

unexpended or surplus money over which the Treasurer has custody which have been conducted during the previous fiscal year. At a minimum, the report shall specify for General Fund investments and all other investments:

- (1) the inventory of investments with maturity dates and the book and market value as of June 30;
  - (2) the net income earned;
  - (3) the percentage share of each category of investment in the portfolio;
- and
- (4) any sale of investments prior to the maturity date.
- (d) An investment made pursuant to this section shall be made:

- (1) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

- (2) in a manner designed to reasonably match the anticipated cash flow of the State so that sufficient funds are available to pay obligations upon proper presentation for payment;

- (3) so that a reasonable amount of cash or cash equivalents is available for unanticipated cash needs;

- (4) with due regard for minimizing risk while maximizing return;

- (5) using competitive purchasing practices except when impractical;

- (6) in accordance with a written investment policy;

- (7) so that the securities and collateral may continue to be priced on a market to market basis; and

- (8) to avoid the enhancement of the personal financial position of the Treasurer or any employee of the Treasurer who has responsibilities for such investments.

**SECTION 2. AND BE IT FURTHER ENACTED,** That prior to the effective date of this Act, the Treasurer shall notify in writing the chief executive and governing body of each local government unit required to have a local investment policy under Article 95, Section 22F of the Code, to notify them of the changes contained in this Act and to provide them an opportunity to review, revise, and report any changes in the local investment policies to the Treasurer, as appropriate.

**SECTION 3. AND BE IT FURTHER ENACTED,** That this Act shall take effect October 1, 2006.

May 26, 2006