



**INVESTMENT
POLICY**

STEPHENSON COUNTY, ILLINOIS

**Stephanie Helms
County Treasurer
Stephenson County, Illinois**

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Investment Policy

It is always prudent for any public unit to have an Investment Policy in place for the purpose of safe guarding funds, equitably distributing the investments and maximizing income of the governmental unit. The following policy is adopted for the Stephenson County Treasurer's office.

Scope of Investment Policy

This Investment Policy applies to the investment activities of all funds under the jurisdiction of the Stephenson County Treasurer. This Investment Policy will also apply to any new funds or temporary funds placed under the jurisdiction of the Stephenson County Treasurer. The Illinois Compiled Statutes will take precedence except where this policy is more restrictive wherein this policy will take precedence.

Objectives

The purpose of this Investment Policy of the Stephenson County Treasurer is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Stephenson County Treasurer. The specific objectives of this investment policy will be as follows:

1. Safety of principal.
2. Diversity of investments to avoid unreasonable risks.
3. The portfolio shall remain sufficiently liquid to meet all operating costs which may be reasonably anticipated.
4. The highest interest rate available will always be the objective of this policy combined with safety of principal, which is left to the discretion of the Stephenson County Treasurer who will require collateralization of any deposits.
5. In maintaining its investment portfolio, the Stephenson County Treasurer shall avoid any transaction that might impair public confidence in the Stephenson County Treasurer's office.
6. The Stephenson County Treasurer will give consideration to the financial institutions positive community involvement when consideration is given to the financial institution to be used as a depository.
7. All funds will be invested for a period of one day or longer, depending on the requirement for the disbursement of funds.
8. All funds shall be deposited within two working days at prevailing rates or better in accordance with Illinois Compiled Statutes.

Responsibility

All investment of funds under the control of the Stephenson County Treasurer is the direct responsibility of the Stephenson County Treasurer. The Stephenson County Treasurer shall be responsible for all transactions and shall establish a system of controls of the activities of all subordinates who are directly involved in the assistance of such investment activities.

Accounting

All investment transactions shall be recorded by the Stephenson County Treasurer or the Stephenson County Treasurer's staff. A report will be generated, at least monthly, listing all active investments. This report will be made available to the Stephenson County Board and the Stephenson County citizens.

Financial Institutions

The Stephenson County Treasurer will have the sole responsibility to select which financial institutions will be depositories for Stephenson County Treasurer funds.

The Stephenson County Treasurer will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institution when choosing a financial institution.

At no time will the Stephenson County Treasurer investments exceed 65% of the financial institution's capital and surplus.

All financial institutions having any type of financial relationships; deposits, investments, loans, etc. are required to provide a complete and current "Call Report" required by their appropriate regulatory authority each calendar quarter within 30 days of the "Call" request date.

Investment Vehicles

The Stephenson County Treasurer will use investments approved for governmental units as set forth in the most current issue of the Illinois Compiled Statutes 5/3-11006.

Collateral

At all times, the Stephenson County Treasurer will require that deposits in excess of 35% of the capital and surplus of a financial institution will be collateralized.

Because collateral is required, 110% of the deposit will be required. Only the following collateral will be accepted:

- U.S. Government direct securities Obligations of Federal Agencies
Obligations of the State of Illinois Obligations of the County of Stephenson
- Obligations of municipalities located within the County of Stephenson, subject to acceptance by the Stephenson County Treasurer
- Acceptable Collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois.

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 possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the Stephenson County Treasurer's portfolio.

Security Controls

Only the Stephenson County Treasurer should be authorized to establish financial accounts for the office of Stephenson County Treasurer. At all times either the Stephenson County Treasurer, singly or two, jointly, of two or more signatories as designated by the Stephenson County Treasurer should be authorized to sign on the financial accounts of the office of the Stephenson County Treasurer.

End of Policy

Adopted the seventeenth day of May, 2011.

Stephanie Helms
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County Treasurer
Stephenson County, Illinois