

Document Status: Draft Update

OPERATIONAL SERVICES

4:30 Revenue and Investments

Revenue

The Superintendent or designee is responsible for making all claims for property tax revenue, State Aid, special State funds for specific programs, federal funds, and categorical grants.

Investments

The Township Treasurer shall invest money that is not required for current operations, in accordance with this policy and State law.

The Township Treasurer shall use the standard of prudence when making investment decisions. They shall use the judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of their capital as well as its probable income.

~~The Superintendent shall either appoint a Chief Investment Officer or serve as one. The Chief Investment Officer shall invest money that is not required for current operations, in accordance with this policy and State law.~~

~~The Chief Investment Officer and Superintendent shall use the standard of prudence when making investment decisions. They shall use the judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of their capital as well as its probable income.~~

Investment Objectives

The objectives for the School District's investment activities are:

1. **Safety of Principal** - Every investment is made with safety as the primary and over-riding concern. Each investment transaction shall ensure that capital loss, whether from credit or market risk, is avoided.

2. **Liquidity** - The investment portfolio shall provide sufficient liquidity to pay District obligations as they become due. In this regard, the maturity and marketability of investments shall be considered.
3. **Rate of Return** - The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles.
4. **Diversification** - The investment portfolio is diversified as to materials and investments, as appropriate to the nature, purpose, and amount of the funds.

Authorized Investments

The Township Treasurer Chief Investment Officer may invest District funds in any investment as authorized in the Illinois Public Funds Investment Act, 30 ILCS 235/2, and Acts amended theretorelated statutes. [PRESSPlus1](#)

Except as provided herein, investments may be made only in banks, savings banks, savings and loan associations, or credit unions that are insured by the Federal Deposit Insurance Corporation or other approved share insurer.

The Township Treasurer Chief Investment Officer and Superintendent shall regularly consider material, relevant, and decision-useful sustainability factors in evaluating investment decisions, within the bounds of financial and fiduciary prudence. Such factors include, but are not limited to: (1) corporate governance and leadership factors, (2) environmental factors, (3) social capital factors, (4) human capital factors, and (5) business model and innovation factors, as provided under the Ill. Sustainable Investing Act, [30 ILCS 238/](#).

Selection of Investment Advisors, Money Managers, and Financial Institutions

The Township Treasurer Chief Investment Officer shall establish a list of authorized depositories, investment managers, dealers and brokers advisors, money managers, and financial institutions based upon creditworthiness, reputation, minimum capital requirements, qualifications under State law, as well as a long history of dealing with investing and/or managing public funds entities. The Board will review and approve the list at least annually.

In order to be an authorized depository, each institution must submit copies of the last two sworn statements of resources and liabilities or reports of examination that the institution is required to furnish to the appropriate State or federal agency. [PRESSPlus2](#) Each institution designated as a depository shall, while acting as such depository, furnish the District with a copy of all statements of resources and liabilities or all reports of examination that it is

required to furnish to the appropriate State or federal agency.

The above eligibility requirements of a bank to receive or hold public deposits do not apply to investments in an interest-bearing savings account, demand deposit account, interest-bearing certificate of deposit, or interest-bearing time deposit if: (1) the District initiates the investment at or through a bank located in Illinois, and (2) the invested public funds are at all times fully insured by an agency or instrumentality of the federal government. [PRESSPlus3](#)

The District shall [PRESSPlus4](#) consider a financial institution's record and current level of financial commitment to its local community when deciding whether to deposit funds in that financial institution. The District may consider factors including:

1. For financial institutions subject to the federal Community Reinvestment Act of 1977 (CRA), the current and historical ratings that the financial institution has received, to the extent that those ratings are publicly available, under the CRA;
2. Any changes in ownership, management, policies, or practices of the financial institution that may affect the level of the financial institution's commitment to its community;
3. The financial impact that the withdrawal or denial of District deposits might have on the financial institution;
4. The financial impact to the District as a result of withdrawing public funds or refusing to deposit additional public funds in the financial institution; and
5. Any additional burden on the District's resources that might result from ceasing to maintain deposits of public funds at the financial institution under consideration.

The District may not deposit public funds in a financial institution subject to the CRA unless the institution has a current rating of satisfactory or outstanding under the CRA. [PRESSPlus5](#) When investing or depositing public funds, the District may give preference to financial institutions that have a current rating of outstanding under the CRA. [PRESSPlus6](#)

Collateral Requirements

All amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized in accordance with the Illinois Public Funds Investment Act, [30 ILCS 235/](#). The Superintendent or designee shall keep the Board informed of the collateral agreement.

In addition, the financial institution must provide the Board with a copy of its board of directors' meeting minutes evidencing that the board of directors approved the collateral agreement.

Safekeeping and Custody Arrangements

The preferred method for safekeeping is to have securities registered in the Districts name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board (GASB) Statement No.3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, Category 1, the highest recognized procedures.

Controls and Report

The Township Treasurer ~~Chief Investment Officer~~ shall establish a system of internal controls and written operational procedures to prevent losses arising from fraud, employee error, misrepresentation by third parties, or imprudent employee action.

The Township Treasurer ~~Chief Investment Officer~~ shall provide a quarterly investment report to the Board. The report will: (1) assess whether the investment portfolio is meeting the District's investment objectives, (2) identify each security by class or type, book value, income earned, and market value, (3) identify those institutions providing investment services to the District, and (4) include any other relevant information. The investment portfolio's performance shall be measured by appropriate and creditable industry standards for the investment type.

The Board will determine, after receiving the Chief School Business Officer's Superintendent's recommendation, which fund is in most need of interest income and the Superintendent shall execute a transfer. This provision does not apply when the use of interest earned on a particular fund is restricted.

Ethics and Conflicts of Interest

The Board and District officials will avoid any investment transaction or practice that in appearance or fact might impair public confidence. Board members are bound by the Board policy 2:100, *Board Member Conflict of Interest*. No District employee having influence on the District's investment decisions shall:

1. Have any interest, directly or indirectly, in any investments in which the District is authorized to invest,
2. Have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments, or
3. Receive, in any manner, compensation of any kind from any investments in

that the agency is authorized to invest.

LEGAL REF.:

[30 ILCS 235/](#), Public Funds Investment Act.

[30 ILCS 238/](#), Ill. Sustainable Investing Act.

[105 ILCS 5/8-7](#), [5/10-22.44](#), [5/17-1](#), and [5/17-11](#).

CROSS REF.: 2:100 (Board Member Conflict of Interest), 4:10 (Fiscal and Business Management), 4:80 (Accounting and Audits)

PRESSPlus Comments

PRESSPlus 1. 30 ILCS 235/2(k), added by P.A. 103-880, eff. 1-1-25, permits a board to adopt a resolution to allow for investment of public funds in other instruments not specifically listed in the Public Funds Investment Act provided those investments comply with: (1) any other law that authorizes a board to invest funds, and (2) the investment policy adopted by the Board. There is uncertainty regarding the potential breadth and scope of this provision and procedural requirements for implementation. The board attorney and district financial advisor(s) should be consulted before adding instruments to the list of authorized investments in this policy and the board's investment portfolio in accordance with 30 ILCS 235/2(k).

Any additional investments authorized by the Board under 30 ILCS 235/2(k) should be added to the end of this sentence as follows: The Chief Investment Officer may invest any District funds in any investment as authorized in 30 ILCS 235/2, and Acts amendatory thereto, as well as [insert investment(s)], in accordance with the requirements of 30 ILCS 235/2(k).

If adding additional investments, select the Save Status "Adopted with Additional District Edits." **Issue 117, October 2024**

PRESSPlus 2. 30 ILCS 235/6. **Issue 117, October 2024**

PRESSPlus 3. 30 ILCS 235/6.5. **Issue 117, October 2024**

PRESSPlus 4. Updated in response to 30 ILCS 235/8(a). **Issue 117, October**

2024

PRESSPlus 5. Updated in response to 30 ILCS 235/8(a-5). **Issue 117, October 2024**

PRESSPlus 6. Optional. 30 ILCS 235/8(a-10). **Issue 117, October 2024**