

RESOLUTION NO. 2015 - \_\_\_\_

**A RESOLUTION FOR THE ADOPTION OF A WRITTEN POLICY FOR THE INVESTMENT OF PUBLIC FUNDS BY THE BOARD OF LIBRARY TRUSTEES OF THE ROCHESTER PUBLIC LIBRARY DISTRICT**

WHEREAS, Section 2.5 of the Public Funds Investment Act (30 ILCS 235/2.5) requires the Board of Library Trustees to adopt a written policy for the investment of public funds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Library Trustees of the Rochester Public Library District of Sangamon and Christian Counties, Illinois, as follows:

SECTION ONE: The Board of Library Trustees of the Rochester Public Library District hereby adopts a written policy for the investment of public funds, which policy is attached hereto and incorporated herein by this reference.

SECTION TWO: That the Secretary of the Board of Library Trustees is hereby directed to file a certified copy of this Resolution with the library's records.

SECTION THREE: That this Resolution shall be in full force and effect from and after the date of its adoption and approval by a favorable vote of the Board of Library Trustees present and voting.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, pursuant to roll call vote as follows:

AYES:\_\_\_\_\_ NAYS:\_\_\_\_\_ ABSENT:\_\_\_\_\_ ABSTENTIONS:\_\_\_\_\_

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
President  
Board of Library Trustees  
Rochester Public Library District

ATTEST:

\_\_\_\_\_  
Secretary  
Board of Library Trustees

STATE OF ILLINOIS            )  
  ) ss.  
COUNTY OF SANGAMON )

**CERTIFICATE OF TRUE COPY**

I, \_\_\_\_\_, Secretary of the Board of Library Trustees of the Rochester Public Library District, DO HEREBY CERTIFY that the foregoing Resolution, entitled:

**A RESOLUTION FOR THE ADOPTION OF A WRITTEN POLICY FOR THE INVESTMENT OF PUBLIC FUNDS BY THE BOARD OF LIBRARY TRUSTEES OF THE ROCHESTER PUBLIC LIBRARY DISTRICT**

is a true and correct copy of the original thereof, duly adopted and approved by the Board of Library Trustees at a regular meeting thereof, held at Rochester, Illinois, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at the hour of \_\_\_\_\_ o'clock p.m., at which time and place a quorum was present and acting throughout the entire meeting, and that the original of said Resolution is in my custody as such Secretary pursuant to law.

IN WITNESS WHEREOF, I have hereunto set my official signature as Secretary of said Board of Library Trustees this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Secretary  
Board of Library Trustees  
Rochester Public Library District

## INVESTMENT OF PUBLIC FUNDS

**PURPOSE.** The purpose of this policy statement is to outline the responsibilities, objectives, and guidelines for the investment of public funds by the Rochester Public Library District.

**RESPONSIBILITIES.** All investment policies and procedures of the Rochester Public Library District will be in accordance with Illinois law. The authority of the Board of Library Trustees is to control and invest public funds as defined in the Illinois Public Funds Investment Act (30 Illinois Compiled Statutes 235/0.01 et.seq.) and the investments permitted are described in Section 2 therein, as now or hereafter amended. Administration and execution of these policies are the responsibility of the Treasurer, and by designation the Library Administrator acting under the authority of the 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.

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

- Safety.
- Maintenance of sufficient liquidity to meet current obligations.
- Return on investment.
- Simplicity of management.
- Collateral statement.
- Internal controls and written operational procedures.
- Ethics and conflicts of interest statement.
- Financial reports.

**GUIDELINES.** The following guidelines should be used to meet general investment objectives:

**A. Safety.** 1. Investments will be made only in securities guaranteed by the United States Government, or in FDIC insured institutions. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage.

2. Authorized investments include and will primarily consist of certificates of deposit, treasury bills and other securities guaranteed by the United States Government, participation in the State of Illinois Public Treasurer's Investment Pool (IPTIP), and any other investments allowed under State law that satisfy the investment objectives of the library district.

**B. Maintenance of sufficient liquidity to meet current obligations.** In general, investments should be managed to meet liquidity needs for the current month plus one month (based on forecasted 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.

**D. Simplicity of management.** The time required by library district administrative staff to manage investments shall be kept to a minimum.

**E. Collateral Statement.** The Rochester Public Library District may use as collateral any owned buildings and land.

**F. Internal Controls and Written Operational Procedures.** **1.** The investment of funds will be determined based upon a majority vote of the Board of Library Trustees.

**2.** The library district Treasurer will carry out all investment requests that are determined by the Board.

**3.** It is required that the library district Treasurer be bonded.

**4.** Two authorized signatures are required on all checks written by the Board. Signature cards are required by all banking institutions used by the library district. Authorized individuals are: the Board President, Treasurer, Secretary, and any other designated trustee.

**5.** All IPTIP funds will be directly deposited to the Rochester Public Library District's bank account. The IPTIP account has a security code that can only be changed by a majority vote of the Board.

**6.** The tax disbursements will be directly deposited to the library district's checking account.

**G. Ethics and Conflicts of Interest Statement.** **1.** Trustees must promote a high level of library district service while observing ethical standards.

**2.** Trustees must avoid situations in which personal interests might be served or financial benefits gained at the expense of library district users, colleagues, or the institution.

**3.** It is incumbent upon any Trustee to disqualify himself or herself immediately whenever the appearance of conflict of interests exists.

**4.** Trustees must distinguish clearly in their actions and statements between their personal philosophies and attitudes and those of the library district, and acknowledge the formal position of the Board even if they personally disagree.

**5.** A Trustee must respect the confidential nature of library district business while being aware of and in compliance with applicable laws governing freedom of information.

**H. Financial Reports.**

**1.** Balance sheet.

**2.** Annual Statement of Receipts and Disbursements.

**3.** Detailed receipts.

**4.** Detailed disbursements.

**5.** Reconciliation of bank accounts.

## **ROCHESTER PUBLIC LIBRARY DISTRICT INVESTMENT POLICY**

SCOPE. This Policy applies to the investment activities of the Rochester Public Library District, with the exception that any employee pension funds will be organized and administered separately. All other financial assets shall be administered in accordance with the provisions of this Policy.

OBJECTIVES. All investments shall be designed to attain a maximum rate of return with minimum risk throughout the budgetary and economic cycles, taking in account the library district's investment risk constraints, State laws that restrict the placement of public funds, and the library district's cash flow needs.

Investment officials shall recognize that all investments are subject to public review and evaluation. The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

DELEGATION OF AUTHORITY. Management responsibility for the investment program resides with the library district's Treasurer, subject to approval by the Board of Library Trustees, and consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and approval by the Treasurer and the Board of Library Trustees. The Treasurer, under the direction of the Board of Library Trustees, shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of any subordinate persons.

PRUDENCE. The standard of prudence to be used by investment officials shall be the "prudent person" standard, and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.

INVESTMENT INSTRUMENTS. Rochester Public Library District shall comply with Section 2 of the Public Funds Investment Act (30 Illinois Compiled Statutes 235/2) relating to the investment of public funds, as now or hereafter amended.

INVESTMENT COMMITTEE. An Investment Committee shall be created consisting of the Treasurer and the library district's bookkeeper. The committee shall meet at least semi-annually to determine general investment strategies and to monitor results. The investment committee shall include in its deliberations such topics as: economic outlook, portfolio diversification and maturity structure, potential risks to the library district's funds, authorized depositories, and the target rate of return on the investment portfolio.

BANK SELECTION. The library district's main depository shall be selected through a formal procurement process at least once every five (5) years. Depositories shall be selected by

the Treasurer or the Board President, after a competitive evaluation process. In selecting depositories, the creditworthiness of the institutions, financial stability, credit characteristics, financial history, and interest rates offered shall be considered.

Preference shall be given to depositories located within the county area in which the library district is located.

Before accepting funds or engaging in investment transactions with the library district, the supervising officer at each depository shall submit a certification evidencing that he or she has reviewed the investment policies and objectives, and agrees to disclose potential conflicts or risks to public funds that might arise out of business transactions between the depository and the library district. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving library district funds. The supervising officer shall agree to exercise due diligence in monitoring the activities of other officers and subordinate staff members engaged in transactions with the library district.

Employees of any firm or financial institution offering securities or investments to the library district shall be trained in the precautions appropriate to public sector investments and shall be required to familiarize themselves with the Library Board's investment objectives and constraints.

MATURITY. Investments of the library district shall be limited to instruments maturing within five (5) years at the time of purchase. Maturities will be determined by the Treasurer.

SAFEKEEPING AND CUSTODY. To protect against potential fraud and embezzlement, the assets of the library district shall be secured through third-party custody and safekeeping procedures. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded to protect the public against possible embezzlement and malfeasance. Unless prevailing practices or economic circumstances dictate otherwise, ownership shall be protected through third-party custodial safekeeping. The pledged securities shall be one of the following types:

1. Negotiable obligations of the United States Government; or
2. Negotiable obligations of any agency or instrumentality of the United States Government guaranteed by the full faith and credit of the United States Government; or
3. Negotiable obligations of the State of Illinois; or of any county, city, town or municipal corporation of this State or any other political subdivision of this State which are rated A or better by Moody's or Standard and Poor's rating thereof; or
4. Negotiable obligations of any State of the United States, or any municipal or other political subdivision thereof which are rated AA or better by Moody's or Standard and Poor's rating thereof; or

5. Any other negotiable obligation authorized by law and approved in writing by the Treasurer or the Board President prior to substitution.

WORKING CASH. In order to operate in a business-like manner and pay its obligations when due, Rochester Public Library District may maintain a balance in a designated working cash fund. Such balance will be sufficient to allow sufficient liquidity so that adequate working cash balances may be maintained. Working cash management is the responsibility of the Treasurer. The working cash fund balance to be maintained will be determined by the Board of Library Trustees, based on the recommendation of the Treasurer and Library Administrator.