

Red Feather Mountain Library District

Investment Policy

Approved by the Red Feather Mountain Board of Trustees, July 25, 2023.

The intent of the RFMLD Investment Policy is to:

- Protect against the loss of any funds.
- Ensure that sufficient funds are available to maintain library operations.
- Optimize returns with the appropriate safety and liquidity parameters.
- Conform to all state and local statutes governing the investment of public funds.

To RFLD's best advantage, cash balances in any funds eligible for investments will be invested temporarily in securities and/or deposits as defined in Colorado Revised Statutes § 24-75-601.

Operating funds will be kept in FDIC insured instruments to fund RFMLD's daily operations. No less than 180 days of estimated operating expenditures should be liquid and accessible to fund operations.

All deposit type securities and money market instruments will be collateralized as required by law for any amount exceeding FDIC coverage.

All securities will be collateralized as required by the Public Deposit Protection Act (PDPA) for any amount exceeding FDIC or Federal Savings and Loan Insurance Corporation (FSLIC) coverage. Money market instruments such as money market mutual funds registered by the U.S. Securities and Exchange Commission and qualified under C.R.S. § 24-75-601 and state pools qualified under C.R.S. § 24-75-701 will be collateralized as required by law.

Short-term investment maturities for all funds will be scheduled to coincide with projected cash flow needs considering large routine expenditures and sizable blocks of revenue.

All investments will be approved by the RFMLD Board of Trustees. The Library Director, Finance Librarian, Finance Committee and Board of Trustees will work collaboratively to manage investment activities. They will be guided by the “Prudent Investor Rule” which states that investments will be made with judgement and care under circumstances then prevailing, not for speculation but for investment, considering the probable safety of the capital as well as the probable income to be derived. The guiding principles for RFMLD investments are safety, liquidity, and yield, in that order.

The Board of Trustees will not be held personally responsible for specific transactions when exercising due diligence and when acting within the guidelines of RFMLD policy and state law. They are responsible for maintaining a balanced investment portfolio that ensures sufficient investment liquidity for continuing operations.

Document history:

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