Reviewed and Approved: 07/21/2026

INDIAN RIVER AREA LIBRARY

Investment Policy

1. STATEMENT of PURPOSE

   It is the policy of the *Indian River Area Library* to invest its funds in a manner that will provide the highest investment return with the maximum security, while meeting the daily cash flow needs of the *Indian River Area Library* and complying with all state statutes governing the investment of public funds. Idle funds should be invested as they become available to maximize the return.

2. SCOPE of POLICY

   This investment policy applies to all financial assets of the *Indian River Area Library*. These assets are accounted for in the various funds of the *Indian River Area Library* and include the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, trust and agency funds and any new fund established by the *Indian River Area Library.*

3. INVESTMENT OBJECTIVES

   In priority order, the primary objectives of the *Indian River Area Library's* investment activities shall be:

   A. *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.

   B. *Diversification*: The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

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

   D. *Return of 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.

4. DELEGATION of AUTHORITY to MAKE INVESTMENTS

Management responsibility for the investment program is hereby delegated to the *Indian River Area Library Board Treasurer* who shall establish written procedures and internal controls for the operation of the investment program consistent with this Investment Policy. Procedures shall include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/ depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the *Indian River Area Library Board Treasurer*. The *Board Treasurer* shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

5. AUTHORIZED INVESTMENT INSTRUMENTS

The Indian River Library is permitted to invest funds in instruments allowed by the State of Michigan Statutes and that meet the criteria of this policy. Management responsibility for the investment program is hereby delegated to the *Indian River Area Library Board Treasurer* who shall establish written procedures and internal controls for the operation of the investment program consistent with this Investment Policy.

1) Interest-bearing savings and checking accounts
2) Negotiable certificates of deposit
3) Non-negotiable certificates of deposit
4) Repurchase agreement
5) U.S. Treasury bills
6) Bankers acceptance of United States Banks
7) State of Michigan or Michigan local unit obligations, if rated as investment grade
8) Mutual funds, interlocal unit agreement pools, or investment pools whose portfolios consist solely of investments otherwise allowable for direct investments under the Act
9) Federal agency instruments
10) Money market funds/investment pools in accordance with PA 20 and its amendments. Money market funds must maintain a net asset value of $1.00 per share. Investment pools must be organized under the Surplus Funds Investment Pool Act of 1982 or the Local Investment Pool Act of 1985.
11) Commercial Paper with the following ratings:

	S & P	Moody's
Highest quality	A-1	Prime-1
High quality	A-2	Prime-2

These instruments provide the Library with sufficient latitude to select and meet the investment objectives.

6. SAFEKEEPING and CUSTODY

Investment securities purchased by the Library shall be held in third-party safekeeping by an institution designated as primary agent. The Board Treasurer, with the approval of the Library

Board, will execute a third-party safekeeping agreement with a third party, if necessary. The agreement will include the responsibilities of each party, provisions for delivery vs. payment procedures in case of wire failure or other mishaps, including liability. Not included in the third party safekeeping agreement are certificates of deposit, mutual funds, direct purchase of commercial paper, or bankers' acceptances.

7. STANDARD of PRUDENCE

The *Indian River Area Library Board Treasurer* shall make such investments and only such investments as a prudent person would make in dealing with the property of another, having in view the preservation of the principal and the amount and regularity of the income to be derived. The Standard of Prudence to be used shall be the "fiduciary" standard and shall be applied in context of managing an overall portfolio.

8. STATEMENT of ETHICS

The *Indian River Area Library Board Treasurer* shall refrain from personal business activity that could conflict with the proper execution and management of library investments, or that could impair the *Indian River Area Library Board Treasurer's* ability to make impartial investment decisions.

9. INVESTMENT ACTIVITY REPORT

The *Indian River Area Library Board Treasurer* shall annually provide a written report to the Library Board concerning the investment of *Indian River Area Library* funds. The *Indian River Area Library* shall comply with all applicable statutory standards for investment of public funds as they now exist or as they may be subsequently amended. Any provision of this resolution that conflicts with applicable statutory requirements and standards is void.