

MAINE TOWNSHIP INVESTMENT POLICY

I. Policy

It is the policy of the Township of Maine 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 Township and conforming to all federal and state statutes governing the investment of public funds. This policy is enacted pursuant to the Public Funds Investment Act, 30 ILCS 235/1.

II. Scope of Investment Policy

This policy includes all General Fund, Road and Bridge, and General Assistance funds belonging to or in the custody of Maine Township. Except for any restricted special funds, the Township will maximize investment earnings and increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. Objectives

The primary objectives, in priority order, of the Township's investment activities shall be:

1. **Legality:** The Township's investments will be in compliance with all statutes governing the investment of public funds and will conform to federal, state and other legal requirements.
2. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Township shall be undertaken in a manner that seeks first to ensure that capital losses are avoided whether they be from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
3. **Liquidity:** The Township's investment portfolio will remain sufficiently liquid to enable the Township to meet all operating requirements which might be reasonably anticipated.
4. **Return to Investments:** The Township's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Township's investment risk constraints and the cash flow characteristics of the portfolio.

IV. Diversification

In order to reduce the risk of default, the investment portfolio of the Township of Maine shall not exceed the following diversification limits unless specially authorized by the Board of Trustees: Monies deposited at a financial institution shall not exceed fifty percent (50%) of the capital stock and surplus of that institution.

V. Responsibility & Accounting

All investment of funds under the control of the Maine Township Supervisor is the direct responsibility of the Maine Township Supervisor. The Maine Township Supervisor 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.

VI. Internal Controls

The Supervisor is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Township are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgement by the Township Board.

VII. Reporting

As directed by the Township Supervisor, the Township staff shall record all investments transactions. A report will be generated at least quarterly and submitted by the Supervisor to the Board of Trustees, listing all active investments, location of investments, maturity of investments, interest rate and other pertinent information deemed necessary. A periodic review of the Township's portfolio shall be conducted at least once a year to review its effectiveness, liquidity, rate of return, diversification, and general performance.

VIII. Authorized Investments

Maine Township shall invest in instruments as allowed by the Public Funds Investment Act, 30 ILCS 235/2.5. A summary of authorized investments are as follows:

1. Notes, bonds, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America.
2. Bonds, notes, debentures or other similar obligations of the United States of America or its agencies.
3. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act, and that is insured by the FDIC.

4. Money market mutual funds registered under the Investment Company Act of 1940.
5. Interest bearing bonds of other government bodies as permitted by 30 ILCS 235/2(a-1).

IX. Ethics & Conflict of Interest

Officials 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 Supervisor any financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal/financial investment positions that could be related to the performance of Maine Township's portfolio.

X. Collateralization

It is the policy of Maine Township to require that funds on deposit that are not insured by the FDIC be secured by some form of collateral. The Township will accept any of the following assets as collateral:

- U.S. Government Securities
- Obligations of Federal Agencies
- Obligation of Federal Instrumentalities
- Obligations of the State of Illinois

The Township reserves the right to accept or reject any form of the above-named securities. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed quarterly, and additional collateral will be requested when the ratio declines below the level required and collateral will be released if the market value exceeds the required level. Pledged collateral will be held in safekeeping, by an independent third-party depository designated by the Township and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of the pledged assets without an authorized signature from Maine Township. Maine Township realizes that there is a cost factor involved with collateralization and the Township will pay any reasonable and customary fees related to collateralization.

XI. Prudent Person Standard

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.

In maintaining its investment portfolio, the Township Supervisor shall avoid any transaction that might impair public confidence in the Township of Maine.

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

Material, relevant, and decision-useful sustainability factors have been or are regularly considered by the agency, within the bond of financial and fiduciary prudence, in evaluating investment decisions.

XII. Investment Guidelines

To assist in attaining the stated objectives, the following guidelines shall be observed:

1. Investments shall be made in a manner that seeks to insure the preservation of capital in the overall portfolio. Diversification of investments is required to avoid unreasonable risks.
2. The portfolio should remain sufficiently liquid to meet operating requirements which may be reasonably anticipated. Cash flows, actual and projected, shall be reviewed at least quarterly.
3. All investments shall be selected on the basis of competitive bids or current market rates for publicly listed investments.

XIII. Financial Institutions

The Township Supervisor will have the responsibility to select which financial institutions will be depositories for Township funds. The Township Supervisor will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institution when choosing a financial institution.

XIV. Amendment

This policy may be reviewed from time to time and revised upon approval of the Township Supervisor and adopted by the Board of Trustees.

XV. Conflicting Provisions:


In the event of any conflict between any state or federal regulation, statute or code and any term or condition of this Policy, the statute, regulation or code shall control but only to the extent of such conflict or inconsistency and only to the extent said regulation, statute or code is more restrictive than said terms and conditions of this Policy.

ADOPTED by the Maine Township Supervisor and Board of Trustees this 24th day of August, 2021.


KAREN J. DIMOND, Supervisor

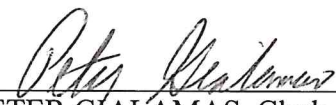

KIMBERLY JONES, Trustee


KELLY HORYATH, Trustee


JAMES MAHER, Trustee

ASIF MALIK, Trustee

ATTEST:


PETER GIALAMAS, Clerk