

Johnson County Investment Policy

Scope of Investment Policy

The Investment Policy of Johnson County shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of Johnson County. Applicable law and this written Investment Policy must authorize each investment made pursuant to this Investment Policy.

The investment of bond funds shall comply not only with this Investment Policy, but also be consistent with any applicable bond resolution.

The Johnson County Investment Policy is intended to comply with Chapter 128 of the Iowa Code.

Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to the following:

1. The governing body or officer of Johnson County to which the Investment Policy applies.
2. All depository institutions or fiduciaries for public funds of Johnson County.
3. The auditor engaged to audit any fund of Johnson County.
4. The Johnson County Auditor.

Delegation of Authority

In accordance with section 12C.11 of the Iowa Code, the responsibility for conducting investment transactions resides with the Treasurer of Johnson County. Only the Treasurer or a Deputy Treasurer (authorized by the Treasurer) may invest public funds.

The records of investment transactions made by the Johnson County Treasurer are public records and are the property of Johnson County.

The Treasurer shall establish a written system of internal controls and investment practices. A bank, savings and loan association, or credit union providing only depository services shall not be required to provide audited financial statements.

The Treasurer of Johnson County and all Deputy Treasurers authorized to make

investments shall be bonded.

Objectives of the Investment Policy

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

1. **Safety:** Safety and preservation of capital in the overall portfolio is the foremost investment objective.
2. **Liquidity:** Maintaining the necessary liquidity to match expected liabilities of Johnson County.
3. **Return on Investment:** Obtaining a reasonable return on the investment of funds.

Prudence

The Treasurer of Johnson County, when investing and 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 Johnson County and the investment objectives of Johnson County.

Instruments Eligible for Investment

Assets of Johnson County may be deposited in the following:
Interest bearing savings, money market, and checking accounts at any bank, savings and loan association, or credit union in the State of Iowa

Each financial institution shall be properly declared as a depository by the governing body of Johnson County. Deposits in any financial institution shall not exceed the amount approved by the governing body of Johnson County.

1. Obligations of the United States Government, its agencies and instrumentalities.
2. Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Iowa Code Chapter 12.
3. IPAIT: Iowa Public Agency Investment Trust.
4. Repurchase agreements, provided that the underlying collateral consists of

obligations of the United States Government, its agencies and instrumentalities and Johnson County takes delivery of the collateral either directly or through an authorized custodian.

All instruments eligible for investment are further qualified by all other provisions of this Investment Policy.

Investment Maturity Limitations

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 the current budget year, or within 15 months of receipt.

All investments are further subject to the following investment maturity limitations:

1. Operating funds may only be invested in instruments authorized in this Investment Policy that mature within 397 Days.
2. The Treasurer may invest funds of Johnson County, that are not identified as Operating funds, in investments with maturities longer than 397 days. However, all investments of Johnson County shall have maturities that are consistent with the needs of the County.

Diversification

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

1. Portfolio maturity 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 shall be used at all times to ensure that weekly disbursement and payroll dates are covered through maturing investments and cash on hand.
3. Risks of market price volatility controlled through maturity diversification.

Custody and Safekeeping

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

All invested assets of Johnson County eligible for physical delivery shall be secured by having them held by a third party custodian. All purchased investments shall be held pursuant to a written third party custodial agreement requiring delivery versus payment and compliance with all rules set out elsewhere in this Investment Policy.

Investment Policy Review and Amendment

This Investment Policy may be reviewed as needed and appropriate. Notice of amendments to the Investment Policy shall be given to all appropriate parties.

Reviewed and Approved _____