



# INVESTMENT

# POLICY

Township of \_\_\_\_\_,  
ILLINOIS

## **INVESTMENT POLICY**

**Township of \_\_\_\_\_, Illinois**

### **Investment Policy**

It is always prudent for any public unit to have an Investment Policy in place for the purpose of safe guarding funds, equitably distributing the investments and maximizing income of the governmental unit. The following policy is adopted for the Township of \_\_\_\_\_.

### **Scope of Investment Policy**

This Investment Policy applies to the investment activities of all funds under the jurisdiction of the Township of \_\_\_\_\_ Supervisor. This Investment Policy will also apply to any new funds or temporary funds placed under the jurisdiction of the Township of \_\_\_\_\_ Supervisor. The Illinois State Statutes will take precedence except where this policy is more restrictive wherein this policy will take precedence.

## **Objectives**

The Purpose of this Investment Policy of the Township of \_\_\_\_\_ Supervisor is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Township of \_\_\_\_\_ Supervisor. The specific objectives of this investment policy will be as follows:

1. Safety of principal.
2. Diversity of investments to avoid unreasonable risks.
3. The portfolio shall remain sufficiently liquid to meet all operating costs which may be reasonably anticipated.
4. The highest interest rate available will always be the objective of this policy combined with safety of principal, which is left to the discretion of the Township of \_\_\_\_\_ Supervisor, which includes whether or not the Township of \_\_\_\_\_ Supervisor will require collateralization of any deposits.
5. In maintaining its investment portfolio, the Township of \_\_\_\_\_ Supervisor shall avoid any transaction that might impair public confidence in the Township of \_\_\_\_\_ Supervisors office.
6. The Township of \_\_\_\_\_ Supervisor will give consideration to the financial institutions positive community involvement when consideration is given to the financial institution to be used as a depository.
7. All funds will be invested for a period of one day or longer, depending on the requirement for the disbursement of funds.
8. All funds shall be deposited within two working days at prevailing rates or better in accordance with Illinois State Statutes.

## **Responsibility**

All investment of funds under the control of the Township of \_\_\_\_\_ Supervisor is the direct responsibility of the Township of \_\_\_\_\_ Supervisor. The Township of \_\_\_\_\_ Supervisor shall be responsible for all transactions and shall establish a system of controls of the activities of all subordinates who are directly involved in the assistance of such investment activities.

## **Accounting**

All investment transactions shall be recorded by the Township of \_\_\_\_\_ Supervisor or the Township of \_\_\_\_\_ Supervisor's staff. A report will be generated, at least monthly, listing all active investments. This report will be made available to the Township of \_\_\_\_\_ Board of Trustees and Township of \_\_\_\_\_ Supervisor.

## **Financial Institutions**

The Township of \_\_\_\_\_ Supervisor will have the responsibility to select which financial institutions will be depositories for Township of \_\_\_\_\_ Supervisor funds.

The Township of \_\_\_\_\_ Supervisor will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institution when choosing a financial institution.

At no time will the Township of \_\_\_\_\_ Supervisor investments exceed 65% of the financial institutions Capital and surplus.

All financial institutions having any type of financial relationships; deposits, investments, loans, etc. are required to provide a complete and current "Call Report" required by their appropriate regulatory authority each calendar quarter within 30 days of the "Call" request date.

## **Investment Vehicles**

The Township of \_\_\_\_\_ Supervisor will use investments approved for governmental units as set forth in the most current issue of the Illinois Revised State Statutes including Securities Exchange Commission registered and AAA rated by Moody's and Standard & Poor's money market mutual funds consisting of U. S. Government Treasuries.

## **Collateral**

It shall be the discretion of the Township of \_\_\_\_\_ Supervisor to determine whether or not collateral will be required of financial institutions receiving funds from the Township of \_\_\_\_\_ Supervisor. At all times the Township of \_\_\_\_\_ Supervisor will require that deposits in excess of 10% of the capital and surplus of a financial institution will be collateralized. The Township of \_\_\_\_\_ Supervisor may request collateral for any part of deposits in financial institutions when the Township of \_\_\_\_\_ Supervisor determines it to be in the best interests of safeguarding the funds on deposit.

When collateral is required, 105% of the deposit will be required. Only the following collateral will be accepted:

- U. S. Government direct securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois
- Obligations of the Township of \_\_\_\_\_
- Acceptable Collateral as identified in the Illinois Revised State Statutes for use by the Supervisor of the State of Illinois.

Investments shall be made with judgement 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 as well as the possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the Township of \_\_\_\_\_ Supervisor's portfolio.

**Security Controls**

The Township of \_\_\_\_\_ Supervisor is authorized to establish financial accounts for the office of Township of \_\_\_\_\_ Supervisor with the advice and consent of the Township of \_\_\_\_\_ City Council/Board of Trustees. At all times either the Township of \_\_\_\_\_ Supervisor or Township of \_\_\_\_\_ Deputy Supervisor, and the Clerk or Deputy Clerk two, jointly, will be authorized to sign on financial accounts of the of Township of \_\_\_\_\_. ***Authorized signatories will NOT be permitted to reconcile bank accounts at any time.***

End of Policy

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
Township Supervisor

\_\_\_\_\_  
Township Clerk