

# Boone County Treasurer Investment Policy

Pursuant to 30 ILCS 235/2.5 of the Illinois Compiled Statutes, this investment policy of the Boone County Treasurer is hereby established.

## Scope of This Policy

This policy applies to all funds of the County of Boone in the State of Illinois, funds of the Boone County Emergency Telephone System Board, property taxes collected by the Boone County Collector, Community Building Complex Committee Sales Tax collections, and any other funds that may temporarily or permanently come under the jurisdiction of the Boone County Treasurer.

## Objectives

The objectives of this investment policy, in order of priority, are as follows:

1. Compliance with applicable law – To ensure that funds will be invested in accordance with 30 ILCS 235 “Public Funds Investment Act”, other applicable Illinois Statutes, the Boone County Code and all other applicable laws, codes and ordinances.
2. Safety of Principal – To ensure that funds will be invested in a manner such that the principal is not at risk of loss.
3. Liquidity – To ensure that funds are available to meet all operating requirements that may be reasonably anticipated.
4. Public confidence – To ensure that funds are managed and invested in ways that do not tend to impair the public confidence in Boone County Government or the Boone County Treasurer’s Office.
5. Diversity – To minimize the risk of principal loss and stabilize interest income by utilizing a variety of depositories, investment vehicles and maturity terms.
6. Maximum Yield – To ensure that funds are invested in a manner that attains the highest reasonable yield, after the above objectives are met.
7. Commitment to Community – To consider each financial institution’s record of financial commitment to the Boone County community in the course of choosing depositories of public funds. Depositories with a local infrastructure will be given preference, provided all other objectives above are met.

## Authority and Responsibility

The Boone County Treasurer shall have exclusive authority and responsibility to execute this policy, to delegate appropriate tasks to his staff, to establish departmental procedures to ensure compliance with this policy and to take all reasonable steps to correct any breaches of this policy. The Boone County Treasurer shall also have the authority and responsibility to amend this policy from time to time as the need arises.

## Standards of Care

1. The Prudent Person Rule – the Boone County Treasurer and his subordinates shall act according to the “prudent person rule.” His discretion shall be limited to those decisions that a prudent person might make when seeking reasonable income and preservation of capital.
2. Ethics and Conflicts of Interest – The Boone County Treasurer and his subordinates shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, impair their ability to make impartial decisions or

impair public confidence in Boone County Government. All reasonable efforts shall be made to avoid any conflict of interest that might tend to create an appearance of impropriety. The Boone County Treasurer and any subordinates involved in investment decisions shall disclose any material interests in financial institutions that are depositories of public funds under the jurisdiction of the Boone County Treasurer.

3. Internal Control – The Boone County Treasurer shall establish departmental procedures and other methods designed to prevent fraud, employee error, misrepresentation by third parties, or other losses due to human error or imprudence. Such procedures will include, but are not limited to, segregation of duties both internally and externally, periodic reassignment of duties, vacation requirements, timely and periodic reporting, preservation of externally produced documents, and making accounts and records available to auditors contracted by the Boone County Board and to the public at large.

### **Authorized Investments**

Investments shall be limited to the following investment vehicles:

1. Certificates of deposit, savings accounts, checking accounts, N.O.W. accounts, money market accounts and similar vehicles constituting direct obligations of banks that are insured by the Federal Deposit Insurance Corporation (FDIC).
2. Share certificates, regular shares, share draft accounts, money market share accounts and similar vehicles constituting direct obligations of credit unions that are insured by the National Credit Union Administration (NCUA) Share Insurance Fund, provided that the principle office of any such credit union is located within the State of Illinois, and the field of membership of any such credit union includes the citizens of Boone County.
3. The "Illinois Funds" public investment pools of the Illinois State Treasurer, and other public funds investment pools created under Section 17 of the State Treasurer Act.
4. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of such funds is limited to those obligations guaranteed by the full faith and credit of the United States of America.
5. Other investment vehicles authorized by the Public Funds Investment Act.

### **Pooling of Funds**

Monies from various funds may be pooled together for investment purposes at the discretion of the Boone County Treasurer, if such pooling is deemed beneficial to the pursuit of the objectives set forth herein. The amount of each fund contained in the pool shall be carefully recorded in accordance with generally accepted accounting principles. Interest earned by the pool shall be apportioned to each fund on a monthly basis according to month-end balances.

### **Financial Institutions**

The Boone County Treasurer shall prepare a list of financial institutions to be utilized as depositories of public funds. The Boone County Treasurer shall perform due diligence in determining the fitness of any financial institution to be included on said list, and shall present to the Boone County Board a summary of his research indicating the principle operating location, asset size, capital ratio, and other information which may reasonably be used to determine the fitness of a financial institution. The Boone County Treasurer shall submit a revised list to the Boone County Board from time to time as the need arises.

Only the Boone County Treasurer shall be authorized to establish accounts at financial institutions. Only the Boone County Treasurer and his sworn deputies shall be authorized signatories on financial accounts of the Boone County Treasurer's Office.

### **Collateral**

1. Any funds not insured by the FDIC or NCUA or otherwise guaranteed by the full faith and credit of the United States of America shall be collateralized according to 30 ILCS 235/6 (d).
2. Before any funds may be deposited in a financial institution in excess of the amount insured by FDIC or NCUA, a pledge depository agreement shall be executed and signed by the Boone County Treasurer, an authorized representative of the financial institution and an authorized representative of a third-party safekeeping organization. In lieu of a pledge depository agreement, the financial institution may arrange for an irrevocable letter of credit issued by a Federal Home Loan Bank, in an amount and for a term sufficient to secure the uninsured portion of the Boone County Treasurer's deposits at that financial institution.
3. The market value of collateral pledged by each financial institution shall be not less than 100% of the value of investments at that financial institution not insured by FDIC or NCUA.
4. Each financial institution that has pledged collateral shall provide the Boone County Treasurer with a statement listing the securities pledged and the market value of such securities on a quarterly basis.

### **Periodic Review**

All investments undertaken under this policy, individually and in the aggregate, shall be reviewed by the Boone County Treasurer or his designated subordinate on a monthly basis and examined for compliance with this policy.

### **Monthly Reporting**

The Boone County Treasurer shall submit a report of all investments under his jurisdiction to the Boone County Board on a monthly basis, and make such report available to the public. Such report shall include the depository, the name of each fund, the amount invested, the rate of interest and the maturity of each investment.

### **Policy Considerations**

1. Annual Review – The Boone County Treasurer shall review this policy on an annual basis and make revisions at his discretion.
2. Auditors – This policy will be available for examination by independent auditors contracted by the Boone County Board.
3. Financial Institutions – A copy of this policy, and any subsequent revisions thereof, will be provided to all financial institutions that are depositories of public funds under the jurisdiction of the Boone County Treasurer.
4. Public access – This policy shall be available for review by the general public at the Boone County Treasurer's Office during business hours. It will also be available on the Boone County Treasurer's web site, <http://boonecountytreasurer.us>.

## **Adoption**

This policy is hereby adopted by the Boone County Treasurer on the date indicated below.

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Curtis P. Newport  
Boone County Treasurer

September 18, 2014  
Date

## **History of Revisions**

October 20, 2008 – Policy adopted

July 7, 2010 – Amended Financial Institutions section in accordance with State's Attorney's opinion re 55 ILCS 5/3-10009. Added Pooling of Funds section.

September 18, 2014 – Amended Collateral section to include letters of credit issued by a Federal Home Loan Bank, pursuant to 30 ILCS 235/6(d)(8)(iii).