



Investment

Purpose

The purpose of this policy is to provide for the investment of public funds in a manner that ensures the safety of principal, maintains sufficient liquidity, and earns a reasonable rate of return in accordance with the Illinois Public Funds Investment Act (30 ILCS 235/).

This policy establishes the framework for prudent and transparent management of all Library funds.

Scope

This policy applies to the investment of all financial assets of the Nippersink Public Library District (“Library”), including operating funds, reserve funds, and any other funds held by or on behalf of the Library.

Objectives

The Library’s investment program shall be conducted in accordance with the following prioritized objectives:

1. **Safety:** Preservation of principal is the foremost objective. Investments shall be undertaken in a manner that seeks to ensure the safety of the Library’s financial assets.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating and capital requirements.
3. **Return on Investment:** The Library shall seek to achieve a market rate of return consistent with safety and liquidity.
4. **Simplicity of Management:** Investment activities shall be conducted efficiently, requiring minimal administrative time.

Standards of Care

- **Prudent Person Standard:** Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs—not for speculation, but for investment—considering the probable safety of their capital and the probable income to be derived.
- **Ethics and Conflicts of Interest:** Officers and employees involved in the investment process shall avoid personal business activities that could conflict with the proper execution of the investment program or impair their ability to make impartial decisions.



Authorized Investment Instruments

Investments shall be made only in instruments permitted by the Illinois Public Funds Investment Act (30 ILCS 235/2), including but not limited to:

1. Obligations of the U.S. Treasury and U.S. Government agencies.
2. Interest-bearing savings accounts, certificates of deposit, and time deposits in banks insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF).
3. The Illinois Funds, the public investment pool administered by the State Treasurer.
4. Other local government investment pools (LGIPs) authorized under Illinois law.
5. Repurchase agreements fully collateralized by U.S. Government securities.
6. Obligations of the State of Illinois and its political subdivisions, if rated investment-grade.

All deposits and investments shall comply with applicable collateralization requirements and limitations established by law.

Delegation of Authority

- The Library Treasurer shall serve as the Chief Investment Officer, responsible for the administration and execution of the Library's investment program under the authority of the Board of Trustees.
- The Library Director shall assist the Treasurer in managing liquidity needs, maintaining records, and preparing reports for the Board.
- The Treasurer shall provide the Board of Trustees with a monthly investment report summarizing investment types, institutions, amounts, interest rates, and maturity dates.

Diversification and Liquidity

- The investment portfolio shall be diversified to minimize risk from concentration in a single institution, instrument, or maturity period.
- The portfolio shall be structured to ensure that funds are available to meet anticipated operational needs, typically maintaining sufficient liquidity for at least one month of projected expenditures.

Internal Controls

The Library shall maintain an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and that all investment transactions are properly authorized, recorded, and reported.



Authorized Financial Institutions and Dealers

Only financial institutions and dealers authorized by the Board of Trustees, upon the recommendation of the Treasurer, may be used for investment transactions.

A current list of approved institutions shall be maintained by the Treasurer and reviewed annually.

Ethics and Transparency

All investment decisions and transactions shall be made transparently and reported regularly to the Board of Trustees.

No person involved in the investment process shall have any personal or financial interest in the investment of Library funds.

Reporting and Review

- The Treasurer shall include all investments in the monthly Budget and Finance Report presented to the Board of Trustees.
- The Board Finance Committee shall periodically review the investment portfolio for compliance with this policy and evaluate performance.
- This policy shall be reviewed at least every two years, or sooner if required by legislative or regulatory changes.

Compliance and References

This policy is adopted in accordance with the Illinois Public Funds Investment Act (30 ILCS 235/) and supersedes all prior investment-related policies.