

ADAMS COUNTY PUBLIC LIBRARY

SECTION 1.400 - FINANCIALS

SECTION 1.410 – INVESTMENT POLICY (adopted 5/16/02)

Introduction

The Adams County Public Library’s Investment Policy is developed and implemented in accordance with Senate Bill 81 and Section 135, “Uniform Depository Act,” of the Ohio Revised Code. This Investment Policy applies to all active, interim and inactive funds that the Library has received, and is held accountable for, from all public and private sources.

Investment Authority Defined

The Investing Authority will be the Fiscal Officer, Deputy Fiscal Officer or such Officer or employee of the Library as the Board shall designate. The Investing Authority shall act only in accordance with the wishes of the Board.

Review

The Investment Policy shall be presented to and annually reviewed and approved by the Adams County Public Library Board of Trustees in open public meetings as prescribed by State of Ohio law.

Legislative Changes

Any State of Ohio legislative action that further restricts or permits allowable maturities, investment type of percentage allocations, will, upon effectiveness, be incorporated into the Adams County Public Library’s Investment Policy and shall supersede any and all previous applicable language.

Investment Philosophy

The Investing Authority shall make investments in good faith, in a manner reasonably believed to be in or not opposed to the best interests of the library, and with the exercise of that degree of care that an ordinarily prudent person in a like position would use under similar circumstances. The prudent person standard requires that the Investing Authority seek investments that will achieve the prescribed objectives set forth in this Investment Policy.

Maintaining the Public Trust

The Investing Authority shall act as the custodian of the public trust in all deposit/investment program activities. The Investing Authority shall recognize that the deposit/investment program is subject to public review and evaluation. The overall deposit/investment program shall be managed with a degree of professionalism that is worthy of the public trust.

Objectives

The following deposit/investment objectives will be applied in the management of funds of the Adams County Public Library.

Preservation of Principal

The deposit/investment program shall preserve capital and protect investment principal within defined parameters.

Maintenance of Liquidity

The deposit/investment program shall maintain sufficient liquidity to meet reasonably anticipated fiscal operating requirements on an on-going basis throughout the fiscal cycle.

ADAMS COUNTY PUBLIC LIBRARY

SECTION 1.410 – INVESTMENT POLICY ... cont'd

Maximization of Income

The deposit/investment program shall strive to attain the best total return or yield on deposited and invested funds of the Library as is reasonable and prudently achievable within defined parameters.

Minimization of Risk

All attempts shall be made to minimize risks inherent in investment through diversification so as to eliminate the risk of loss resulting from an over-concentration of funds in a specific maturity, issuer, industry, geographical area, or class of securities.

Minimization of Costs

All attempts shall be made to minimize the costs of financial transactions related to implementing investment strategies.

Authorized Investments

The Investing Authority may deposit and/or invest in the following instruments at a price not to exceed the fair market value of the specific investment instrument.

Bills, notes, bonds, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for payment of principal and interest thereon.

Bills, notes, bonds or other obligations or securities issued by any U.S. Government Agency, whether or not guaranteed by the United State including, but not limited to Federal National Mortgage Association, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Student Loan Marketing Association, etc.

Certificates of deposit, including, but not limited to passbook accounts, in any eligible institution insured by the Federal Deposit Insurance Corporation and having an office located within the territorial limits of the United States.

Checking and saving accounts in any eligible institution insured by the Federal Deposit Insurance Corporation and having an office located within the territorial limits of the State of Ohio.

Bonds and other obligations of the State of Ohio that are rated A or better or SP-1 or better by Standard & Poor's, or its equivalent.

No-load money market mutual funds consisting exclusively of Treasury of Federal Agency obligations and Repurchase Agreements secured by Treasury, or Federal Agency obligations made through eligible institutions.

Repurchase Agreements collateralized as required by the Ohio Revised Code with Treasury or Federal Agency obligations and made through eligible institutions and for no longer than thirty days.

STAR Ohio, the State Treasury Asset Reserve of Ohio.

ADAMS COUNTY PUBLIC LIBRARY

SECTION 1.410 – INVESTMENT POLICY ...cont'd

Maturity Guidelines

As is reasonably prudent, the Investing Authority will attempt to match deposits/investments with anticipated cash flow requirements to take best advantage of prevailing economic and market conditions. No bond, bond mutual fund, or regular money market fund investment shall have maturity date, or average maturity date, of more than five (5) years from its date of purchase, unless the investment is matched to a specified obligation or debt of the Library. Individually purchased bonds and obligations shall not carry any provisions for call before maturity. Any investment made must be entered into with a reasonable expectation to be held to maturity unless defined opportunities exist to better achieve deposit/investment objectives denoted in this Investment Policy.

Authorized Financial Institutions and Brokers/Dealers

Any financial institution located within the State of Ohio as defined by O.R.C. 135.03 is eligible to serve as an approved depository and/or investment provider contingent upon having an active executed Depository Agreement on file with the Investing Authority. Four times per year, a depository is required to supply the Investment Authority the amount of public monies deposited by the Investment Authority and secured and the total value based on the amounts above the pool of securities pledged to secure public monies held by the depository, including those deposits by the Library.

The Investing Authority shall deal only with brokers or dealers who are registered as such with the Securities and Exchange Commission and, which are licensed as a dealer with the Ohio Division of Securities and as defined in O.R.C. 135.03. Such brokers or dealers should also be members of the National Association of Securities Dealers, Inc. Securities brokers and dealers shall be utilized only after an analysis performed by the Investing Authority has revealed that the broker or dealer is adequately financed to conduct business with the Library.

Certification by All Parties

The Investing Authority shall distribute a copy of this Investment Policy and any revisions or updated versions to each of the eligible financial institutions and brokers and dealers desiring to do business with the Library. It shall be the responsibility of the designated officer of each eligible financial institution, broker, and dealer to certify that they have reviewed this Investment Policy and agree to comply with all applicable State of Ohio and Federal laws. Furthermore, the aforementioned officer shall agree to disclose any potential conflicts of risks to Library funds that could arise out of financial transactions between the financial institutions, brokers, and dealers and the Library.

Filing Requirements

The Investment Policy, along with any future revisions or updates, will be filed with the Auditor of State, Attention: Clerk of the Bureau, P. O. Box 1140, Columbus, Ohio 43216-1140, in accordance with State of Ohio law.