

LOCAL GOVERNMENT UNITS IN A MANNER THAT WILL FACILITATE SOUND CASH MANAGEMENT WHILE PROTECTING THE PUBLIC AND ASSURING THAT A LOCAL GOVERNMENT UNIT HAS ACCESS TO ITS PUBLIC FUNDS AS REQUIRED.

(II) THE STATE TREASURER'S LOCAL GOVERNMENT INVESTMENT GUIDELINES SHALL:

1. STATE THE TYPES OF INVESTMENTS IN WHICH PUBLIC FUNDS MAY BE INVESTED;
2. INCLUDE GUIDANCE FOR THE PRUDENT INVESTMENT OF PUBLIC FUNDS BASED ON CASH FLOW PROJECTIONS, INCOME, LIQUIDITY, INVESTMENT RATINGS, AND RISK;
3. REQUIRE THAT INVESTMENTS BY A BOARD OF EDUCATION AND A BOARD OF LIBRARY TRUSTEES ARE IN COMPLIANCE WITH THE LOCAL INVESTMENT POLICY OF THE RESPECTIVE COUNTY; AND
4. PROHIBIT BORROWING OF FUNDS FOR THE EXPRESS PURPOSE OF INVESTING THOSE FUNDS.

(III) THE STATE TREASURER'S LOCAL GOVERNMENT INVESTMENT GUIDELINES SHALL INCLUDE A FORM THAT LOCAL GOVERNMENT UNITS SHALL USE TO COMPLY WITH SUBSECTION (E) OF THIS SECTION. THE FORM SHALL BE ADAPTABLE TO THE INVESTMENT NEEDS OF EACH LOCAL GOVERNMENT UNIT AND SHALL REQUIRE SUFFICIENT DETAIL TO IDENTIFY ALL PERTINENT ASPECTS OF AN INVESTMENT PORTFOLIO, INCLUDING ANY REALIZED LOSSES. THE FORM ALSO SHALL REQUIRE THAT EACH COUNTY INCLUDE INVESTMENTS MANAGED IN ACCOUNTS FOR OR BY THE BOARD OF EDUCATION AND THE BOARD OF LIBRARY TRUSTEES OF THE COUNTY. THE FORM SHALL PROVIDE FOR CERTIFICATION AS REQUIRED UNDER SUBSECTION (E) OF THIS SECTION.

(2) (I) ON OR BEFORE SEPTEMBER 1, 1995, THE GOVERNING BODY OF EACH LOCAL GOVERNMENT UNIT SHALL ADOPT BY RESOLUTION A LOCAL INVESTMENT POLICY THAT:

1. IS CONSISTENT WITH THE LOCAL GOVERNMENT INVESTMENT GUIDELINES ADOPTED BY THE STATE TREASURER; AND
2. MEETS THE INDIVIDUAL NEEDS OF THE LOCAL GOVERNMENT UNIT.

(II) PROMPTLY AFTER THE ADOPTION OF A LOCAL INVESTMENT POLICY, THE LOCAL GOVERNMENT UNIT SHALL MAIL A CERTIFIED COPY TO THE STATE TREASURER.

(III) IF THE STATE TREASURER DETERMINES THAT THE LOCAL INVESTMENT POLICY IS NOT CONSISTENT WITH THE LOCAL GOVERNMENT INVESTMENT GUIDELINES ADOPTED BY THE STATE TREASURER, THE STATE