

Baraboo Public Library Undesignated Trust Fund Investment Policy

General Overview

The financial philosophy of the Baraboo Public Library Board of Trustees (BPL) is to invest funds to conserve principal, to receive a reasonable and growing income and to gain capital appreciation without taking undue risks.

Trust Accounts Subject to This Policy

The (BPL) has the authority under Section 43.58(7) Wis.Stats. to invest trust funds consisting of gifts and bequests. This authority does not extend to tax receipts or income from other sources. BPL currently has several separate trust funds, including a Library Building Fund, a Library Impact Fee Fund and an Undesignated Trust Fund. The Library Building and Impact Fee funds both include tax and other receipts and the Board has no authority to invest these funds. This policy accordingly affects only investment of the Undesignated Trust Funds. Because the other trust funds are invested solely in FDIC insured and collateralized accounts, BPL is somewhat more aggressive in its investment policy for the Undesignated Fund.

Investment Monitoring and Control

The Board of Trustees of BPL has the responsibility to assure that investments are being managed properly. The board delegates to the Finance Committee the responsibility of meeting on at least an annual basis with the investment managers to review the performance of all investments and to report back to the board with its findings.

It is the policy of BPL that the Board of Trustees, primarily through its Finance Committee, oversees the proper implementation of the investment objectives and guidelines. The Board delegates investment management to the Finance Committee with the understanding that all investment decisions are to conform to the guidelines of suitable investments incorporated in this investment policy statement.

Investment Guidelines

Risk. The Board of Trustees of BPL recognizes that every investment contains risk. The investment managers will manage the portfolio in such a way as to balance risk while still maintaining the primary objectives and targets of the funds in each of the categories.

Diversification. The portfolio will be structured in such a way as to minimize the risk of a large loss in any one security, industry, or sector. While managing the targets and objectives within

each of the categories of funds previously mentioned, the investment managers should attempt to maintain the following mix of asset goals for BPL:

<u>Asset Class</u>	<u>Minimum Weight</u>	<u>Maximum Weight</u>
Equities	0%	70%
Bonds	15%	70%
Cash Equivalents	15%	85%

Restricted Asset Categories. The selection of specific investment vehicles (stocks, bonds, other marketable securities) should be made with consideration to assuring that no conflicts exist between these vehicles and the mission and goals of BPL. The BPL Board investment managers shall not engage in margin buying or short selling. There shall be no option or commodities trading. There shall be no real estate or private investments. There shall be no more than 5% of the total shares outstanding for any one company. Fixed income securities should not be less than an “A” rating and convertible securities not less than a “BBB” rating.

Periodic Review

This statement of investment objectives and guidelines will be reviewed periodically by the Finance Committee and the Board of Trustees.

Adopted by the Baraboo Public Library Board of Trustees, October 18, 2011
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