

Investment of Public Funds Policy



Purpose and Scope:

The purpose of this Policy is to outline the responsibilities, general objectives, and specific guidelines for management of all public funds of the Peotone Public Library District (Library). Public funds of the Library includes funds of any kind or character belonging to or in the custody of the Library including without limitation, Endowment Funds.

Responsibilities:

All investment policies and procedures of the Library will be in accordance with Illinois law. The authority of the Board of Library Trustees to control and invest public funds is defined in the Illinois Public Funds Investment Act [30 ILCS 235/1 et seq.] and the investments permitted are described therein. Administration and execution of these policies are the responsibility of the Board Treasurer who is hereby designated as the "chief investment officer" of the Library acting under the authority of the Board. Investments, fund balances, and the status of such accounts will be reported to the Board.

Delegation of Authority:

Management and administrative responsibility for the investment program is hereby delegated to the Chief Investment Officer. The Chief Investment Officer is responsible for establishing internal controls and written procedures for the operation of the investment program.

"Prudent Person" Standard:

All Library investment activities shall use a "prudent person" standard of care. This standard shall be applied in the context of managing an overall portfolio and specifies that 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 probable income to be derived.

Objectives:

In selecting financial institutions and investment instruments to be used, the following general objectives should be considered in the priority listed:

- Legality (conforming with all legal requirements)
- Safety (preserving capital and including diversification appropriate to the nature and amount of the funds)
- Liquidity (maintaining sufficient liquidity to meet current obligations and those reasonably to be anticipated)
- Yield (attaining a market rate of return on investments)
- Simplicity of management

Guidelines:

The following guidelines should be used to meet the general investment objectives:

1. Legality and Safety:
 - a. Investments will be made only in securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage [unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral].
 - b. Authorized investments include and will primarily consist of: Certificates of Deposit, Treasury Bills and other securities guaranteed by the U.S. Government participation in the Illinois Funds, CDARS, MaxSafe, and any other investments allowed under State law that satisfy the investment objectives of the Library.
2. Liquidity: In general, investments should be managed to meet liquidity needs. Yield - Return on Investment: Within the constraints of Illinois law, considerations of safety and this Policy, every effort should be made to maximize return on investments. All available funds will be placed in authorized investments or kept in interest bearing deposit accounts.
3. Simplicity of Management: The time required by Library Staff to manage investments should be kept to a minimum.

Reporting:

Investments, fund balances and the status of such accounts will be reported to the Board at least quarterly and include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date.

Internal Controls:

In addition to these guidelines, the Chief Investment Officer shall establish a system of internal controls and written operational procedures designed to prevent loss, theft, or misuse of funds.

Authorized Financial Dealers and Institutions:

Any investment advisors, money managers and financial institutions shall be considered and authorized only by the action of the Board upon the recommendation of the Chief Investment Officer. The Chief Investment Officer will maintain a list of financial dealers and institutions authorized to provide investment services.

Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activities that might conflict with the proper execution and management of this Policy or that could impair their ability to make impartial decisions or that could give the appearance of impropriety.

Sustainable Investing:

The Chief Investment Officer will evaluate material, relevant, and decision-useful sustainability factors at least annually to evaluate investment decisions within the bounds of financial and fiduciary prudence.

Factors include but are not limited to:

- Corporate governance and leadership
- Environmental factors that may have an adverse or positive financial impact on investment performance
- Social capital factors that impact relationships with outside parties
- Human capital factors that recognize that the workforce is an important asset to delivering long-term value
- Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks

Other policies:

In the event of any conflict between this Policy and any other policies this Policy controls.

Adopted October 21st, 2025