

**RESOLUTION NUMBER 2-13
SMITHS GROVE, KENTUCKY CITY COMMISSION
INVESTMENT PROCEDURES**

WHEREAS: KRS 66.480 regulates the investment of public funds by local governments, and

WHEREAS: Whenever possible the Smiths Grove City Commission does, and intends to invest its citizens funds in a prudent, honorable manner, and

WHEREAS: The City Clerk/Treasurer, under the guidance of the City Commission has in the past and will continue in the future to invested public funds in certificates of deposits and interest bearing savings accounts.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF SMITHS GROVE;

That Resolution # 94-6 is hereby repealed and will be replaced entirely by the following:

GENERAL POLICY

Section 1. The City Clerk/Treasurer is the designated City Investment Authority, under the advice of the City Commission, to invest public funds in a manner which will provide the highest investment return, while meeting the daily cash flow demands of the city of Smiths Grove, conforming to all state statutes governing the investment of public funds.

Section 2. SCOPE

The investment policy applies to all financial assets held by the City of Smiths Grove, Kentucky i.e., General Fund, Public Works Fund, Police Fund and Cemetery Fund. Specific requirements applicable to the Cemetery Fund are provided in Resolution 04-12. All invested funds of the city are and shall be invested in accordance with applicable state laws.

Section 3. INVESTMENT OBJECTIVES

- a. Safety - Investments shall be undertaken in a manner that seeks to ensure the preservation of the city's capital.
- b. Liquidity - The city's investment portfolio shall remain liquid to enable the city to meet all operating requirements.

Section 4. SAFEKEEPING & CUSTODY

To protect against potential fraud and embezzlement, investment assets shall be secured through a safekeeping procedure. The City Clerk/Treasurer and any other officers or employees of the city authorized to engage in investment transactions will be bonded in an amount established by

the governing body. The safekeeping procedures utilized by the city's investment program will be reviewed annually by the city's auditor.

Section 5. INVESTMENT REPORTING

The City Clerk/Treasurer will prepare and submit to the governing body a monthly report regarding the status of the city invested funds.

Section 6. AUDIT

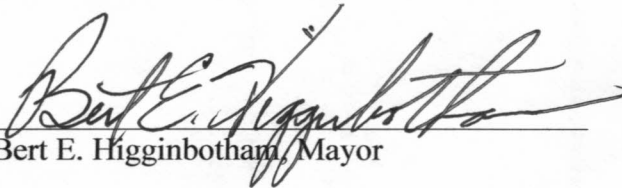
In connection with the audit of city funds conducted by an independent certified public accountant, the auditor shall conduct a review of the city's investment program, including internal controls and procedures, and the results of the review, including recommended changes, shall be included in the city's audit.

Section 7. INVESTMENT POLICY ADOPTION

The city's investment policy shall be adopted by order of the City's Commission and will become effective on the date this Resolution is passed. The policy shall be reviewed annually and revised, as appropriate. Any amendments to this Resolution must be made by order of the City Commission.

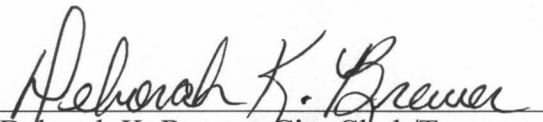
Passed and approved this Twenty Eighth (28th) day of January 2013, by the Smiths Grove City Commission by a vote of 5 to 0.

APPROVED:


Bert E. Higginbotham, Mayor

SEAL

ATTEST:


Deborah K. Brewer, City Clerk/Treasurer

