



Effective Date: 04/03/2023

INVESTMENT POLICY

I. Policy Objective

The Board of Supervisors of North Whitehall Township (hereinafter, “the Board”) has adopted this policy pursuant to Resolution No. 04-03-2023F. This policy aspires to the following precepts:

- A. That the excess liquidity of any fund, the proceeds of bonds, and reserve accounts of the Township be invested in marketable securities which are legally permissible investments, according to the Commonwealth of Pennsylvania, and the Second Class Township Code (hereinafter, the “Code”).
- B. That investment maturities be laddered in such a manner that the investments are converted back to cash to meet the Township’s operating cycle and the draw down requirements of its bonds.
- C. That investment maturities be limited to a term of nine (9) months, unless the preponderance of the market conditions strongly warrant an investment of up to eighteen (18) months, but no longer. Provided that, if the Township’s finances and market conditions warrant it, the Board may by resolution authorize reinvestment of maturities for up to an additional six (6) months, as long as the total term of investment and reinvestment is no longer than fifteen (15) months.
- D. That, whereby credit risk is equal according to two (2) credit rating agencies, excess liquidity and proceeds should be invested with the account, fund, trust, or manager that offers the highest yield with the most liquidity.

II. Statutory Authority

- A. The Act of Mar. 25, 2016, P.L. 72, No. 10 (“Act 10”), Section 1.1(a)(1), provides for the investment of the funds of public corporations in the money market. That is:
 - 1. Federal Debt Obligations, or agencies with a credit rating of “A” or better;
 - 2. Repurchase Agreements (“Repos”);
 - 3. Negotiable Certificates of Deposit;
 - 4. Banker’s Acceptance with six (6) month maturities;
 - 5. Secured and Unsecured Commercial Paper with nine (9) month maturities.
- B. Section 3204 of the Code authorizes the Board to make investments of sinking funds and general fund and special fund moneys, in the same securities enumerated in Act 10, and dictates that the board “shall invest township funds consistent with sound business practice.”



- C. Section 3204(e)(2) also permits the Board to “[c]ombine moneys from more than one fund under township control for the purchase of a single investment if each of the funds combined for the purpose is accounted for separately in all respects and the earnings from the investment are separately and individually computed and recorded and credited to the accounts from which the investment was purchased.”

III. Investment Procedure

- A. The Director of Finance shall annually prepare a proposed investment schedule to the Board for their consideration.
- B. The investment schedule shall be a separate resolution from that which approves the annual budget.
- C. The proposed investment schedule shall be in line with the policy objectives and statutory requirements stated in Section I and Section II, and contain the following:
1. The name[s] of the institution[s] managing the investment[s];
 2. The amounts of cash to be invested in line-item format according to their fund or source;
 3. The terms, and the respective maturity dates;
 4. Short-term investments eligible to be reinvested in accordance with this policy;
 5. The estimated interest rate and yield at the time of maturity; and
 6. Any other information the Board may require.
- D. The Board may, at their discretion, require, prepare, and/or score Requests for Technical and Cost Proposals, or Requests for Information or Quotes (RFP, RFI, RFQ) before approving the transfer of funds to an investment account, fund, trust, or manager.
- E. The Board shall require the Director of Finance to report the performance of investments on a monthly basis, in writing, or in cash flow or income statement format, at their discretion.
- F. Once the investment schedule is approved by resolution, the Director of Finance shall invest the funds accordingly, and may recommend liquidating or reinvesting the funds accordingly throughout the year.