

NORTHCARE NETWORK

POLICY TITLE: Banking & Investment	CATEGORY: Financial Management	
EFFECTIVE DATE: 5/8/13	BOARD APPROVAL DATE: 5/8/13	
REVIEW DATE: 7/16/25	REVISION(S) TO POLICY STATEMENT: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	OTHER REVISION(S): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
RESPONSIBLE PARTY: Chief Financial Officer	CEO APPROVAL DATE: 8/5/25 Megan Rooney, CEO	

APPLIES TO

NorthCare Network Personnel

POLICY

It is the policy of NorthCare Network to invest its funds in a manner that will provide the highest investment return with the maximum security, while meeting its daily cash flow needs and complying with all state statutes governing the investment of public funds.

PURPOSE

To comply with Public Act 20 of 1943 (as amended) and GAAP.

DEFINITIONS

N/A

REFERENCES

N/A

HISTORY

REVISION DATE: 5/14/14, 5/5/15, 3/31/16, 1/30/17, 10/25/17, 8/24/21, 10/25/22, 7/16/25

REVIEW DATE: 5/8/13, 5/14/14, 5/5/15, 3/31/16, 1/30/17, 10/25/17, 9/17/18, 12/10/19, 8/24/21, 10/25/22, 3/6/24, 7/16/25

CEO APPROVAL DATE: 5/8/13, 5/14/14, 5/5/15, 4/4/16, 2/7/17, 11/6/17, 9/17/18, 1/7/20, 9/7/21, 11/1/22, 4/9/24, 8/5/25

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PROCEDURES

A. Investment Objectives – In priority order, the primary objectives of NorthCare Network investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. 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.

3. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
4. 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.

B. Delegation of Authority to Make Investments

1. Authority to manage the investment program is derived from MCL 41.76 and the NorthCare Network Governing Board. Management responsibility for the investment program is hereby delegated to the CEO or designee, who shall establish written procedure and internal controls for operating the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment account, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contract. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CEO or designee. The CEO or designee shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

C. Authorized Investment Instruments

1. NorthCare Network is limited to investments authorized by PA 20 of 1943, as amended, and may invest in the following:
 - a. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution. The financial institution must be:
 - i. A state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government, and
 - ii. That maintains a principal office or branch office located in the State of Michigan under the laws of this state or the United States.
 - b. Bonds, securities or other obligations of the United States or an agency or instrumentality of the United States.
 - c. Commercial paper rated at the time of purchase within the two highest classifications by at least two rating services and that matures not more than 270 days after the date of purchase.
 - d. Repurchase agreements of the United States or an agency or instrumentality of the United States.
 - e. Bankers' acceptance of United States banks.
 - f. Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one rating service.

- g. Mutual funds registered under the federal Investment Company Act of 1940, as amended, composed of the investment vehicles described above.
- h. Investment pools organized under the Surplus Funds Investment Pool Act (Public Act 367 of 1982), as amended.
- i. Investment pools organized under the Local Government Investment Pool Act (Public Act 121 of 1985), as amended.

D. Safekeeping and Custody

- 1. All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by NorthCare Network shall be on a cash basis. Securities may be held by a third party custodial designated by the NorthCare Network's Governing Board and evidenced by safekeeping receipts as determined by the CEO or designee.

E. Standard of Prudence

- 1. Investment 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 probably income to be derived.

F. Checking Accounts – Operational Procedures

- 1. All disbursement checks will bear the signature of the CEO.
- 2. The Positive Pay program is implemented on the checking account in which disbursements are made. All disbursement checks issued from the checking account are uploaded to the Business eBanking website. Checks clearing through the checking account at the bank are verified with the uploaded information and flagged for approval if the information does not match the uploaded information.
- 3. ACH payment option is available for vendors through accounts payable.
- 4. All checks for deposit must be properly endorsed with a stamp "For Deposit Only". All deposits are reviewed and reconciled.