SHELBY COUNTY

INVESTMENT POLICY

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INVESTMENT POLICY

It is always prudent for any public unit to have an Investment Policy in place for the safe guarding of funds, equitably distributing the investments and maximizing income of the governmental unit.

The following policy is adopted for the Shelby County Treasurer’s office.

SCOPE OF INVESTMENT POLICY

This Investment Policy applies to the investment activities of all funds under the jurisdiction of the Shelby County Treasurer. This Investment Policy will also apply to any new funds or temporary funds placed under the jurisdiction of the Shelby County Treasurer. The Illinois Compiled Statutes will take the precedence except where this policy is more restrictive wherein this policy will take precedence.

OBJECTIVES

The purpose of this Investment Policy of the Shelby County Treasurer is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Shelby County Treasurer. The specific objectives of this investment policy will be as follows:

1. Safety of principal.
2. Diversity of investment 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 Shelby County Treasurer which includes whether or not the Shelby County Treasurer will require collateralization of any deposits.
5. In maintaining its investment portfolio, the Shelby County Treasurer shall avoid any transaction that might impair public confidence in the Shelby County Treasurers office.
6. All funds shall be deposited within two working days at prevailing rates or better in accordance with the Illinois Compiled Statutes.
7. All funds will be invested for a period of one day or longer, depending on the requirement for the disbursement of funds.

RESPONSIBILITY

All investments of funds under the control of the Shelby County Treasurer is the direct responsibility of the Shelby County Treasurer. The Shelby County Treasurer 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 Shelby County Treasurer or the Shelby County Treasurer’s staff. A report will be generated at least monthly, listing all active investments. This report will be made available to the Shelby County Board.

FINANCIAL INSTITUTIONS

The Shelby County Treasurer will have the sole responsibility to select which financial institutions will be depositories for Shelby County Treasurer funds. The Shelby County Treasurer will take into consideration security, size, location, condition, and service fees. At no time will the Shelby County Treasurer 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 make available for public view 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 Shelby County Treasurer will use investments approved for governmental units as set forth in the most current issue of the Illinois Compiled Statutes including Securities Exchange Commission registered and AAA rated by Fitch and Standard & Poor’s mutual funds consisting of U.S. Government Treasuries.

COLLATERAL

It shall be the direction of the Shelby County Treasurer to determine whether or not collateral will be required of financial institutions receiving funds from the Shelby County Treasurer. At all times the Shelby County Treasurer will require that deposits in excess of FDIC insurable limits be collateralized. The Shelby County Treasurer may request collateral for any part of deposits in financial institutions when the Shelby County Treasurer determines it to be in the best interest of safeguarding the funds on deposit. When collateral is required, 100% of the deposit will be required. Only the following collateral will be accepted:

1. U.S. Government direct securities
2. Obligations of Federal Agencies
3. Obligations of Federal Instruments
4. Obligations of the State of Illinois
5. Obligations of the County of Shelby
6. Obligations of municipalities located within County of Shelby
7. Federal Home Loan Bank Irrevocable Letter of Credit

Subject to acceptance by the Shelby County Treasurer. Acceptable Collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois. Investments shall be made with judgement and care. Investments shall be made 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 Shelby County Treasurer’s portfolio.

SECURITY CONTROLS

Only the Shelby County Treasurer is authorized to establish financial accounts for the office of Shelby County Treasurer. At all times either the Shelby County Treasurer or their appointee is authorized to sign on financial accounts of the office of the Shelby County Treasurer.