



NORTHERN MIDLANDS COUNCIL

POLICY MANUAL

INVESTMENT OF COUNCIL FUNDS

Originated Date: Adopted 15 December 2008 – Min. No. 310/08 (as Policy 55)

Amended Date/s: Reviewed 21 September 2015 – Min. No. 270/15
Reviewed 20 March 2017 – Min. No. 89/17

Applicable Legislation: Section 75 of the *Local Government Act*

Objective To provide guidelines for the investment of Council Investment funds.

Administration: Corporate Services

Review Cycle/Date: Next review 2021.

1 DEFINITIONS

Investment Funds:

are funds that are not required to be expended in the course of normal operations in the short term.

Authorised Deposit-taking Institution (ADI):

a body corporate in relation to which an authority under subsection 9 (3) of the Banking Act (No. 6 of 1959 as amended) is in force.

Investment arrangement:

an arrangement that relates to acquiring, consolidating, dealing with, or disposing of certificates of deposit, debentures, stocks, shares, bonds or notes issued or proposed to be issued, bill of exchange and promissory notes.

2 OBJECTIVE

The objective of this policy is to ensure that the best possible rate of return is achieved from the investment of surplus Council funds whilst, at the same time, ensuring the security of those funds.

3 POLICY

- 3.1 The level of Council funds available for investment is to be reviewed at least fortnightly. During the review process likely cash inflows and outflows for the immediate future will be assessed to establish either the availability of investment funds or the need to redeem existing investments.
- 3.2 Where investment funds are available the following procedure will apply:
- Not less than two (2) quotations shall be obtained from authorised deposit-taking institutions whenever an investment arrangement is proposed. The best quote of the day will be successful after allowing for security, and administration and banking fees.
 - An 'Investment Lodgement Form' is to be completed which will include the following information:
 - Name of ADI;
 - Amount of Investment;
 - Duration of Investment;
 - Details of Product including security; (i.e. S&P rating, State or Commonwealth)
 - Interest Rate offered;
 - Endorsement of the selection by the Accountant or the Corporate Services Manager.
- 3.3 Council may support investments in local community banks/financial institutions with up to an amount of 33.3% of investment funds, limited to 10% of investment funds held per institution at any one time for fixed term deposits.



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4 RESPONSIBILITY

Any two of three following incumbents shall be jointly responsible for the application of this policy:

- Corporate Services Manager;
- Financial Accountant; and
- General Manager.