

The Colfax Township Investment Policy

To comply with act 20 PA 1943, as amended

Purpose—It is the policy of Colfax Township to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the township and comply with all state statutes governing the investment of public funds.

Scope—This investment policy applies to all financial assets of the township. These assets are accounted for in the various funds of the township and include the general fund, special revenue funds, debt service funds and capitol project funds (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds and any new fund established by the township.

Objectives—The primary objectives, in priority order, of the townships investment activities shall be;

Safety—Safety of principle is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capitol in the overall portfolio.

Diversification—The investments will be diversified by the security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity—The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment—The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of authority to make investments—Authority to manage the investment program is derived from the following; Colfax Township Board's most current resolution designating depositories and MCL 48.40 requiring the Township Treasurer to be the custodian of the townships funds. Management responsibility for the investment program is hereby delegated to the Colfax Township Treasurer who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, cash purchase or delivery vs payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking service contracts.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Colfax Township Treasurer. The Colfax Township Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Safekeeping and custody—All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Colfax Township Treasurer may be on a cash basis or a delivery vs payment basis as determined by the township treasurer. Securities may be held by a third party custodian designated by the treasurer and evidenced by safekeeping receipts as determined by the treasurer.

Prudence—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 capitol as well as the probable income to be derived.

Resolution

FOR ADOPTING A COLFAX TOWNSHIP INVESTMENT POLICY

Whereas, we, the governing body of Colfax Township
approve the proposed Investment policy;

NOW, THEREFORE BE IT RESOLVED, That the Township of Colfax does hereby adopt the proposed
investment policy on this day, March 5, 2002.

Adopted by the following vote:

GERTRUDE SANDY
Motion made by _____ supported by _____

Joseph Reed Y
Sandra Kirwin Y
Gertrude Garten Y
Sharon Knowles Y
Larry Burmeister Y

Larry Burmeister clerk