

Geauga County Public Library
Operating Policy Manual

SECTION: INVESTMENTS
SECTION NUMBER: 391
EFFECTIVE DATE: April 17, 2018
PAGE: 1 of 2

I

The investment policy of the GCPL system shall be governed by the statutes of the State of Ohio. The Ohio Revised Code Chapter 135, "Uniform Depository Act", effective March 15, 1982, contains the pertinent statutes.

The Fiscal Officer of GCPL shall serve as the custodian of all GCPL's funds and has investment authority of those funds. All investments made by the Fiscal Officer shall be in accordance with the Uniform Depository Act.

The investment policy of GCPL shall endeavor to attain the highest possible degree of (1) safety, (2) liquidity, and (3) rate of return, taking into account the cash flow.

GCPL's investments are to remain sufficiently liquid to enable the library to take advantage of discounts offered and to meet operating requirements which might reasonably be anticipated.

The Library shall avoid incurring unreasonable and avoidable risks regarding specific types of investment or individual financial institutions by diversification of investments.

The Library shall not directly invest in securities maturing more than two (2) years from the date of purchase unless they are matched to a specific obligation or debt of the Library.

II

Monthly and annual reports shall be presented to the Board of Trustees setting forth the investment and depository activity for the preceding period. The report shall include the activity for the preceding period. The Fiscal Officer shall maintain the necessary records of all investments and deposits held in the name of the Library required by the Ohio Revised Code.

III

The following classifications of securities and obligations are eligible for deposit or investment as described in Ohio Revised Code Section 135.35 (A) and (B), as summarized and restricted below:

- a. U.S. Treasury Bills and Notes and all other investments backed by Full Faith and Credit of the U.S. Government.
- b. Certificates of Deposit, fully collateralized, issued by F.D.I.C. depository banks and savings institutions preferably located in Geauga County.

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SECTION: INVESTMENTS
SECTION NUMBER: 391
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PAGE: 2 of 2

- c. As authorized by Ohio Revised Code Section 135.45 the Fiscal Officer may invest in the State Treasury Asset Reserve (STAR) Ohio program.
- d. Repurchase agreements, fully collateralized, purchased through F.D.I.C. local banks or State of Ohio registered brokers operating through a third-party trustee.

The following terms and conditions shall apply to the utilization of repurchase agreements as recommended the Federal Reserve Board:

- a. Securities purchased under the repurchase agreement shall be limited to the securities and qualifications listed above.
- b. At the time of purchase, the market value of the securities shall be in excess of the cash investment.
- c. All securities purchased under a repurchase agreement may be held by a third-party custodian or safekeeping agent.
- d. All other repurchase agreements are logged daily as verbal commitments to be backed, within 24 hours, with hard copy documentation.
- e. The seller of repurchase securities shall not be entitled to substitute securities, except as authorized the library.

IV

Specifically excluded securities and obligations are Commercial Papers, Banker's Acceptance Notes Reverse Repurchase Agreements, and Derivatives.

V

Eligible depositories. Bank (as defined in Section 1101.01, Revised Code) located in Ohio, and domestic building and loan associations (as defined in Section 1115.01, Revised Code) are eligible to become public depositories.

In order for financial institutions to be eligible to make investments with the GCPL, a formal agreement must be in place pledging that GCPL's funds shall only be invested in and in accordance with the investments designated by the Uniform Depository Act for public funds. The period of the agreement shall be five (5) years.

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