

TOWN OF MCCORDSVILLE, INDIANA

Investment Policy

1. Purpose

The purpose of this policy is to provide investment objectives and guidelines for the management of public funds, to safeguard funds on behalf of the Town, to assure the availability of funds when needed, to encourage investments that earn a competitive rate of return, and, at all times, invest according to and consistent with the Code as defined below.

2. Investing Officer

The Town Clerk-Treasurer is hereby designated, for limited purpose of this section, as the Investing Officer (the “Clerk-Treasurer” or the “Investing Officer”) and is hereby authorized to invest Town funds as provided for in the Code.

3. Minimum Rating

Authorized funds in which the Investing Officer invests Town funds shall have attained at least the minimum rating required by the Code.

4. State Statutes

All investments made by the Investing Officer shall be made in accordance with IC 5-13 et seq, as amended from time to time.

5. Maturity Date

The Investing Officer is hereby authorized to make investments up to five (5) years in maturity. This policy authorizes longer term investments defined as more than two (2) years but not more than five (5) years after the date of purchase or entry into a repurchase agreement (“Longer Term Investments”).

6. **Longer-Term Investments**

The Investing Officer shall limit total longer-term investments outstanding to not more than twenty-five percent (25%) of the Town's total portfolio at the time of investment, including balances in the Town's transaction accounts. An investment is authorized and remains legal even if a subsequent decrease in the Town's total portfolio of public funds invested, including balances in transaction accounts, causes the percentage of longer-term investments outstanding to exceed twenty-five percent (25%) of the Town's total portfolio.

7. **Term of Policy**

- a. This Investment Policy is and shall be in effect upon adoption and publication as required by the Code and shall expire on December 31, 2027 ("Expiration Date"). The power to make investments under this Investment Policy terminates on the Expiration Date.
- b. Investments made in accordance with this Investment Policy that are outstanding on or after the Expiration Date remain valid investments, and nothing herein shall be construed to render such investments improper or unlawful.

8. **Approval of Investment Officer**

All investments made pursuant to this Investment Policy must be approved by the Investing Officer.

9. **Internal Control/External Review**

- a. The Clerk-Treasurer is responsible for establishing and maintaining policies and procedures to ensure that Town assets are protected from loss, theft, or misuse. Such policies and procedures shall be discussed with the Town Manager. The Clerk-Treasurer shall review all proposed investments with the Town Manager or his/her designee before investing to maintain dual control, legal/ethical compliance, and to ensure both parties are in agreement with the proposed investment.

10. **Investment Advisor**

The Investing Officer is hereby authorized to contract with a federally regulated investment advisor or other institutional money manager to make investments under this Investment Policy.

11. **Certificates of Deposit (CDs)**

Certificates of deposits, transaction accounts, and other interest-bearing deposit accounts may be used for investment of Town funds pursuant to IC 5-13-9-5. The investment pool may be invested in negotiable CDs. All CD investments shall be insured by the FDIC. In accordance with state law, this subchapter will expire two (2) years from the date this section is adopted.

12. **Diversification of Investments**

The Town's investment portfolio shall be diversified by institution, investment instruments and maturity schedule to the extent practical and prudent. Maturities shall be time diversified over a schedule determined by known liability to achieve target duration or weighted average maturity for the portfolio based on the judgment of the Clerk-Treasurer.

13. **Ethics and Conflicts of Interest**

The Investment Officer, Elected Officials, and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or which would impair their ability to make impartial decisions. The investment officer, Elected Officials, and employees involved in the investment process shall complete a conflict-of-interest form provided by the Town Attorney affirming that the investment officer or employee does not have a pecuniary interest in the Town's investments.

14. **Reporting**

- a. The Clerk-Treasurer shall maintain an inventory of all obligations and securities and shall provide monthly investments reports to the Town Council detailing any of the applicable following information: types of investments, depository institutions, principal balances, maturity dates, rates of return, purchases, and sales.
- b. The Clerk-Treasurer shall make an annual report to the Town Council summarizing the Town's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the Town invested money during the previous calendar year.
- c. The Clerk-Treasurer or his/her designee shall review the investment policy at least bi-annually and propose such changes to safeguard funds on behalf of the Town, to assure the availability of funds when needed, and to provide a competitive investment return.

Approved this 12th day of November 2024 by the McCordsville Town Council