

WESTCHESTER PUBLIC LIBRARY

INVESTMENT POLICY

January 13, 2011

STATEMENT of PURPOSE

It is the policy of the Westchester Public Library to invest its funds in a manner that will provide the maximum security with the highest investment return, while meeting the daily cash flow needs of the Westchester Public Library and complying with Indiana Code 5-13-9

INVESTMENT OBJECTIVES

The primary objectives of the Westchester Public Library's investment activities shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment: The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow from characteristics of the portfolio.

INVESTING OFFICER

The Library Director is designated as the investing officer in order to receive bids for the Library's invested funds and to negotiate the sale of investments for the purpose of depositing the proceeds into the Library's checking account.

GUIDELINES FOR INVESTMENTS

The Library will invest funds as allowed by Indiana Code 5-13-9, which includes:

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

Deposit accounts issued or offered by a designated depository.

Agreements commonly known as repurchase or resale agreements with depositories designated by the State Board of Finance as depositories for state investments.

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

TERMS OF INVESTMENTS

Investments must be returned to the fund of origin before the end of the year. Interest on investments will not be added automatically to the investment. Instead, interest on investments should be paid to the library at each maturity date and posted to the appropriate fund. Mixed fund investments may be made, with interest pro-rated to the various funds.

BIDDING PROCEDURE

Whenever investments are made in an investment with a fixed rate of return such as a certificate of deposit (CD), the investing officer must obtain quotes of the specific rates of interest for the term of the investment. The investment shall be placed with the designated depository quoting the highest rate of interest. If two or more depositories tie for the highest quote, the investing officer shall select one of them at the investing officer's discretion.

INVESTMENT ACTIVITY REPORT

The Westchester Public Library Director shall provide a written report to the Board of Finance concerning the investment of Westchester Public Library funds annually at a meeting held after the first Monday in January and on or before the last day of January. At this meeting, the Board of Finance will also review the Investment Policy of the library.