

Northville District Library Policy on Investments

It is the policy of the Northville District Library to invest its funds in a manner which will provide fair return with low risk security, while meeting the daily cash flow needs of the Northville District Library and complying with all state statutes governing the investment of public funds.

Section 1.0 DEFINITIONS.

As used herein and incorporated into this Investment Policy of the Northville District Library, Counties of Wayne and Oakland, State of Michigan, the following terms shall be defined as follows:

“Financial Institution” means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principle office or branch office located in this state under the laws of this state or the United States.

“Governing body” means the Northville District Library Board of Trustees.

“Funds” means the money, in United States Dollars, of the Northville District Library, the investment of which is not otherwise subject to a public act of this state or bond authorizing ordinance or resolution of the Northville District Library that permits investment in fewer than all of the investment options in 1943 PA 20, as amended, (“Act 20”) or imposes 1 or more conditions upon an investment in an option listed in Act 20, as amended.

“Investment Officer(s)” means the Treasurer and Library Director, or any other individual so designated by the Northville District Library Board.

“Public Corporation” means the Northville District Library created under the District Library Establishment Act, 1989 PA 24, as amended, MCL 397 et seq. (“Act 24”).

Section 2.0 SCOPE.

This Investment Policy applies to all financial assets of the Northville District Library. These assets are accounted for in the various funds of the Northville District Library and include the: Operating Fund, Debt Service Fund, Reserve Fund, and any new fund established by the Northville District Library.

Section 3.0 OBJECTIVES

Northville District Library funds will be invested in accordance with Act 20 and in accordance with the following Objectives in order of priority:

Section 3.1 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.

Section 3.2 Diversification.

The investments will be diversified by security type and as directed by the Investment Officers to minimize financial losses on investments.

Section 3.3 Liquidity.

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The Investment Officer(s) shall be responsible for maintaining the required level of liquidity.

Section 3.4 Return on Investment.

The investment portfolio shall be designed with the objective of obtaining a rate of return commensurate with a lower risk profile throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Section 4.0 DELEGATION OF AUTHORITY TO MAKE INVESTMENTS.

Pursuant to Act 24, authority to manage the investment program is derived from the Board of Trustees. Management responsibility for the investment program is hereby delegated to the Library Director and the Board Treasurer, (or their designee) acting together (the "Investment Officer(s)"), who shall establish procedures and internal controls for the operation of the investment program, consistent with this Investment Policy. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by the Investment Officer(s). The Investment Officer(s) shall be responsible for all transactions undertaken and shall establish a system of control to regulate the activities of subordinate

officials and shall report these procedures to the Library auditors and the Board of Trustees for review.

Section 5.0 AUTHORIZED INVESTMENT INSTRUMENTS.

~~Pursuant to Act 20,~~ Pursuant to Act 20, The surplus funds of the Northville District Library may be invested in investment instruments pursuant to Michigan Public Act 20 of 1943: *Investment of Surplus Funds of Political Subdivisions*. All investments not in compliance with this statute are prohibited.

Section 6.0 SAFEKEEPING AND CUSTODY.

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Northville District Library shall be on a cash (or delivery versus payment) basis. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts as determined by the Investment Officer(s).

Section 7.0 PRUDENCE.

Investments shall be made with that level of 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.

Before executing an order to purchase or trade the funds of the Northville District Library, the Investment Officer(s) shall provide the financial intermediary, broker, or dealer with a copy of the Northville District Library Investment Policy. The financial intermediary, broker, or dealer shall:

- (a) Acknowledge receipt of the Investment Policy of the Northville District Library.
- (b) Agree to comply with the terms of the Investment Policy the Northville District Library regarding the buying or selling of securities. (See Acknowledgment of Receipt and Agreement to Comply attached as Exhibit A hereto.)

Section 8.0 EFFECTIVE DATE.

This Policy shall become effective as of the 20th day of December of 2013, the day following adoption by the Northville District Library Board of Trustees.

Approved by the Board of Trustees May 26, 2005
Revised by the Board of Trustees December 19, 2013
Revised by the Board of Trustees October 26, 2023

EXHIBIT A

**ACKNOWLEDGEMENT OF RECEIPT OF INVESTMENT POLICY AND
AGREEMENT TO COMPLY**

I hereby certify that I have received the Investment Policy of the Northville District Library, have personally read the Investment Policy, and agree to comply with the terms of the Investment Policy regarding the investment of the funds of the Northville District Library. Any investment not conforming to the Investment Policy will be disclosed promptly.

Institution

Address

Signature

Name and Title

Date