

INVESTMENT POLICY WASHINGTON TOWNSHIP, ILLINOIS

Revised & Approved 2/1/2010

Investment Policy

It is always prudent for any governmental entity to have an Investment Policy in place for the purpose of safeguarding funds, equitably distributing the investments and maximizing income. The following policy is adopted for Washington Township.

Scope of Investment Policy

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

Objectives

The Purpose of this Investment Policy is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Washington Township Supervisor. The specific objectives of this investment policy are 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 Washington Township Supervisor, which includes whether or not the Washington Township Supervisor will require collateralization of any deposits.
5. In maintaining its investment portfolio, the Washington Township Supervisor shall avoid any transaction that might impair public confidence.
6. The Washington Township Supervisor will give consideration to the financial institution's 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 Compiled Statutes.

Responsibility

All investment of funds under the control of the Washington Township Supervisor is the direct responsibility of the Washington Township Supervisor. The Washington Township 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

The Washington Township Supervisor or the Township Supervisor's staff shall record all investment transactions. A report will be generated, at least monthly, listing all active investments. This report will be made available to the Washington Township Board of Trustees.

Financial Institutions

The Washington Township Board of Trustees will have the responsibility to select which financial institutions will be depositories for Washington Township funds. The Washington Township 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 Washington Township Supervisor investments exceed 65% of the financial institution's 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 Washington Township Supervisor 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 Moody's and Standard & Poor's money market mutual funds consisting of U.S. Government Treasuries.

Collateral

It shall be at the discretion of the Washington Township Supervisor to determine whether or not collateral will be required of financial institutions receiving funds.

At all times, the Washington Township Supervisor will require that deposits in excess of 10% of the capital and surplus of a financial institution will be collateralized. The Washington Township Supervisor may request collateral for any part of deposits in financial institutions when the Washington Township 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 Washington Township

Acceptable Collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois.

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 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 Washington Township's portfolio.

Security Controls

The Washington Township Supervisor is authorized to establish financial accounts for the office of Washington Township Supervisor with the advice and consent of the Township Board of Trustees. At all times the Washington Township Supervisor will be authorized to sign on financial accounts of Washington Township.

End of Policy

Adopted this 1 day of FEB, 2010.


Township Supervisor


Township Clerk

