



## **INVESTMENT POLICY**

It is the policy of the Mesa County Public Library District that whenever there is a cash balance in any fund eligible for investment, those monies shall be invested temporarily to the best advantage of the District in such securities and/or depositories as defined in Colorado Revised Statute, C.R.S. 24-75-601.

### **PURPOSE**

- Define the District's objectives regarding the investment of funds;
- Provide the Investment Manager(s) with specific guidelines and limitations to ensure that assets are being managed in accordance with those objectives;
- Provide the Investment Manager(s) with investment objectives that are meaningful, but sufficiently flexible to be practicable.

### **PRIMARY OBJECTIVES**

- Safety of Principal – The primary objective is to protect against the loss of any principal, with growth as a secondary objective.
- Liquidity – Investments will be managed to ensure that sufficient funds are available to consistently maintain District operations.
- Yield – Investments will be managed to optimize returns within the appropriate safety and liquidity constraints.

### **GUIDELINES**

Operating funds will be kept in FDIC-insured instruments to fund the day-to-day operations of the District. Approximately no less than 30 days and up to a maximum of 180 days of estimated operating expenditures should be liquid and accessible to fund District operations.

Optimally, no less than 90 days of annual budgeted operating expenditures should be held as an operating reserve.

All deposit-type securities (e.g., certificate of deposit) and/or money market instruments (e.g., mutual funds) shall be collateralized as required by law for any amount exceeding FDIC coverage.

Short-term investment maturities for all funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll) as well as considering sizeable blocks of anticipated revenue (property tax).

No long-term investments shall exceed 5 years without Board approval.

**INVESTMENT MANAGER(S)**

The Library Director and Finance Director, collaboratively, are designated as Investment Manager(s) for the District and are responsible for all investment activities.

The Investment Manager(s) will be guided by the “Prudent Investor Rule” which states that investments shall be made with judgment and care under circumstances then prevailing, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. The guiding principles for investments are safety, liquidity and yield, in that order.

The Investment Manager(s) shall not be held personally responsible for specific investment transactions when acting within the guidelines of District policy, State law and exercising due diligence. The Investment Manager(s) will be held responsible for maintaining a balanced investment portfolio, insuring sufficient liquidity of investments so that District operations can be maintained consistently.

All securities shall be collateralized as required by Public Deposit Protection Act (PDPA) for any amount exceeding FDIC or FSLIC coverage. Money market instruments such as SEC-registered money market mutual funds qualified under Colorado Revised Statue, C.R.S. 24-75-601 and state pools under Colorado Revised Statute, C.R.S. 24-75-701 shall be collateralized as required by law.

**Policy Review**

The Investment Manager(s) shall submit annual performance reports to the District's Audit/Finance Committee. The Committee shall review and monitor these reports in order to recommend adjustments within the parameters of this Investment Policy.

*This Investment Policy was adopted by a unanimous vote of the Library Board of Trustees in their regularly scheduled meeting of June 24, 2010.*

*This Investment Policy was re-adopted by a unanimous vote of the Library Board of Trustees in their regularly scheduled meeting of August 27, 2015.*

**ATTEST:**

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Elaine Barnett, President

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Dean DiDario, Secretary