



BALDWIN COUNTY COMMISSION

POLICY #8.21	
Subject	Banking and Investment Policy
Date Adopted	April 1, 2025
Agenda Item	TBD
Obsolete Versions	March 15, 2016

Policy Statement This policy is adopted to guide the financial management of the Commission, encompassing both the investment of public funds and the oversight of banking practices. It applies to all funds or financial resources under the responsibility of the Commission. Funds managed independently or not under the Commission's purview are exempt from these policies.

Banking Policies

Designation of Depositories

Financial institutions that qualify as "Qualified Public Depositories" (QPD) under the Security for Alabama Funds Enhancement (SAFE) Program, as defined in Title 41, Chapter 14A, Code of Alabama 1975, and have a physical presence in Baldwin County, are designated as eligible depositories for funds under the discretion and control of the Commission.

Banking Services

Banking services include the essential day-to-day services required to conduct financial operations, such as:

- Accounts for deposits and withdrawals
- Sweep accounts
- Online banking
- Direct deposit for payroll
- Provision of timely bank statements

Banking services will be evaluated periodically, at least once every three years. This evaluation will focus on the institution's ability to reduce administrative overhead, resolve issues promptly, and offer competitive interest rates and service fees (if applicable).

Banking services do not include the investment of funds or short- or long-term borrowing.

Investment Policies

Objectives

The Commission's investment policy focuses on three key objectives:

1. **Protection of Principal:** Ensuring funds are invested securely in compliance with state and local laws.
2. **Proper Cash Flow:** Managing liquidity based on cash needs, with provisions for early liquidation if necessary.
3. **Optimal Returns:** Maximizing yield within the constraints of safety and liquidity requirements.

Investment Management and Procedures

The County Clerk/Treasurer is authorized and responsible for managing the investment program as derived from state statutes, local law, and these policies. The Clerk/Treasurer oversees daily investment operations, assigns staff as needed, and establishes an annual investment strategy based on the County's financial position and fiscal plan. This strategy is reviewed monthly to ensure adjustments for changing cash flow needs or market conditions.

Ethics and Conflict of Interest

Staff involved in the investment process must disclose any material financial interests in relevant institutions and shall comply with the Code of Alabama, 1975, Title 36, Chapter 25. All individuals involved in the decision-making process shall file a Statement of Economic Interest with The Alabama Ethics Commission.

Investment Strategies

The investment portfolio will be structured primarily for holding investments to maturity, with provisions for liquidity where immediate expenditures are anticipated. The program will utilize strategies tailored to the nature of specific funds, whether operational, special, or capital.

Certificates of Deposit (CDs)

CDs are purchased with funds available for investment and are subject to an RFP (Request for Proposal) process. This process involves qualified public depositories under the SAFE Program that have expressed interest in participating. CDs must specifically comply with Alabama Code § 41-14A-3.

Authorized Investments

All investments must adhere to the authorized instruments as outlined by the Code of Alabama, 1975. Specifically, this includes compliance with Title 11, Chapter 81, Section 19, and Title 11, Chapter 81, Section 21, which provide the legal framework for municipal investments in the state.

Additionally, investments must comply with the stipulations of Alabama Code § 41-14-30, which governs the deposit and investment of public funds in qualified public depositories. This includes the use of the Certificate of Deposit Account Registry Service (CDARS).

Maximum Maturities

No investment shall exceed a maturity of three years without prior approval from the Commission.

Forms/Attachments/Exhibits

N/A