

## **CITY INVESTMENT POLICY**

It is the policy of the City of Maquoketa to invest public funds in a manner that will conform to state statute, maximize security, meet daily cash flow demands, and attempt to attain a market rate of return.

This policy includes all funds governed by the City Council and, except for cash in certain restricted funds, the City of Maquoketa will consolidate cash balances to maximize investment earnings. Investment income will be allocated to the various individual funds based on their respective participation. Interest income derived from non-fund specific consolidated bank accounts will be attributed to the General Fund.

### **INVESTMENT OBJECTIVES IN RANK OF PRIORITY**

1. Safety of Principal (i.e. Credit Risk, Interest Rate Risk, etc.)
2. Liquidity (i.e. cash availability upon demand)
3. Yield (i.e. rate of return)

### **FINANCE CLERK ROLE & RESPONSIBILITIES**

The Finance Clerk shall operate with a high degree of prudence. The Finance Clerk shall adequately assess all potential financial institutions and investment vehicles in which City of Maquoketa cash is stored.

### **INTERNAL CONTROLS**

The Finance Clerk shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1. Prevention of collusion.
2. Separation of transaction authority from accounting and record keeping.
3. Custodial safekeeping (Securities purchased from any bank or dealer including appropriate collateral, as defined by State Law, shall be placed with an independent third party for custodial safekeeping).
4. Avoidance of physical delivery securities.
5. Clear delegation of authority to subordinate staff members.
6. Development of a wire transfer agreement with the lead bank or third party custodian, which shall outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

## **ALLOWABLE INVESTMENT TYPES**

Consistent with the GFOA Recommended Practice on State Statutes Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state law where applicable:

1. U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations
2. Repurchase agreements
3. Certificates of deposit
4. Savings and loan association deposits
5. Investment-grade obligations of state, provincial and local governments and public authorities
6. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of domestic securities
7. Statewide investment pools

To the extent practicable, the City of Maquoketa shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Maquoketa will not directly invest in securities maturing more than 3-years from the date of purchase.

The Investment Policy shall be adopted by the City Council.