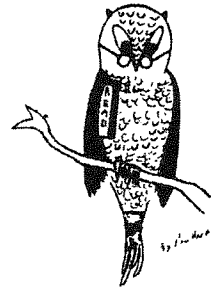


## Wood Dale Library

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### ORDINANCE #2 2020 INVESTMENT OF PUBLIC FUNDS

**Purpose:** The purpose of this policy statement is to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Wood Dale Public Library District.

**Responsibilities:** All investment policies and procedures of the Wood Dale Public Library District will be in accordance with Illinois law. The authority of the Library Board of Library Trustees to control and invest public funds is defined in the Illinois Public Funds Investment Act, and the investments permitted are described therein. Administration and execution of these policies are the responsibility of the Treasurer, and, by designation, the Library Director acting under the authority of the Library Board of Library Trustees. Investments, fund balances, and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board.

**Scope:** This policy includes all funds governed by the Board of Library Trustees.

**“Prudent Person” Standard:** All Library investment activities shall use a “prudent person” standard of care. This standard shall be applied in the context of managing an overall portfolio and specifies that 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, as well as the probable income to be derived. Investment officers, acting in accordance with this Policy and the written procedures of the Library, and exercising due diligence, shall be relieved of personal responsibility for a security’s credit risk or market price/value changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**Objectives:** In selecting financial institutions and investment instruments to be used, the following general objectives should be considered in the priority listed:

1. Legality (conforming with all legal requirements)
2. Safety (preserving capital and including diversification appropriate to the nature and amount of the funds)
3. Liquidity (maintaining sufficient liquidity to meet current obligations and those reasonably to be anticipated)

4. Yield (attaining a market rate of return on investments)
5. Simplicity of management
6. Sustainability Factors, including but not limited to: (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.

**Authorized and Suitable Investments:** Investments may only be made in securities allowed for by Illinois statutes regarding the investment of public funds.

**Guidelines:** The following guidelines should be used to meet the general investment objectives:

**A) Legality and Safety:**

1. Investments will be made only in securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage [unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral]. Any credit union accounts would not exceed insured amounts and otherwise would be in complete compliance with the legal requirements for such accounts and institutions.
2. Authorized investments include and will primarily consist of: Certificates of Deposit, Treasury Bills and other securities guaranteed by the U.S. Government, participation in the Illinois Funds, CDARS, MaxSafe, and any other investments allowed under State law that satisfy the investment objectives of the library district.

**B) Liquidity:**

In general, investments should be managed to meet liquidity needs for six months (based on forecasted needs) and any reasonably anticipated special needs.

**C) Yield - Return on Investment:**

Within the constraints on Illinois law, considerations of safety, and this investment policy, every effort should be made to maximize return on investments made. All available funds will be placed in authorized investments or kept in interest bearing deposit accounts.

**D) Simplicity of Management:**

The time required by library administrative staff to manage investments shall be kept to a minimum.

**E) Sustainability Factors**

Sustainability Factors include but are not limited to: (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.

**Delegation of Authority:** Management and administrative responsibility for the investment program is hereby delegated to the Treasurer of the Board of Library Trustees and Finance Committee. The Treasurer of the Board of Library Trustees, and by designation, the Library Director, is responsible for establishing internal controls and written procedures for the operation of the investment program.

**Ethics and Conflicts of Interest:** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions, or that could give the appearance of impropriety.

**Authorized Financial Institutions and Dealers:** Any investment advisors, money managers and financial institutions shall be considered and authorized only by the action of the Board of Library Trustees upon the recommendation of the Treasurer of the Board of Library Trustees. The Treasurer of the Board of Library Trustees will maintain a list of financial dealers and institutions authorized to provide investment services

**Internal Controls:** In addition to these guidelines, the Chief Investment Officer shall establish a system of internal controls and written operational procedures designed to prevent loss, theft or misuse of funds.

**Reporting:** Investments, fund balances and the status of such accounts will be reported at each regularly scheduled meeting of the Library Board and at least quarterly include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date. At least biennially, the Treasurer of the Board of Library Trustees and Library Director shall review this Policy for any needed modifications and report to the Board on the investment portfolio, its effectiveness in meeting the Library's need for safety, liquidity, rate of return, diversification and general performance and on the ongoing capability of the financial institutions. These reports will be available to the general public upon request

**Investment Policy Adoption:** The investment policy shall be adopted by the Board of Library Trustees. The policy shall be reviewed on a biennial or as needed basis. Modifications made to the policy must be approved by the Board of Library Trustees.

Adopted this 20th day of April, 2020 pursuant to a roll call vote of

7 AYES and 0 NAYS, to wit:

AYES Denn, Krebsch, Matuszewski, Norris, Sparacio, Winger, Zaremba

NAYS -0-

ABSENT -0-

ABSTAIN -0-

Approved by me this 20th day of April, 2020

Lynette Zaremba  
Lynette Zaremba, Secretary

Kristy Norris  
Kristy Norris, President

Board of Library Trustees, Wood Dale Public Library District

(Seal)

