

RESOLUTION 24-3

COLFAX TOWNSHIP INVESTMENT POLICY

Purpose

It is the policy of Colfax Township in Oceana County, Michigan to invest its funds in a manner which will ensure the preservation of principal and provide the highest investment return with the maximum security while meeting the daily cash flow needs of the township and complying with all state statutes governing the investment of public funds.

Scope

This investment policy applies to all financial assets of the township.

Objectives

The primary objectives of the township's investment activities in priority order shall be:

Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Diversification – The investments will be diversified by security type and institution in order to reduce overall portfolio risk while obtaining market average rates of return.

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

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

Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Township Treasurer pursuant to MCL 41.76 who shall establish written procedures and internal control policies for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Authorized Investments

The township is limited to investments authorized by Act 20 of 1943 MCL 129.91 as amended from time to time, and by way of illustration may invest in the following:

- (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- (c) Commercial paper rated at the time of purchase within the two highest classification established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- (d) Repurchase agreements consisting of instruments listed in subdivision (a) above. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom ~~the~~ Township has negotiated a Master Repurchase Agreement.* Repurchase agreements must be signed with the bank or dealer and must contain provisions comparable to those outlined in the Public security Association's model Master Repurchase Agreement.
- (e) Certificates of Deposit as authorized by MCL 129.91(5)
- (f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (g) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban corporations act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

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. These decisions are not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Reporting

The Treasurer shall provide quarterly (or more often) written investment reports to the Township Board which provide a clear picture of the status of the current investment portfolio. In addition, the Treasurer shall, as required by law, present an annual written report to the Board.

Conflict of Interest and Ethics

Officials and employees 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. Employees and Board Members shall disclose to the Treasurer, and the Treasurer shall disclose to the Board, any material financial interest in financial institutions that conduct business with the Township. And further, the Board, Employees, and the Treasurer shall disclose any material financial investment position related to the performance of the Township's portfolio.

Authorized Financial Institutions and Dealers

A list will be maintained of financial institutions authorized to provide investment services to Colfax Township. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services to Colfax Township.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must first be provided with a copy of the Township's Investment Policy and return to the Township a signed copy of the agreement to comply.

Adoption and Review

The Township's investment policy shall be adopted by the Township Board. The policy shall be reviewed annually by the Treasurer and any modifications must be approved by the Township Board.

ADOPTED on this day 1st of October, 2024 at a regular meeting of the Colfax Township Board

David J. Leonard
David Leonard, Supervisor

10-1-2024
Date

Corinne Norton
Corinne Norton, Clerk

10-1-2024
Date