

Policy 2.2 Investments

Purpose and Scope: This investment policy will comply with all state statutes governing investment of public funds (P.A. of 1968 et seq. Michigan Uniform Budgeting and Accounting Act, and P.A. 34 of 2001 et seq. the Revised Municipal Finance Act). The policy applies to all financial assets of the Library. A list of the financial institutions holding these investments may be obtained from the Library Board Treasurer.

Objectives: In priority order, the primary objectives of the Library's investment activities shall be:

Safety - The primary objective of the Library's investment activities is the preservation of capital and protection of the investment principal.

Diversification - The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity - The investment portfolio will remain sufficiently liquid so as to allow the Library to meet reasonably anticipated operating requirements.

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

Authority: Authority to manage the investment program is derived from state law, including but not limited to Michigan Public Act 164 of 1877 as last amended. (MCL 397.210)

Delegation: Management of the investment program is delegated to the Library Board Treasurer under the authority and oversight of the Library Board. The Board Treasurer shall be responsible for the operation of the investment program consistent with the investment policy and shall be responsible for all transactions undertaken which must be under the terms of this Investment Policy.

Authorized Investments: The Library Board Treasurer will abide by the Kalkaska County Investment Policy as provided in Appendix 1, and will annually verify that the Library is in compliance with said County policy.

Records: The Library Board Treasurer may elect to have certificates and other evidence of investments held by a financial institution and sufficient documentation and acknowledgment of investments held on behalf of the Library, provided that such documentation is provided on a quarterly basis. The Library Board Treasurer shall provide a report at least quarterly to the Library Board concerning the investments of funds.

Conflict: The Library Board Treasurer shall comply with all statutes related to public fund investments. Any provision of this policy in conflict with state law is void.

Approved: 28 April 2020

Signature on file

Cash Cook, Board Secretary