



STEVE VERCELLINO, FRANKLIN COUNTY TREASURER

P.O. BOX 967
100 PUBLIC SQUARE
BENTON, IL 62812

Revised
July 16th 2019

TERI CONAWAY, CHIEF DEPUTY – AMY SILEVEN, CONNIE FLOWERS - DEPUTIES

INVESTMENT POLICY

Pursuant to 30 ILCS 235/2.5 of the Illinois Compiled Statutes, this investment policy for the County of Franklin Treasurer is hereby established.

1.0 SCOPE OF POLICY

This Investment Policy applies to the investment activities of all current, future, and temporary funds under jurisdiction of the Franklin County Treasurer. The Illinois State Statutes will take precedence except where this Policy is more restrictive wherein this Policy will take precedence.

2.0 OBJECTIVES [30 ILCS 235/2.5(a)]

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

1. Safety – Protection of principal takes precedence over the rate of return. The security of public funds shall be the primary concern of the Franklin County Treasurer
2. Liquidity – To allow availability of funds within the time frame desired while considering the budgetary constraints of the entrusting entity.
3. Yield – The Franklin County Treasurer shall seek to attain a market average or better rate of return; taking into account risk, constraints, cash flow, and legal restriction on investment.

3.0 INVESTMENT GUIDELINES [30 ILCS 235/2.5(a)(2-3)(1)]

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

1. Investments shall be undertaken in a manner that seeks to insure preservation of capital in the overall portfolio. To avoid unreasonable risks, diversification of investments is required.
2. Investments should remain suitably liquid to meet daily expected operations. Cash flows shall be reviewed from time to time to in order to meet these objectives.
3. The National Association of Counties Task Force guidance for counties to follow the Prudent-Person standard shall be applied. This requires a fiduciary to exercise discretion to make investments that the general public would be deem as reasonable and prudent.

4.0 DIVERSIFICATION [30 ILCS 235/2.5(a)(4)]

To avoid unreasonable risks, the diversification of investments shall be consistent with the objectives in the investment policy. Diversity will be accomplished through the bidding process, increments of investment, and maturity dates of investments.

5.0 RESPONSIBILITY [30 ILCS 235/2.5(a)(7)]

All investment of funds under the control of the Franklin County Treasurer is the direct duty of the Franklin County Treasurer. The County Treasurer shall be responsible for all transactions and shall establish controls for all authorized subordinates who are directly involved in the aid of such activities.

6.0 PERFORMANCE MEASURES [30 ILCS 235/2.5(a)(8)]

The use of US Treasury bills, average Fed Fund rate, IPTIP, or other stable markets can be used to determine whether market average yield benchmarks are being achieved.

7.0 PERIODIC REVIEW [30 ILCS 235/2.5(a)(9)]

The Franklin County Treasurer should establish annual independent review for internal control which assures compliance within the investment policy. This will be accomplished with external auditors.

8.0 REPORTING [30 ILCS 235/2.5(a)(10)]

All investment transactions shall be recorded by the Franklin County Treasurer or his or her staff. Monthly reports to the County Board shall list all active investments, their location, maturity date, interest rate, and other pertinent information deemed necessary.

9.0 FINANCIAL INSTITUTIONS [30 ILCS 235/2.5(a)(11)]

The Franklin County Treasurer shall have sole charge to select the financial entities to act as depositories for public monies held by the County Treasurer. The County Treasurer will take into account security, size, location, public relations, and other crucial factors deemed pertinent in selecting financial entities.

10.0 COLLATERALIZATION [30 ILCS 235/2.5(a)(5)]

1. Funds uninsured by the FDIC or NCUA or not guaranteed by the full faith and credit of the United States shall be collateralized to the extent of at least 100% with short maturity dates.
2. An approved written collateral agreement shall be made with each financial entity that may hold funds in excess of the FDIC or NCUA guaranteed amounts.
3. Collateral secured shall be reviewed periodically and additional collateral shall be requested when the ratio declines below the required level.

11.0 SAFEKEEPING OF SECURITIES [30 ILCS 235/2.5(a)(5)]

Securities, unless held physically by the Franklin County Treasurer, require third party safekeeping. The Franklin County Treasurer will have sole charge for selecting safekeeping agents. Safekeeping will be documented by an approved written agreement.

12.0 BONDING OF TREASURER [55 ILCS 5/3-(10003)]

The Franklin County Treasurer, his deputies, and his employees shall be bonded at a rate determined by the Franklin County Board to be reasonable. The County Treasurer shall choose the bonding agent subject to the approval of the county board.

13.0 INTERNAL CONTROLS [30 ILCS 235/2.5(a)(6)]

Only the Franklin County Treasurer is authorized to establish financial accounts and investments for the office. Two signatures shall be required for all financial accounts. Segregation of duties shall be implemented as staffing skill and time allows.

14.0 ETHICS AND CONFLICT OF INTEREST [30 ILCS 235/2.5(a)(12)]

The Corrupt Practices Act of the Illinois Compiled Statutes shall apply in the case of this policy. In addition, no person involved in the investment process shall make any investment decision based upon personal or political gain or consequence.

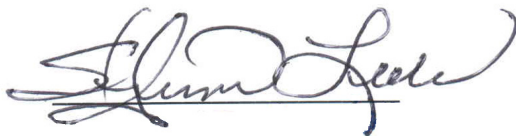
15.0 AMENDMENT

This Policy may be reviewed from time to time and revised upon approval of the Franklin County Treasurer.

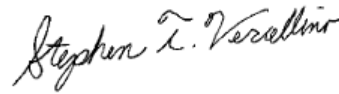
16.0 CAPTIONS AND HEADINGS

The captions and headings used herein are for convenience of reference only and do not define or limit the contents.

This Investment Policy is hereby approved and in full force and effect this 18th day of June, 2019.



Stephen Leek
Board Chairman
Franklin County, Illinois



Steve Vercellino
County Treasurer
Franklin County, Illinois

