

**Investment Of Public Funds**

Page 1 of 2

Amended April 3, 2018

**INVESTMENT OF PUBLIC FUNDS**

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

RESPONSIBILITIES. All investment policies and procedures of the Rolling Meadows Library will be in accordance with Illinois law. The authority of the 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, and, by designation, the Library Director acting under the authority of the Library Board of 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

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

A) Safety

1. Investments will be made only in securities guaranteed by the U.S. government, or in FDIC or FSLIC insured institutions.
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.
3. Any deposits exceeding FDIC or FSLIC insurance must be collateralized. At the City's discretion, the following may be accepted as collateral:

- U.S. Government Securities
- Obligations Of Federal Agencies
- Obligations Of Federal Instrumentalities
- Obligations Of The State Of Illinois
- Obligations Of The City Of Rolling Meadows

- General Obligations Bonds Of Other Municipalities rated “A” Or Better
- Any Other Collateral Identified In Illinois Compiled Statutes As Acceptable For Use By The Treasurer Of The State Of Illinois.

The amount of the collateral will not be less than 110% of the fair market value of the net amount of public funds secured.

Collateral will be secured by the City to cover both City and Library deposits. Collateral levels will be reviewed quarterly by the City. Pledged collateral will be held in safekeeping and be evidenced by a safekeeping agreement. Pledged assets will not be released without an authorized signature from the City of Rolling Meadows.

- B) Maintenance of sufficient liquidity to meet current obligations in general, investments should be managed to meet liquidity needs for the **current month plus two months** (based on forecasted needs).
- C) Return on investment. Within the constraints on 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 administrative staff to manage investments shall be kept to a minimum.