Mideastern Michigan Library Cooperative

Investment Policy

Adopted: October 8, 1998
Reaffirmed: January 10, 2013
Revised: September 12, 2019
Reaffirmed: September 8, 2022
Reaffirmed: September 10, 2026

Mideastern Michigan Library Cooperative (MMLC)

Investment Policy

1.0 Statement of Purpose

It is the policy of the Mideastern Michigan Library Cooperative (MMLC) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state statutes and local ordinances governing the investment of public funds.

2.0 Scope of Policy

This investment policy applies to all transactions involving the financial assets and related activity of the Mideastern Michigan Library Cooperative (MMLC). Mideastern Michigan Library Cooperative's (MMLC) funds are accounted for in the annual financial report and include the following funds:

- General Fund
- Investment Funds
- Restricted Funds
- Designated Funds
- Trust Funds
- Any new fund created by the governing body, unless specifically exempted by the governing body.

3.0 Objectives

Funds of the Mideastern Michigan Library Cooperative (MMLC) will be invested in accordance with Michigan Public Act 20 of Public Acts of 1943, as amended, and in accordance with the following objectives in order of priority.

3.1 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.

3.2 Diversification - The investments shall be diversified by specific maturity dates, individual financial institution(s) or a specific class of securities in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

3.3 Liquidity - The investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.

3.4 Return on Investment - The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and cash flow characteristics of the portfolio.

4.0 Delegation of Authority

Authority to manage the investment program is derived from state law, Michigan Public Act 89 of 1977, Michigan Compiled Laws 397.558 (2). Management responsibility for the investment program is hereby delegated to the Mideastern Michigan Library Cooperative Board and the Mideastern Michigan Library Cooperative Director who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery versus 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 Mideastern Michigan Library Cooperative Board and the Mideastern Michigan Library Cooperative Director. The Mideastern Michigan Library Cooperative Board and Mideastern Michigan Library Cooperative Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

5.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the (Chief Executive Officer) any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial / investment positions that could be related to the performance of the (entity), particularly with regard to the time of purchases and sales.

6.0 Authorized Instruments

In accordance with Public Act 20 of the Public Acts of 1943, as amended, the surplus funds of the Mideastern Michigan Library Cooperative (MMLC) may be invested as follows:

(a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

(b) Certificates of deposit, money market accounts, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state of the United States.

(c) Commercial paper rated at the time of purchase within the highest classification established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

(d) Repurchase agreements consisting of instruments listed in subdivision (a) above. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the Mideastern Michigan Library Cooperative (MMLC) has negotiated a Master Repurchase Agreement. Repurchase Agreements must be signed with the bank or dealer and must contain provisions comparable to those outlined in the Public Security Association’s model Master Repurchase Agreement.

(e) Bankers’ acceptances of United States banks.

(f) Mutual funds registered under the investment company act of 1940, maintain a $1.00 per share net asset value, and with authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

(g) Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118

7.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Mideastern Michigan Library Cooperative (MMLC) shall be on a cash (or delivery vs. 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.

8.0 Standards of Prudence

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.

9.0 Statement of Ethics

The Mideastern Michigan Library Cooperative Director, Mideastern Michigan Library Cooperative Board, and any other Mideastern Michigan Library Cooperative staff involved in the investment of funds shall refrain from personal business activity that could conflict with the proper execution and management of Mideastern Michigan Library Cooperative investments or that could impair their ability to make impartial investment decisions.

10.0 Investment Activity Reports

Within 120 days of the end of the fiscal year, the Director shall prepare an annual written report to the governing body concerning the investment of funds.

11.0 Effective Date

This policy shall become effective on the day following adoption by the Mideastern Michigan Library Cooperative (MMLC) Board of Trustees.

Mideastern Michigan Library Cooperative (MMLC)

Investment Policy Certification

I hereby certify that I have received the Investment Policy of the Mideastern Michigan Library Cooperative (MMLC). I have personally read the Investment Policy, and agree to comply with the terms

of the Investment Policy regarding the investment of the Mideastern Michigan Library Cooperative (MMLC) funds. Any investment not conforming with your investment policy will be disclosed promptly. We also pledge to exercise due diligence in informing you of all foreseeable risks associated with financial transactions conducted with our firm.

Institution _____

Address _____

Authorized Official & Title _____

Signature Authorized Official_____ Date _____