

DOWNINGTOWN LIBRARY COMPANY INVESTMENT POLICY

The purpose of the investment policy is:

- to provide a clear statement of the Downingtown Library Company's (DLC) investment objective
- to define the responsibilities of the Board of Directors and any other parties involved in managing the DLC's investments, and
- to identify or provide target asset allocations, permissible investments and diversification requirements.

It is the policy of the DLC to invest its funds in a manner that will provide the maximum security with the highest investment return, while meeting the daily cash flow needs of the DLC and complying with all applicable laws and regulations.

This investment policy applies to the investment activities of all funds of the DLC, including but not limited to general funds, endowment funds, and funds allocated for expansion or any other special purpose.

The primary investment objectives, in order of priority, shall be:

1. Safety: The preservation of capital shall be the primary concern in selecting investments.
2. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating costs that might be reasonably anticipated.
3. Return on investment: Investments shall be selected with the goal of obtaining a market average or better rate of return throughout budgetary and economic cycles, considering risk constraints, cash flow, and applicable legal restrictions on investments.

The Board of Directors has a direct oversight role regarding all decisions that impact the DLC's institutional funds. The Board has delegated supervisory responsibility for management of the DLC's institutional funds to the Finance Committee of the Board. Administrative responsibility for the investment program shall be delegated to the Library Director. The Treasurer of the Board of Directors, in collaboration with the Board Finance Committee, shall be responsible for overseeing the investment activities of the Library Director. The Treasurer of the Board, acting on behalf of the Board of Directors, and after approval by the Finance Committee is authorized to recommend changes to investment strategies and allocation. Such changes will be submitted to the Board of Directors in writing. The DLC, with approval of the Board of Directors, may hire a professional investment advisor with a fiduciary responsibility to the DLC (such as a Certified Financial Planner) to assist in making investment decisions according to the investment objectives listed above.

Directors and employees involved in investment activities shall refrain from personal business activity that could conflict with the proper execution and management of the investment program in the best interest of the DLC, or that could impair their ability to make impartial decisions. Directors shall disclose to either the Library Director or the President of the Board any material financial interests they may have in financial institutions that conduct business with the DLC.

Adopted August 15, 2019