

INVESTMENT POLICY

I. SCOPE OF POLICY

1.1 The following Policy is hereby promulgated for use by the Berwyn Public Library, and is based on the Illinois State Treasurer's recommended investment policy.

1.2 This Investment Policy applies to any new funds or temporary funds placed under the jurisdiction of the Library Board of Trustees, including bequests and special reserve funds, but not to the operating funds controlled by the City of Berwyn. Illinois State Statutes, including 30 ILCS 235/2.25, et seq. will take precedence over this policy, except where this Policy is more restrictive, in which case this Policy will take precedence.

II. OBJECTIVES

2.1 The purpose of this Investment Policy is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Board of Library Trustees. The specific objectives of this Policy will be as follows:

2.1.1 Safety – The security of monies, whether on hand or invested, shall be the primary concern of the Library Board appointed investment officers in selecting depositories or investments. The investment officers shall be designated by the Library Board of Trustees.

2.1.2 Liquidity – The type and length of investments should be managed to enable the Library to meet its cash flow requirements for the planned use of such monies.

2.1.3 Return – Authorized investment officers shall seek to attain a market average or better rate of return throughout budgetary and economic cycles, taking into account risk, constraints, cash flows, and legal restriction on investment.

2.1.4 Periodic Review of Investment Portfolio – The investment officers shall make a periodic review to determine the effectiveness in meeting the Library's needs for safety, liquidity, rate of return, and diversification. The investment officers shall report to the Library Director on an "as needed" basis, and shall report to the Board of Library Trustees no less than semi-annually at a regular Board meeting.

III. GUIDELINES FOR INVESTMENTS

3.1 The Library will invest funds as authorized by the Illinois Public Funds Investment Act (30 ILCS 235) which includes:

3.1.1 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

3.1.2 Deposit accounts issued or offered by a designated depository.

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

IV. DELEGATION OF AUTHORITY

- 4.1 Board of Library Trustees will appoint the investment officer/officers.
- 4.2 The investment officers shall be responsible for all transactions and shall establish a system of controls for all authorized subordinates who are directly involved in the assistance of such investments.
- 4.3 The Board of Trustees will have the sole responsibility to select which financial institutions will be depositories for the Library.
- 4.4 Authorized investment officers acting accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and necessary action is taken to control adverse developments.
- 4.5 The Board of Trustees will have the sole authority to contract with a certified financial planner for advice and management services.

V. ETHIC AND CONFLICTS OF INTEREST

- 5.1 Officers and certified financial planner involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of their entity.
- 5.2 The Investment officers shall be responsible for all transactions and shall establish a system of controls for all authorized subordinates who are directly involved in the assistance of such investment activities.

VI. RESERVATION OF RIGHTS

The Library reserves the right to amend this Policy at any time upon the advice and consent of its Board of Library Trustees.