Chapter Title	Section Title	Section #		Subject #
Fiscal Resources	Assets	F		233
Subject Title **Investments**		Adopted 11/24/03	Last Revised 5/23/16	Last Reviewed 12/27/04; 11/20/08; 2/22/10; 2/28/11; 2/27/12; 4/22/13; 5/27/14; 5/18/15; 05/23/16; 06/26/17

POLICY

Application

This policy shall apply to The Right Door for Hope, Recovery and Wellness.

1.0 Intent

It is the intent of this policy to ensure that funds are invested in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of The Right Door for Hope, Recovery and Wellness and comply with all state statutes governing the investment of public funds.

2.0 Policy

All investments shall be approved by the Board and properly controlled to ensure safety, diversification, liquidity, and return on investment.

2.1 Safety – Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

2.2 Diversification – The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2.3 Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operation requirements that may be reasonably anticipated.

2.4 Return on Investment – The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

3.0 Delegation of Authority

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Authority to manage this investment program is derived from the Mental Health Code and the Board's most current resolution designating depositories. The CEO shall be ultimately responsible for all transactions undertaken and shall establish procedures to regulate the activities of subordinate staff.

4.0 Authorized Investments

The Right Door for Hope, Recovery and Wellness is limited to investments authorized by ACT 20 PA of 1943, as amended, and may invest in the following:

4.1 Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.

4.2 Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2) of ACT 20 PA of 1943, as amended.

4.3 Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

4.4 Repurchase agreements consisting of instruments listed in subdivision (a) of ACT 20 PA of 1943, as amended.

4.5 Bankers' acceptances of United States banks.

4.6 Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.

4.7 Mutual funds registered under the investment company act of 1940, title one of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-4 to 80a-64,

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with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

4.8 Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118.

4.9 The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

5.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by The Right Door for Hope, Recovery and Wellness shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Authority Board and evidenced by safekeeping receipts as determined by the Authority Board.

6.0 Prudence

Investments shall be made with judgment and care, under circumstances when prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Local financial institutions shall be given consideration for investments.

References

CARF Business Practices
Financial Planning and Management
Board Governance

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Melissa McKinstry, Board Chairperson	Date