



**SOUTHWESTERN ILLINOIS COLLEGE
DISTRICT 522**

BOARD POLICY

TITLE:	Investment Policy
CODE:	6004
DATE ADOPTED:	October 16, 1991
DATE REVIEWED:	October 1999, December 2010; June 2024
DATE AMENDED:	December 1999, January 2011

Southwestern Illinois College District #522 has established this Investment Policy to describe the parameters for investing district funds. This policy identifies investment objectives, measures to reduce risk and portfolio management requirements.

The District Treasurer serves as the investment officer for the District and shall seek to act responsibly as custodian of the public trust and shall avoid any transaction that might impair public confidence in the District or the Board of Trustees.

SCOPE OF POLICY

This Investment Policy applies to the investment activities of all funds under the jurisdiction of Community College District #522, hereafter referred to as the District. This policy is intended to compliment the following Illinois State statutes

- 30 ILCS 235 (Public Funds Investment Act)
- 50 ILCS 340 (Municipal Funds Investment Act)
- 110 ILCS 805 (Public Community College Act)

In the event that this policy is in conflict with any of these state statutes, the state statutes will take precedence.

INVESTMENT GUIDELINES

Authorized Investments

The District shall limit investments to those instruments allowed by the Public Funds Investment Act (30 ILCS 235), the Investment of Municipal Funds Act (50 ILCS 340), and the Public Community Colleges Act (110 ILCS 805) that will meet investment goals as outlined below.

Prudent Person Standards

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 Treasurer shall avoid any transaction that might impair public confidence in the district.

Investment Goals

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 District. The specific objectives of this Policy are noted below in priority order:

- a. Safety of Principal – All investment decisions must ensure the preservation of principal in the overall portfolio.
- b. Liquidity - The District's investment portfolio shall be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due.
- c. Return on Investment - The investment portfolio shall be designed to attain a market-average or better rate of return throughout budgetary and economic cycles, taking into account the risk constraints, the cash flow characteristics of the portfolio, and legal restrictions for return on investments. Maturity dates of investments may be structured to achieve a higher rate of return, with the recognition that unexpected liquidity demands could cause interest penalties if investments are redeemed prior to maturity.

Diversification

To avoid unreasonable risks, diversification of the investment portfolio shall be consistent with the objectives in the investment policy.

Collateralization

Time deposits in excess of the coverage limit provided by the Federal Deposit Insurance Corporation, or other such entity, be collateralized, insured, or secured by letter of credit or other eligible collateral instruments, as identified under the Public Funds Investment Act (30 ICLS 235) at a level of 102%. This collateralization shall be evidenced by an approved written agreement. Third party safekeeping is required for all collateral.

Responsibility

As Investment Officer for the District, responsibility for the District's investment portfolio. The Treasurer shall be responsible for all transactions and shall establish a system of controls for all authorized subordinates who are directly involved in the assistance of such investment activities.

Performance Measures

The District Treasurer will seek to earn a rate of return for all funds appropriate for the type of investments. The use of U S Treasury bills, average Fed Fund rate, Illinois Funds, or other stable markets can be used to determine whether market average yield benchmarks are being achieved.

Periodic Review

The District Treasurer will establish annual independent review for internal control, which assures compliance within the investment policy. This will be accomplished as part of the annual external audit.

Reporting

All investment transactions shall be recorded in the District's general ledger. The Treasurer will report on all active investments on a monthly basis to the Board of Trustees. Reports will include information on investment class or type, value, return and other pertinent information deemed necessary. Generally accepted accounting principles shall be used for valuation purposes.

Financial Institutions

The Treasurer will have the sole responsibility to select which financial institutions will be depositories for the district. Financial institutions must meet the requirements of the Illinois Compiled Statutes agree to manage funds as directed by this policy. The District will take into consideration security, size, location, financial condition, service, fees, competitiveness, and the community relations involvement of the financial institution when choosing depositories. Financial institutions serving as depositories for District funds may be from within or outside District 522 however, all factors being equal, preference will be given to financial institutions with a presence in the district.

Ethics and Conflict of Interest

Investment officers and employees of the District involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Further, except as permitted under Section 3.2 of the Public Officer Prohibited Practices Act, no officer involved in the investment process shall have any interest in, or receive any compensation from, any investments in which the District is authorized to invest, or the sellers, sponsors or managers of those investments.

SUSTAINABILITY STATEMENT

The Treasurer's evaluation of investment decisions is subject to material, relevant, and decision-useful sustainability factors, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.

INDEMNIFICATION

Investment officers and employees of the District acting in accordance with these investment procedures and such written operational policies as may be established by the District, and who otherwise exercise due diligence and act with reasonable prudence, shall be relieved of personal liability for an individual security's credit risk or market change.