

STORY COUNTY INVESTMENT POLICY

Story County Treasurer's Office
Administration Building, Nevada, Iowa

Amended by Board Approval December 22, 1992
Amended by Board Approval December 15, 1998
Amended by Board Approval April 28, 2009
Amended by Board Approval January 21, 2012
Amended by Board Approval April 24, 2012
Amended by Board Approval April 7th, 2015
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INVESTMENT POLICY

I. SCOPE

This Investment Policy applies to the investment activities of Story County, Iowa. It 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 Story County. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

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

This Investment Policy is intended to comply with Iowa Code Chapter 452 and 453, or any subsequent rerun. In the 1993 Iowa Code these chapters become 12b and 12c respectfully.

Upon passage and any future amendment, copies of this Investment policy shall be delivered to all of the following: the Story County Board of Supervisors; all depository institutions or fiduciaries for public funds of Story County; the State Auditor or any independent auditors engaged for auditing; and the County Attorney.

II. DELEGATION OF AUTHORITY

In accordance with Section 12 B and 12 C the responsibility for conducting investment transactions resides with the Treasurer of Story County. Only the Treasurer and those authorized by resolution may invest public funds and a copy of any empowering resolutions shall be attached to this Investment Policy.

All Contracts or agreements with outside persons investing public funds, advising on investments of public funds, directing the deposit or investment of public funds or acting in a fiduciary capacity for Story County shall require the outside person to notify in writing Story County within thirty (30) days of receipt of all communication for the Auditor of the outside person or any regulatory authority of the existence of a material weakness in internal control structure of the outside person or regulatory orders of sanctions regarding the type of services being provided to Story County by the outside person.

The records of investment transactions made by or on behalf of Story County are public records and are the property of Story County whether in the custody of the Treasurer or the custody of fiduciary or other third party.

The Treasurer shall establish written procedures for the operation of the investment program, consistent with this Investment policy. The controls shall be designed to prevent losses of public funds, to document those officers and employees of Story County responsible for elements of the investment process. The controls shall provide for receipt and review of the audited financial statement and related report on internal control structure of all outside persons performing any of the following for Story County.

1. Investing public funds.
2. Advising of the investment of public funds.
3. Directing the deposit or investment of public funds.
4. Acting in a fiduciary capacity for this public body.

A Bank, Savings and Loan Association or Credit Union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure.

III. OBJECTIVES

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

- 1. Safety:** Safety and preservation of principal in the over- all portfolio is the foremost investment objective.
- 2. Liquidity:** Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
- 3. Return:** Obtaining a reasonable return is the third investment objective.

IV. PRUDENCE

The Story County Treasurer, when investing or 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.
(452.10 (2))

V. INSTRUMENTS

Assets of Story County May be invested in the following:

1. Interest bearing accounts at any bank, savings and loan association or credit union in the State of Iowa. Each bank must be on the most recent Approved Bank List as distributed by the Treasurer of the State of Iowa or as amended as necessary by notice inserted in the monthly mailing by the Rate Setting Committee.
Each financial institution shall be properly declared as a depository by the Story County Board of Supervisors. Deposits in any financial institution shall not exceed the maximum amount approved by the Board of Supervisors.
2. Obligations of the United States Government, its agencies and instrumentalities.
3. Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Chapter 453.
4. Iowa Public Agency Investment Trust (IPAIT).
5. Drainage Warrants or Waivered Drainage Certificates

VI. PROHIBITED INVESTMENTS AND INVESTMENT PRACTICES

Assets of Story County shall not be invested in the following:

1. Reverse repurchase agreements.
2. Futures and options contracts.

Story County assets shall not be invested pursuant to the following investment practices:

1. Trading of securities for speculation or the realization of short term trading gains.
2. Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
3. If a fiduciary or other third party with custody of public investment transaction records of Story County Fails to produce records when requested by the county within a reasonable time, the county shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

VII. MATURITIES

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 a current budget year or within fifteen (15) months of receipt.

All investments are subject to the following investment maturity limitations:

1. Operating Funds may only be invested in instruments authorized in this Investment Policy that mature within three hundred ninety-seven (397) days.
2. The Treasurer may invest non-operating funds in investments with maturities longer than three hundred ninety-seven (397) days, but not to exceed seven hundred ninety-four (794) days. All investments shall have maturities that are consistent with the needs and use of Story County.
3. All investments made prior to April 28, 1992 are not subject to the rules stated in this Investment policy.

VIII. DIVERSIFICATION

Story County will diversify its investment portfolio to avoid overinvesting in specific instruments, individual depositories or maturities.

IX. SAFEKEEPING AND CUSTODY

To protect against potential fraud and embezzlement, the assets of Story County shall be secured through third party custody and safekeeping procedures. Bearer instruments shall be registered in the County's name. Investment officials shall be bonded to protect the public funds against possible embezzlement and malfeasance. All securities shall be purchased using the delivery vs. payment procedure. Unless prevailing practices or economic circumstances dictate otherwise, ownership shall be protected through third-party custodial safekeeping.

Safekeeping procedures shall be reviewed annually by the independent auditor.

XI. REPORTING

The Treasurer shall submit a monthly investment report that summarizes recent market conditions and investment strategies employed since the last investment report. The investment report shall set out the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred during the reporting period and compare the investment results with the budgetary expectations.

XII. INVESTMENT POLICY REVIEW AND AMENDMENT

The Investment Policy shall be reviewed annually or as necessary. Notice of amendments to the Investment Policy shall be given to all parties noted in Section 1.

GLOSSARY OF TERMS

AGENCY: Securities issued by government-sponsored corporations such as federal Home Loan Banks or Federal Land Banks. Agency securities are exempt from Securities and Exchange Commissions (SEC) registration requirements.

AGENT: Individual authorized by another person, called the principal, to act in the latter's behalf in transactions involving a third party.

BANKER'S ACCEPTANCE: Time draft drawn on and accepted by a bank, the customary means of effecting payment for merchandise sold in import-export transactions and a source of financing used extensively in international trade.

COMMERCIAL PAPER: Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing.

DELIVERY VERSUS PAYMENT (DVP): Securities industry procedure, common with institutional accounts, whereby delivery of securities sold is made to the buying customer's bank in exchange for payment, usually in the form of cash.

DEPOSITORY: Means a bank, a savings and loan or a credit union in which public funds are deposited.

Bank: Means a corporation engaged in the business of banking authorized by law to receive deposits and whose deposits are insured by the bank insurance fund of the federal deposit insurance corporation and includes any office of a bank.

Savings and Loan: Means a corporation authorized to operate under chapter 534 or the federal homeowner's loan act of 1933, 12 U.S.C. 1461, et seq., and includes a savings and loan association, a savings bank, or any branch of a savings and loan association or savings bank.

Credit Union: Means a cooperative, nonprofit association incorporated under chapter 533 or the federal Credit Union Act, 12 U.S.C. 1751, et seq., and that is insured by the national credit union administration and includes an office of a credit union.

FINANCIAL INSTITUTION: Means a bank, savings and loan, or a credit union.

FIDUCIARY: Person, company, or association holding assets in trust of a beneficiary.

FUTURES CONTRACT: Agreement to buy or sell a specific amount of a commodity of financial instrument at a particular price on a stipulated future date.

CERTIFICATES OF DEPOSIT (CD): Debt instrument issued by a financial institution, generally a bank.

OPEN-END MANAGEMENT COMPANY: Investment Company that sells Mutual Funds to the public. The terms arise from the fact that the firm continually creates new shares on demand. Mutual fund shareholders buy the shares at Net Asset Value and can redeem them at any time at the prevailing market price, which may be higher or lower than the price at which the investor bought.

OPTION: Right to buy or sell property that is granted in exchange for an agreed-upon sum. If the right is not exercised after a specified period, the option expires and the option buyer forfeits the money.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, Cash equivalent, or other assets by an individual or institutional investor.

REPURCHASE AGREEMENT: Agreement between a seller and a buyer, usually of U.S. government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and, usually, at a stated time.

SAFEKEEPING: Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent and, where control is delegated by the customer, also a custodian.

SPECULATION: Assumption of risk in anticipation of gain but recognizing a higher than average possibility of loss.

UNITED STATES GOVERNMENT SECURITIES: Direct obligations of the U.S. Government, such as Treasury bills, notes and bonds whose repayment is guaranteed by the full faith and credit of the U.S. Government.

Treasury notes (t-Notes) are issued at their face or par amount with original maturities of 2 to 10 years. Treasury bonds (T-Bonds) are issued at their face or par amount with original maturities greater than 10 years. Both T-Notes and T-Bonds pay interest semi-annually.

UNITED STATES AGENCY SECURITIES: Securities issued by government-sponsored corporations such as Federal Home Loan Banks. Some agency securities are guaranteed by the full faith and credit of the U.S. Government, while others are secured by the repayment ability of the issuing agent.

Story County Board of Supervisors Resolution # 18-41

Resolution Naming Depositories

RESOLVED, that the Board of Supervisors of Story County in Story County, Iowa, approves the following list of financial institutions to be depositories of the Story County funds in conformance with all applicable provisions of Iowa Code Chapters 452 and 453 (1983), as amended by 1984 Iowa Acts, S.F. 2220. The Treasurer, Recorder, Conservation and Sheriff are hereby authorized to deposit the County funds in amounts not to exceed the maximum approved for each respective financial institution as set out below.

	Location of Home Office	Maximum Balance in effect under prior resolution	Maximum Balance in effect under this resolution
Treasurer			
State Bank & Trust Company	Nevada	\$45,000,000.00	\$45,000,000.00
First National Bank	Ames	\$15,000,000.00	\$15,000,000.00
Fidelity Bank	Huxley	\$15,000,000.00	\$15,000,000.00
First National Bank/Iowa	Des Moines	\$15,000,000.00	\$15,000,000.00
Exchange State Bank	Collins	\$15,000,000.00	\$15,000,000.00
Maxwell State Bank	Maxwell	\$15,000,000.00	\$15,000,000.00
First American Bank	Ames	\$15,000,000.00	\$15,000,000.00
South Story Bank & Trust	Slater	\$15,000,000.00	\$15,000,000.00
Great Western Bank	Ames	\$55,000,000.00	\$65,000,000.00
Bank of the West	Ames Branch	\$15,000,000.00	\$15,000,000.00
Wells Fargo	Des Moines	\$15,000,000.00	\$15,000,000.00
Community Bank	Nevada	\$15,000,000.00	\$15,000,000.00
Community Choice Credit Union	Ames	\$15,000,000.00	\$15,000,000.00
Reliance State Bank	Story City	\$.00	\$15,000,000.00
Vision Bank	Ames	\$15,000,000.00	\$15,000,000.00
Valley Bank	Ames	\$15,000,000.00	\$15,000,000.00
National Financial Services	Troy, MI	\$ 5,000,000.00	\$ 5,000,000.00
Ackley State Bank	Story City	\$15,000,000.00	\$15,000,000.00
Recorder			
State Bank & Trust Company	Nevada	\$ 500,000.00	\$ 500,000.00
Sheriff			
State Bank & Trust Company	Nevada	\$ 500,000.00	\$ 500,000.00
Conservation			
State Bank & Trust Company	Nevada	\$ 500,000.00	\$ 500,000.00

Passed this 26th day of September, 2017

Motion by: Olson

Seconded by: Chitty

Voting yes: Olson, Chitty

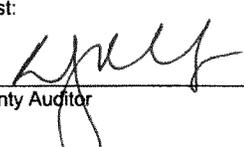
Voting no: -

Not voting: -

Absent: Sanders



 Chairperson, Board of Supervisors

Attest:


 County Auditor