

Blount County Government County Finance Committee

BLOUNT COUNTY INVESTMENT POLICY February 21, 2019

PURPOSE

The purpose of the County Finance Committee, as appointed by the Blount County Board of Commissioners on September 20, 2018, is to approve an Investment Policy for Blount County Government. According to Section 5-8-302, *Tennessee Code Annotated*, the county legislative body may appoint a committee with authority to designate the types of investments, the amounts of those investments, and the maturity of those investments.

AUTHORITY

According to publications of the Tennessee County Technical Assistance Service (CTAS), the county trustee has three major functions: (1) collecting the county's property taxes; (2) accounting for and disbursing county funds (including proper apportionment and determination of fund availability); and (3) investing temporarily idle county funds.

It is the policy of Blount County Government that the Blount County Trustee has the authority to determine the types of investments, the amounts of those investments, and the maturity of those investments. The investments must be permitted by and conform to State of Tennessee law. Any investment opportunity that requires approval of the County Finance Committee or the County Board of Commissioners must gain approval prior to entering into the investment.

The County Trustee shall include an investment portfolio in the monthly Trustee report to the Blount County Board of Commissioners.

SAFETY

The top priority of the County Trustee must be the safety of the funds invested. The Trustee must ensure that all funds are properly collateralized according to State law. Proper collateralization includes Federal Deposit Insurance Corporation (FDIC) insurance, State of Tennessee Treasury Collateral Pool for member banks, and collateral whose market value is equal to one hundred five percent (105%) of the value of the deposit secured thereby, less so much of such amount as is protected by the FDIC.

TYPES OF INVESTMENTS

The types of investments for Blount County must be permitted by and conform to State of Tennessee law. Sections 5-8-301 and 9-1-118, *Tennessee Code Annotated*, detail the authorized investments for county governments in the State of Tennessee. Investments that may be entered into by the County Trustee include Public Funds bank accounts at State authorized depositories, certificates of deposit at State authorized depositories, certificates purchased through Certificate of Deposit Account Registry Service (CDARS), Insured Cash Sweep (ICS), securities of the U.S. Government, certain securities of U.S. Government sponsored enterprises (such as FHLB and FNMA under certain conditions), and State of Tennessee Local Government Investment Pool (LGIP). Other less common types of investments mentioned in State of Tennessee law should be reviewed and approved by the County Finance Committee.

When using the CDARS or ICS investments, the County Trustee or his/her designee must ensure that no more than \$250,000 is invested in any one FDIC insured depository at the same time.

AMOUNTS OF INVESTMENTS AND MATURITY

The County Trustee has the authority to determine the amounts of investments. Cash flow should be considered when determining investment amounts and the maturity of those investments. The County should have enough liquidity in its investment portfolio to meet its obligations.

No funds are to be invested for a maturity of greater than two (2) years without the prior approval of the Blount County Board of Commissioners or the County Finance Committee.