

Community Mental Health Partnership of Southeast Michigan		<i>Policy:</i>	
		<i>Investing</i>	
PIHP Operations			
	Date of Board Approval 5/14/2014	Date of Implementation 5/15/2014	

I. PURPOSE

It is the policy of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) 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 CMHPSM and comply with all State Statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to all financial assets of the CMHPSM. These assets are accounted for in the various funds of the CMHPSM and may include General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds and any new fund established by the CMHPSM.

III. OBJECTIVES

The primary objectives, in priority order, of the CMHPSM'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.

IV. DELEGATION OF AUTHORITY TO MAKE INVESTMENTS

Authority to manage the investment program is derived from the Michigan Mental Health Code, Act 258 of the Public Acts of 1974 as amended Chapter 2 section 330.1205 (4) (g). Management responsibility for the investment program is hereby delegated to the Managing Director or their designee, who shall establish 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 agreement 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 Managing Director or their designee. The Managing Director or their designee shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities or subordinate officials.

V. LIST OF AUTHORIZED INVESTMENTS

The CMHPSM is limited to investments authorized by Public Act 20 of 1943, as amended with the exception of mutual funds having a fluctuating per share value.

VI. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the CMHPSM shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Managing Director or their designee and evidenced by safekeeping receipts as determined by the Managing Director or their designee. Quarterly reports on the investments will be reviewed with the CMHPSM Board.

VII. 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.

VIII. DEFINITIONS

Community Mental Health Partnership of Southeast Michigan (CMHPSM): The Regional Entity that serves as the PIHP for Lenawee, Livingston, Monroe and Washtenaw counties for mental health, intellectual/developmental disabilities, and substance use disorder services.

Generally Accepted Accounting Principles: Accounting principles that are the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

IX. EXHIBITS

1. Acknowledgement of Receipt of Investment Policy and Agreement to Comply Form
- 2.

X. REFERENCES

1. Michigan Mental Health Code, Act 258 of the Public Acts of 1974 as amended Chapter 2 section 330.1205 (4) (g)
2. Public Act 20 of 1943, as amended

ACKNOWLEDGEMENT OF RECEIPT OF THE COMMUNITY MENTAL HEALTH
PARTNERSHIP OF SOUTHEAST MICHIGAN (CMHPSM) INVESTMENT POLICY AND
AGREEMENT TO COMPLY FORM

I, _____, do hereby acknowledge receipt of the CMHPSM's
Investment Policy.

I further agree to comply with the requirements of Public Act 20 of 1943, as amended, and the
Investment Policy of the CMHPSM. Any investment not conforming with the statute or the
policy will be disclosed promptly to the CMHPSM Executive Director and its Board.

[Signature]

Type or Print Name and Title

Date