INVESTMENT AND CASH MANAGEMENT POLICY

It is the policy of the Library to safeguard the public funds by ensuring compliance with the depository and investment restrictions detailed in the following Colorado Law:

- Public Deposit Protection Act, Section 11-10.5-101, *et seq*., C.R.S.
- Standard for Investment, Section 15-1-304, C.R.S.
- Funds - Legal Investments, Section 24-75-601, *et seq*., C.R.S.
- Investment Funds - Local Government Pooling, Section 24-75-701, *et seq*., C.R.S.
- Protection of Deposits of Public Monies, Section 11-47-101, *et seq*., C.R.S.

The Board delegates management responsibility of the Library's investment program to the Executive Library Director who shall ensure that all investment transactions are undertaken in accordance with this policy and that an effective system of internal controls is maintained for all investment transactions. Internal controls relating to investment transactions will be described and discussed during the audit presentation. The Board shall select a registered investment advisory firm that specializes in the management of fixed-income public funds.

Consistent with Colorado Law set forth above, Library funds may be invested in the following securities, subject to certain specific maturity, credit rating and portfolio diversification limitations, as detailed in the authorizing law.

- Local Government Investment Pool
- Obligations of the United States Government
- Government Sponsored Enterprises
- Obligations of State & Local Governments
- Repurchase Agreements
- Reverse Repurchase Agreements
- Money Market Mutual Funds
- Corporate Debt
- Certificates of Participation
- Investment Contracts
- Bonds of Housing Authority

No Library funds shall be invested in any of the above-mentioned securities on which the coupon rate is not fixed, or a schedule of specific fixed coupon rate is not established, from the time the security is settled until its maturity date, unless the coupon rate is tied to specific securities or indexes as detailed in the authorizing statutes referred to above. Shares in qualified money market mutual funds or local government investment pools are excluded from this fixed coupon rate requirement. Annually, the board will review internal controls. OR Annually as part of the audit, the board will receive an internal controls report.

Adopted on 12/06/23

Any revisions or extensions of these sections of Colorado Law shall be considered to be part of this policy immediately upon the effective date following enactment.

On a quarterly basis, the Board shall review an investment report detailing the current status of the investment portfolio.

Library funds may only be deposited in financial institutions that have been designated by the Division of Banking or the Division of Financial Services under the Colorado Department of Regulatory Agencies as an eligible public depository to the extent that the deposit is (i) insured by the Federal Deposit Insurance Corporation (FIDC) or (ii) secured by a pledge of eligible collateral as required by the Public Deposit Protection Act. Operating funds deposited in non-interest-bearing accounts must be held with financial institutions participating in the FDIC Temporary Liquidity Guarantee Program that provide full deposit coverage regardless of amount.

A Board resolution is required to open or close any new Library account at a financial institution. The signature of the Executive Library Director and Director of Finance is required in setting up new Library financial accounts. Authorization to transfer funds between Library bank and investment accounts is limited to the Executive Library Director and the Director of Finance, as considered necessary to meet daily operating cash requirements and investment objectives.

In the event of financial emergency, the Executive Library Director is designated to take immediate action to ensure the safety of Library assets. Such action can supersede requirements of the Cash Management Policies, and will be immediately reported to the Board, with ratification of action occurring at the next Board meeting.

Adopted on 12/06/23