of the Dunlap Library Board of 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 as “chief investment officer” and by designation, the Library Director, acting under the authority of the Library Board of Library Trustees, using a “prudent person” standard of care. Investments, fund balances and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board.

OBJECTIVES. In selecting financial institutions and investment instruments to be used, the following general objectives should be considered:

- Safety of principal
- Maintenance of sufficient liquidity to meet current obligations and those reasonably to be anticipated
- Return on investment
- Simplicity of management

GUIDELINES. These guidelines should be used to meet the general objectives:

A) Safety of Principal:

1. Investments may be made in securities guaranteed by the U.S. government or in FDIC insured institutions. Authorized investments include and will primarily consist of: Certificates of Deposit, Treasury Bills and other securities guaranteed by the U.S. Government
2. Investments may also be made in The Illinois Funds, a Local Government Investment Pool (LGIP) operated by the Illinois State Treasurer’s Office, only as long as The Illinois Funds maintains Standard & Poor’s highest credit rating (AAAm).
3. No other investment types shall be used for Dunlap Public Library District funds, unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral.

B) Maintenance of sufficient liquidity to meet obligations: 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) Return on investment: Within the constraints of 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 at all times, with the possible exception of the Corporate Funds checking account(s), which may potentially be held in non-interest bearing bank accounts.
- D) Simplicity of management: The time required to manage investments shall be kept to a minimum.

Any investment advisors, money managers and financial institutions shall be authorized only by the action of the Board of Library Trustees upon the recommendation of the Chief Investment Officer.