SCHULTZ-HOLMES DISTRICT LIBRARY
INVESTMENT POLICY
TO COMPLY WITH PUBLIC ACT 20 OF 1943, AS AMENDED

Adopted April 15, 2025

PURPOSE

It is the policy of the Schultz-Holmes District Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Schultz-Holmes District Library and comply with all state statutes governing the investment of public funds.

SCOPE

The investment policy applies to all financial assets of the Schultz-Holmes District Library. These assets are accounted for in the fund of the Schultz-Holmes District Library and any new fund established by the Schultz-Holmes District Library.

OBJECTIVES

The primary objectives, in priority order, of the Schultz-Holmes District Library's investment activities shall be:

Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

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.

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

Return on Investment – The 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 characteristics of the portfolio.

DELEGATION OF AUTHORITY TO MAKE INVESTMENTS

The Schultz-Holmes District Library Board has selected the following entities as depositories by resolution to-wit:

Blissfield State Bank
TLC Community Credit Union
Michigan Class Pool

Management responsibility for the investment program is hereby delegated to the Director of the Schultz-Holmes District Library and the Treasurer of the Schultz-Holmes Board of Trustees, who shall establish written procedures and internal controls for the operation of the investment program consistent with the 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 policy and the procedures established by the Library Director and Treasurer. The Library Director and Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

AUTHORIZED INVESTMENTS

The Schultz-Holmes District Library is limited to investments authorized by Public Act 20 of 1943, as amended, and may invest in the following:

1. Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.

2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the institution complies with subsection (2).

3. Commercial paper rated at the time of purchase within the two (2) highest classifications established by not less than two (2) standard rating services (e.g., Standard & Poors A1 and A2; Moody's Investor Services P1 and P2) and that matures not more than 270 days after the date of purchase.

4. Repurchase agreements consisting of instruments listed in subdivision (a).

5. Banker's acceptance of United States banks.

6. Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 685.54, Stat. 789, 15 U.U.C. 80a-1 to 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. This authorization is limited to securities whose intention is to maintain a net asset value of $1.00 per share.

7. Obligations described in subdivision (1) through (5) if purchased through an inter-local agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

8. Before executing an order to purchase or trade the funds of the Schultz-Holmes District Library, the financial intermediary, broker, or dealer shall be provided with a copy of the Investment Policy and shall acknowledge receipt of the Policy and agree to comply with the terms of the Policy regarding buying or selling of securities by signing such acknowledgment.

PRUDENCE

Investments shall be made with judgement 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.