

GREEN COUNTY INVESTMENT POLICY

(1) Introduction

The timely deposit and investment of public monies is an important and integral part of any cash management program.

This statement of policy is intended for the use and guidance of the designated County official or officials with investment authority and any investment advisers to whom County officials have delegated investment authority as defined in s.66.0603(2) of the Wisconsin Statutes.

This investment policy shall be reviewed annually by the County Investment Officer and the Finance and Accounting Committee. The Finance and Accounting Committee shall approve any recommended changes, and the necessary resolution to modify the existing policy shall be presented to the Green County Board for its action.

(2) Statement of Purpose

The purpose of this investment policy is to establish guidelines for investments that are broad enough to allow the Investment Officer to function properly within the parameters of responsibility and authority. It is also intended to be specific enough to establish a prudent set of basic procedures to assure that investment assets are adequately safeguarded.

(3) Goals and Objectives

(a) The primary objectives of Green County investment activities shall be the following order of importance:

1. Safety: The safety of the principal shall be the foremost objective
2. Liquidity: Funds shall be invested to provide sufficient liquidity to meet all reasonably anticipated disbursement requirements; and
3. Yield: Funds shall be invested to maximize return consistent with the objectives in Item 1 and 2 and other limitations described in this policy.

(4) Delegation of Authority

(a) Pursuant to s59.62(1)(2) and 59.25(3)(s) of the Wisconsin Statutes and to 1-6-10 of the Green County Code, the authority to invest

and reinvest monies of Green County, to sell or exchange securities so purchased and to provide for safekeeping of such securities is delegated to the County Treasurer, who shall also be known as the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

In the event the County Treasurer is unable to perform investment duties, the responsibility for investment duties will jointly rest with the Deputy Treasurer and Finance Director. The Deputy Treasurer and Finance Director shall act jointly, and cannot act separately when carrying out their investment duties.

- (b) The Treasurer shall have the authority to transfer funds between accounts established for investment purposes.
- (c) As defined in s.66.0603(2) of Wisconsin Statutes, the Treasurer may delegate investment authority for any funds not immediately needed to a state or national bank, or bank, or trust company which is authorized to transact business in the State.

(5) Prudence Required

The standard of prudence will apply to all investments made on behalf of the County in accordance with the “prudent person rule” of s.881.01 of the Wisconsin Statutes which states:

“Investments shall be made with judgment and care, under circumstances then prevailing, which person 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.”

(6) Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair or create the appearance of an impairment of their ability to make impartial investment decisions.

(7) Depositories and Providers of General Banking Services

The primary provider of banking services will be the County’s official depository, which is approved by the Finance and Accounting

Committee and will abide by the guidelines as set per County Code 1-11-1. In addition, the Investment Officer may place funds in other public depositories defined in s.59.61(3) of the Wisconsin Statutes. In accordance with Wisconsin statutes 34.01(5) and 34.09 all Wisconsin banks, state or federal chartered, as well as the Wisconsin local government pooled investment fund, are authorized depositories.

(8) Depository Collateralization Requirements

With the passage of Wisconsin Act 25, effective August 1, 1985, the State of Wisconsin no longer provides an overall guarantee of public fund deposits. However, the State will continue to pledge general purpose revenues as described in Wisconsin Statutes s.20.124(1)(a) for the payment of losses of public deposits until the balance of the appropriation is exhausted. However, no payment for a loss in excess of \$400,000 for any one public in any individual public depository will be made. As the FDIC insures deposits up to \$250,000.00, a public deposit is protected up to \$650,000.00 in any one depository institution. Funds will only be placed in depository institutions that are FDIC insured.

Funds placed in any one depository institution above \$650,000.00 including demand deposits, time deposits, and certificates of deposit must be 100% collateralized as to principal and accrued interest with securities that are obligations of the U.S. Government or its agencies that are fully guaranteed by the U.S. Government. Securities held as collateral shall be delivered for safekeeping to a custodial bank approved by Green County. Securities held as collateral at the custodial bank will be marked to market at least monthly, with a monthly statement sent to the Treasurer detailing all holdings.

(9) Permitted Investments

(a) All investments will be made in accordance with s.66.0603 of the Wisconsin Statutes governing the investment of public funds and as further restricted by this Investment Policy Statement. Permitted investments are:

1. Securities issued or guaranteed as to principal and interest by the U.S. Government or of a commission, board or other instrumentality of the U.S Government
2. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of

Wisconsin if the time deposits mature in not more than three (3) years.

3. U.S. Treasury Obligations: Treasurer Bill, Treasury Notes, Treasurer Bonds, and Treasury Strips with a final maturity not exceeding five years from the date of trade settlement.
4. Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury or Federal Instrumentality securities with a final maturity not exceeding 10 years. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in an agreed upon third-party custodian bank as safekeeping agent, and market value of the collateral securities shall be marked-to-the-market daily.
5. Time Certificates of Deposits with a maturity not exceeding two years and interest bearing accounts insured by the Federal Deposit Insurance Corporation (FDIC) in state or national banks, or state or federally chartered savings and loan association, and credit unions located in Wisconsin which have been designated as depositories for public sector moneys by the State of Wisconsin statutes and have been approved by the County. Any deposits exceeding the combined federal and state insurance limits per institution shall be collateralized by U.S. Treasurer Securities. The Collateral shall be marked-to-the market as of the last business day of the month and adjusted to at least 100%. The aggregate amount of certificates of deposits purchased through the CDARS program may exceed federal and state insurance limits provided the individual banks participating each have less on deposit than the current FDIC insurance limit.
6. No-load money market mutual funds whose investments are limited to those meeting the above criteria in compliance with Section 66.0603.
7. The State of Wisconsin Local Government Investment Pool (LGIP)

8. Corporate bonds issued by U.S. Companies and denominated in U.S. currency with maturities not exceeding three years from the date of trade settlement. They will be rated the highest or second highest rating category of a nationally recognized rating agency.

It is the intent of the County that the foregoing list of authorized investments be strictly interpreted. Any deviation from this list must be preapproved by the Finance and Accounting Committee in writing.

(10) Diversification

Total holdings of any one issuer may not exceed 10% of the market value of the portfolio at the time of purchase, with the exception of U.S. Government issues and issues of U.S. Government agencies fully guaranteed as to both principal and interest by the U.S. Government.

(11) Maturities

- (a) Maturities of individual securities must be in compliance with Section 66.0603 of Wisconsin Statutes. Per this Section, time deposits may not exceed three (3) years, and debt that is not guaranteed as to principal and interest by the Federal Government or its Agencies, or a Wisconsin municipality must have a maturity not more than seven (7) years.

(12) Liquidity

All securities must be readily marketable to ensure adequate portfolio liquidity.

(13) Reporting

- (a) Investment Advisors and Custodians

All investment advisers and custodians retained by the County will provide detailed monthly statements to the County Treasurer. Such reports will contain at a minimum a description of each security including units held, cost, market value and current yield as well as a detailed list, by date, of all transactions executed during the period.

(b) Treasurer

It will be the responsibility of the Treasurer to establish and maintain records and accounts to:

1. Provide necessary internal controls
2. Detail investments as to purchase date, cost, maturity and interest rate
3. Maintain other records that may be required to accurately reflect all investment transactions

(c) The Treasurer shall, when requested, make a report on County investments to the Green County Finance and Accounting Committee. In addition, the Treasurer shall include a description of the County's investment Portfolio as apart of his/her annual report to the County Board of Supervisors.

(14) Policy Considerations

1. Exemption

Any investment held at the time of this policy's adoption that does not meet the guidelines of this policy shall be exempted from the requirements of this policy.