

Appendix A

Rock Hill "Public Library Investment Policy

Statement of Purpose

It is the policy of the Rock Hill Public 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 and complying with all state statutes governing the investment of the public funds.

1. Scope of Policy

This investment policy applies to all financial assets of the Rock Hill Public Library. These assets are accounted for in the various funds of the Rock Hill Public Library and include the general fund, capital project fund, endowment and any new fund established by the Rock Hill Public Library.

2. Investment Objectives, In Priority order

- a) Safety: Safety of principal is the foremost objective of the investment program.
- b) Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- c) Return of Investment: The investment portfolio shall be designed with the objective of obtaining 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.
- d) Diversification: The investment will be diversified by security type to minimize potential investment loss.

3. Delegation of Authority to Make Investments

Authority to manage the investment program is derived from Section 182.630 of Missouri Revised Statutes. Management responsibility for the investment program is hereby delegated to the Rock Hill Public Library Director or designee who shall follow the written procedures manual internal controls for the operation of the investment program consistent with this Investment policy.

4. Authorized Investment Instruments

The Rock Hill Public Library funds shall be invested only in a manner permitted with the provisions of the Missouri statutes, and may include To the extent possible, the Rock Hill Public Library will attempt to match its investments any of the following: Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.

- a) Certificates of deposit, savings accounts deposit accounts, or depository receipts of a financial institution provided that the financial institution is eligible to be a depository of funds belonging to the State under a law or rule of the state of Missouri or the United States.
- b) Repurchase agreements with and qualified public depository with anticipated cash flow requirements, unless matched to a specific cash flow, the Library will not directly invest in securities having a maturity date of more than three years from the date of purchase.

The Rock Hill Public Library will require all deposits in excess of the federally insured amount to be

collateralized to the extent of One Hundred and Ten Percent (110%) and evidenced by an approved written agreement with collateralization by a third party acting as an agent of the Library.

5. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Rock Hill Public Library shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Library Director and evidenced by safekeeping receipts as determined by the Library Director (or designee of the Library Director).

6. Statement of Ethics

The Library Board of Directors, Library Director and her designee shall refrain from personal business activity that could conflict with the proper execution and management of the library investments, or that could impair the ability to make impartial investment decisions.

7. Investment Activity Report

The Rock Hill Public Library Director shall provide a written quarterly report to the Library Board concerning the investment of library funds.