

Purpose

It is the policy of the BDL 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 BDL and comply with all state statutes governing the investment of public funds.

Scope

This investment policy applies to all financial assets of the BDL. These assets are accounted for in the various funds of the BDL and include the general fund, special revenue funds, debt service funds, trust and agency funds, and any new funds established by the BDL.

Objectives

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

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
- **Diversification:** Investments may be diversified by institution at the discretion of the BDL Board of Trustees.
- **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

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Library Director. The Library Director will consult with the Finance Committee of the BDL Board of Trustees prior to engaging in an investment transaction. The Library Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The BDL is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following: Certificates of Deposit.

Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the BDL shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third-party custodian designated by the BDL Board of Trustees.

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 capital as well as the probable income to be derived.