

Hardin County Investment Policy

1. Scope of Investment Policy

This investment policy applies to the operating funds, bond proceeds and other funds accounted for in the financial statements of Hardin County. Each investment made pursuant to this investment policy must be authorized by applicable law and this written investment policy.

This investment policy is intended to comply with Iowa Code chapters 12B and 12C.

Upon passage and upon future amendment, if any, copies of this investment policy shall be delivered to all of the following:

1. The Hardin County Board of Supervisors, County Auditor, and County Attorney.
2. All depository institutions or fiduciaries for the public funds for Hardin County.
3. The auditor engaged to audit any fund of Hardin County.

2. Delegation of Authority

In accordance with section 12C.11, the responsibility for conducting investment transactions resides with the treasurer of Hardin County, except for those accounts held by the county auditor, county recorder, and county sheriff.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds or acting in a fiduciary capacity for Hardin County shall require the outside person to notify in writing the county treasurer within thirty days of receipt of all communication from the auditor of the outside person of any regulatory authority of the existence of a material weakness in internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the county by the outside person.

The records of investment transactions made by or on behalf of Hardin County are public records and are the property of Hardin County, whether in the custody of the treasurer or in the custody of a fiduciary or other third party.

The treasurer shall establish procedures for the operation of the investment program, consistent with this investment policy.

3. Objectives of Investment Policy

The primary objectives, in the order of priority, of all investment activities involving the financial assets of Hardin County shall be the following:

1. Safety: safety and preservation of principal in the overall portfolio is the foremost investment objective.
2. Liquidity: maintaining the necessary liquidity to match expected liabilities is the second investment objective.
3. Return: obtaining a reasonable return is the third investment objective

4. Prudence

The Hardin County treasurer, when investing or depositing public funds, shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the investment objectives. This standard requires that when making investment decisions, the treasurer shall consider the role that the investment or deposit plays within the portfolio of assets of Hardin County and the investment objectives of this policy.

5. Instruments Eligible for Investment

Assets of Hardin County may be invested in the following:

1. Interest bearing savings accounts, interest bearing money market accounts and interest bearing checking accounts at any bank, savings & loan association or credit union within the county or in an adjoining county within the state. Each financial institution shall be properly declared as a depository by the governing body of Hardin County. Deposits in any financial institution shall not exceed the authorized balances approved by the governing body of Hardin County.
2. Obligations of the United States government, its agencies and Instrumentalities.
3. Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Iowa Code chapter 12C.
4. Iowa Public Agency Investment Trust (IPAIT).

5. Warrants or improvement certificates of a levee or drainage district.

6. Prohibited Investments and Investment Practices

Assets of Hardin County shall not be invested in the following:

1. Reverse repurchase agreements.
2. Futures and options contracts.

Hardin County assets shall not be invested pursuant to the following investment practices.

1. Trading of securities for speculation or the realization of short-term trading gains.
2. Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
3. If a fiduciary or other third party with custody of public investment transaction records of Hardin County fails to produce records when requested by the county within a reasonable time, the county shall make no new investment with or through the fiduciary or third party.

7. Investment Maturity Limitations (IA Code 12B.10A)

Operating funds must be identified and distinguished from all other funds available for investment. Operating funds are defined as those funds which are reasonably expected to be expended during a current budget year, or within fifteen months of receipt. Operating funds may only be invested in instruments authorized in section 5 of this investment policy that mature within three hundred ninety-seven (397) days. Maturities may be less than this to be consistent with the needs and use of Hardin County.

The treasurer may invest funds that are not operating funds in investments having maturities longer than three hundred and ninety-seven days as stated above.

8. Diversification

When possible, it is the policy of the county treasurer to diversify the investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. In establishing specific diversification strategies, the following general policies and constraints shall apply.

1. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income

and reasonable liquidity.

2. Liquidity practices to ensure that disbursement dates and payroll dates are covered through maturing investments of cash on hand.

9. Safekeeping and Custody

All invested assets of Hardin County involving the use of a public funds custodial agreement, as defined in section 12B.10C, shall comply with all rules adopted pursuant to Chapter 12B and 12C. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the state of Iowa.

All assets of Hardin County shall be secured through the use of a third party custodial institution, held in safe keeping with the banking institution or held in the county treasurer's vault.

All purchases and sales of investments shall be on a delivery-versus-payment basis.

10. Investment Policy Review and Amendment

This investment policy shall be reviewed by the Board of Supervisors annually each fiscal year in January. Amendments may be made at any time with approval of the Board of Supervisors and the county treasurer. Notice of amendments to the investment policy shall be promptly given to all parties named in Section 1.

Adopted this 2nd day of January, 2018.

_____, Chairman,
Hardin County Board of Supervisor

Machel Eichmeier,
Hardin County Treasurer

Hardin County Board of Supervisor

Hardin County Board of Supervisor