**AVON FREE PUBLIC LIBRARY**

**INVESTMENT POLICY**

This Investment Policy (the "Policy") was created and approved for the administration of the Avon Free Public Library ("Library") by the Library's Board of Directors (the "Board") on June 19, 2007.

# ARTICLE I--PURPOSE

The Board hereby establishes an Investment Policy to serve as a set of guidelines for the administration and investment of financial assets (“Investment Funds”) of the Library under direct control of the Board.

## ARTICLE II-INVESTMENT COMMITTEE

The Board shall establish an Investment Committee (the "Investment Committee") to manage its investments. Final investment authority shall rest with the Board except as delegated to the Investment Committee and as further described herein. The Investment Committee shall consist of at least three, but no more than six, Board members, including the President and Treasurer, who shall serve as Chairperson. Investment Committee members shall serve a term commensurate with their terms of the Board or until their successors are appointed. In the event of resignation of an Investment Committee member, the President will appoint a replacement Investment Committee member at its next regularly scheduled meeting following acceptance of the resignation. The Investment Committee shall meet at such time and place as called by the Chairperson on an “as ­needed” basis, but not less than once every six (6) months. Meetings may be held in person, by telephone, or by other electronic means. The Chairperson shall provide to the Board (i) an annual report detailing all matters of the Investment Committee for the preceding year, and (ii) a quarterly report summarizing general Investment Committee activities.

##### ARTICLE III-RESPONSIBILITIES & DUTIES

The Library’s Investment Funds exist and are to be used for such purposes in the best interests of the Library as deemed necessary or appropriate by the Board, with the primary objective of enhancing or improving the Library's short and long-term projects, programs and properties, including capital expansion. As such, the Investment Committee may consider any investment that is consistent with, in order of priority, the Board’s goals of capital preservation, competitive yield, liquidity, and conservative capital appreciation. In making its investment recommendations to the Board, the Investment Committee shall comply with all applicable laws, rules and regulations that govern the receipt, management, use and accounting of the Investment Funds. All investments made shall be in the sole and absolute discretion of the Investment Committee (and/or Board), but such investments shall be subject to a reasonable business person's standard of duty and good faith.

#### ARTICLE IV-RESTRICTIONS

The Investment Committee shall have no power to appropriate, encumber, or expend any interest, dividends, or principal of the Investment Funds without authorization of the Board.

##### ARTICLE V-INVESTMENT AUTHORIZATION

No Investment Committee member and no Board member shall have any conflict of interest with respect to any investment of the Library that could improperly create or otherwise give rise to, either directly or indirectly, a financial or other tangible benefit to such member. Any proposed transactions involving low-risk investment decisions (e.g., certificates of deposit, rollovers, money market funds) shall be approved by a majority vote of the Investment Committee and recorded in the minutes of the next meeting subsequent to the transaction. All other proposed investment transactions involving elements of risk that could materially change the profile, posture, liquidity, integrity or deployment of the Investment Funds shall be approved by the majority of the Board.

### ARTICLE VI-REVISIONS

This Policy may only be revised by a majority vote of the Board of Directors, and any such revision shall be recorded in a revised Investment Policy.