

**INVESTMENT POLICY FOR THE VILLAGE OF CONCORD
As Required by Public Act 20 of 1942, as amended**

Purpose:

It is the policy of the Village of Concord to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Village of Concord and comply with all state statutes governing the investment of public funds.

Scope:

This investment policy applies to all financial assets of the Village of Concord. These assets are accounted for in the various funds of the Village of Concord and include the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, trust and agency funds and any new fund established by the Village of Concord.

Objectives:

The primary objectives, in priority order, of the Village of Concord's investment activities shall be:

Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

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.

Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

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.

Delegation of Authority to Make Investments:

Management responsibility for the investment policy is hereby delegated to the Village Treasurer as required by state statute; and/or the Village Clerk as authorized by the Village Council. The Village Treasurer and/or Village Clerk shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Village Treasurer and/or Village Clerk. The Village Treasurer and/or Village Clerk shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Authorized Investments:

The Village Treasurer and/or Village Clerk is authorized to invest in the following types of securities authorized by Public Act 20 of 1943, as amended:

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

Certificates of deposit, savings accounts or depository receipts of a financial institution.

Commercial paper rated at the time of purchase at the highest classification established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

Repurchase agreements consisting of instruments in bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

Bankers' acceptances of United States banks.

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 1 standard rating service.

Obligations described in the above if purchased through an interlocal agreement under the urban cooperation act of 1967. (1967 Extra Session PA 7, MCL 124.501 to 124.512.)

Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.188.

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

Safekeeping and Custody:

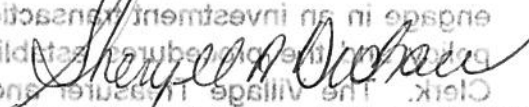
All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Village Treasurer and/or Village Clerk shall be on a delivery vs. payment basis. Securities held in safekeeping by a third party custodian shall be evidenced by a safekeeping receipt.

Prudence:

Investments shall be made with judgment and care, under circumstances then 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.

Effective Date: May 26, 1998


Halsey D. Jenks, Village President


Sheryll A. Dishaw, Village Clerk

Authorized Investments:

The Village Treasurer and/or Village Clerk is authorized to invest in the following types of securities authorized by Public Act 20 of 1943, as amended: