



**Investment Policy
of the
COURTS AND LAW ENFORCEMENT MANAGEMENT
INFORMATION SYSTEM (CLEMIS) AUTHORITY**
(as of November 10, 2025)

**ARTICLE I
PURPOSE AND SCOPE**

- 1.1. **Purpose.** The purpose of this policy is to establish as the policy of the Courts and Law Enforcement Management Information System (CLEMIS) Authority (the “**Authority**”) the investment of public money in a manner providing the highest investment return with the maximum security while meeting the daily cash flow demands of the Authority and complying with applicable laws governing the investment of public money, including 1943 PA 20, as amended, MCL 129.91 to 129.97a (“**Act 20**”).
- 1.2. **Scope.** This policy applies to the money of the Authority, including any of the following funds of the Authority:
 - (a) the general fund;
 - (b) special revenue funds; and
 - (c) other funds created by the executive committee of the Authority (the “**Executive Committee**”), unless specifically exempted by the Executive Committee.

**ARTICLE II
STANDARD OF PRUDENCE**

- 2.1. An investment must be made with judgment and care, under circumstances prevailing at the time of the investment, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of the person’s capital and the probable income to be derived.

**ARTICLE III
OBJECTIVES**

- 3.1. **Primary Objectives.** The primary objectives of the Authority’s investment activities are, in priority order: (1) safety; (2) liquidity; and (3) return on investments.
- 3.2. **Safety.** The safety of principal is the foremost objective of the Authority’s investment activities. Investments of the Authority must be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio of investments. To attain this objective, the Authority will diversify its investments by investing money among a variety of securities offering independent returns and Financial Institutions.

- 3.3. **Liquidity.** Next, the Authority's investment portfolio must remain sufficiently liquid to enable the Authority to meet all requirements for disbursement of money and operating requirements and that might be reasonably anticipated.
- 3.4. **Return.** Finally, the Authority's investment portfolio must be structured with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles commensurate with the Authority's investment risk constraints and the cash flow characteristics of the Authority's investment portfolio.

ARTICLE IV AUTHORIZATION AND DELEGATION

- 4.1. Authorization to manage the investments of the Authority is derived from the interlocal agreement creating the Authority between Oakland County, Bloomfield Township, White Lake Township, and other participating public agencies effective October 31, 2025 (the "**Interlocal Agreement**") and the bylaws of the Authority. Management responsibility for the investments of the Authority is hereby delegated to the treasurer of the Authority, who is responsible for all transactions undertaken and must establish a system of controls to regulate the activities of other Authority officials, and their procedures in the absence of the treasurer. The treasurer is hereby designated as the investment officer of the Authority. Agents for the Authority, vendors, and Financial Institution staff may assist the treasurer in exercising the treasurer's duties under this policy.

ARTICLE V ETHICS AND CONFLICTS OF INTEREST

- 5.1. Officers and agents of the Authority engaged in the investment process shall refrain from personal business activity that could conflict with proper execution of the Authority's investments or that could impair their ability to make impartial investment decisions. Officers and agents of the Authority engaged in the investment process shall disclose to the chairperson of the Authority any material financial interests in Financial Institutions that conduct business within Michigan, and also shall disclose any large personal financial or investment positions that could be related to the performance of the Authority.

ARTICLE VI FINANCIAL INSTITUTIONS

- 6.1. **Authorized Financial Institutions.** Money of the Authority must be deposited in a Financial Institution that is a qualified depository of public money under Michigan law. A Financial Institution receiving money of the Authority for deposit shall sign an acknowledgement of receipt of this investment policy and agreement to comply with this investment policy as required under section 6 of Act 20, MCL 129.96, and in the form provided in attachment A.
- 6.2. **Definition.** For purposes of this agreement, "**Financial Institution**" means 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 that maintains a principal office or branch office located in Michigan under the laws of Michigan or the United States.

ARTICLE VII
AUTHORIZED INVESTMENTS

7.1. Consistent with Act 20, the Authority may invest in any of the following:

- (a) bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States;
- (b) certificates of deposit, savings accounts, or depository receipts of a Financial Institution, but only if the Financial Institution complies with section 7.2;
- (c) certificates of deposit obtained through a Financial Institution as provided in section 7.5;
- (d) deposit accounts of a Financial Institution as provided in section 7.6;
- (e) commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase;
- (f) repurchase agreements consisting of instruments listed in section 7.1(b), subject to the requirements of section 7.8;
- (g) bankers' acceptances of United States banks;
- (h) 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 standard rating service;
- (i) subject to section 8.1, mutual funds registered under the Investment Company Act of 1940, 15 USC 80a-1 to 80a-64, with authorization to purchase only investment vehicles that are legal for direct investment by a public corporation and that are limited to securities whose intention is to maintain a net asset value of \$1.00 per share, but a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
 - (i) the purchase of securities on a when-issued or delayed delivery basis;
 - (ii) the ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned; or
 - (iii) the limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- (j) obligations described in sections 7.1(a) to 7.1(l) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, as amended, MCL 124.501 to 124.512;

- (k) investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, as amended, MCL 129.111 to 129.118, subject to the requirements of section 8.1; or
 - (l) investment pools organized under the local government investment pool act, 1985 PA 121, as amended, MCL 129.141 to 129.150, subject to the requirements of section 8.1.
- 7.2. Except as provided in section 7.5, the Authority shall not deposit or invest its money in a Financial Institution that is not eligible to be a depository of money belonging to the state of Michigan under Michigan laws or regulations or United States laws or regulations.
- 7.3. Assets acceptable for pledging to secure deposits of Authority money are limited to assets authorized for direct investment under section 7.1.
- 7.4. By resolution, the Executive Committee may authorize the treasurer to enter into written agreements with other public corporations to pool or coordinate the Authority money to be invested under this article 7 with the money of other public corporations. An agreement permitted under this section 7.4 must include all of the following:
- (a) the types of investments permitted to be purchased with pooled funds;
 - (b) the rights of members of the pool to withdraw money from the pooled investments without penalty;
 - (c) the duration of the agreement and the requirement that the agreement shall not commence until at least 60 days after the public corporations entering into the agreement give written notice to an existing local government investment pool organized under the Local Government Investment Pool Act, 1985 PA 121, as amended, MCL 129.141 to 129.150, in those counties where such a pool is operating and accepting deposits on or before September 29, 2006;
 - (d) the method by which the pool will be administered;
 - (e) the manner by which the public corporations will respond to liabilities incurred in conjunction with the administration of the pool;
 - (f) the manner in which strict accountability for all money will be provided for, including an annual statement of all receipts and disbursements; and
 - (g) the manner by which the public corporations will adhere to the requirements of section 5 of Act 20, MCL 129.95, relating to investment policies.
- 7.5. In addition to the investments authorized under section 7.1, by resolution the Executive Committee may authorize the treasurer to invest Authority money in certificates of deposit in accordance with all of the following conditions:
- (a) the money is initially invested through a Financial Institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146;

- (b) the Financial Institution arranges for the investment of the money in certificates of deposit in one or more insured depository institutions, as defined in 12 USC 1813, or one or more insured credit unions, as defined in 12 USC 1752, for the account of the Authority;
 - (c) the full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States;
 - (d) the Financial Institution acts as custodian for the Authority with respect to each certificate of deposit; and
 - (e) at the same time that the money of the Authority is deposited and the certificate or certificates of deposit are issued, the Financial Institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the money initially invested by the Authority through the Financial Institution.
- 7.6. In addition to the investments authorized under section 7.1, by resolution the Executive Committee may authorize the treasurer to invest Authority money in deposit accounts that meet all of the following conditions:
- (a) the money is initially deposited in a Financial Institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, as amended, MCL 21.146;
 - (b) the Financial Institution arranges for the deposit of the money in deposit accounts in one or more insured depository institutions, as defined in 12 USC 1813, or one or more insured credit unions, as defined in 12 USC 1752, for the account of the Authority;
 - (c) the full amount of the principal and any accrued interest of each deposit account is insured by an agency of the United States;
 - (d) the Financial Institution acts as custodian for the Authority with respect to each deposit account; and
 - (e) on the same date that Authority money is deposited under section 7.6(b), the Financial Institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the money initially deposited by the Authority in the Financial Institution.
- 7.7. If the Authority initially invests its money through a Financial Institution that maintains an office located in Michigan, the Authority may invest the money in certificates of deposit as provided under section 7.5.
- 7.8. If the Authority invests in a repurchase agreement under this article 7, the Authority shall enter into a Master Repurchase Agreement with the Financial Institution.

- 7.9. For purposes of this article 7, “**Master Repurchase Agreement**” means a contract that a governmental entity enters into with a Financial Institution or other person governing a repurchase transaction that contains provisions comparable to those outlined in the Securities Industry and Financial Markets Association’s form Master Repurchase Agreement.

ARTICLE VIII INVESTMENT POOLS AND MUTUAL FUNDS

- 8.1. Before investing in an investment pool or mutual fund, and on a continuing basis after investing in an investment pool or mutual fund, the treasurer shall develop a questionnaire that is responsive to each of the following:
- (a) a description of eligible investment securities, and a written statement of investment policy and objectives;
 - (b) a description of interest calculations and how interest is distributed and how gains and losses are treated;
 - (c) a description of how the securities are safeguarded, including the settlement process, and how often the securities are priced and the investment pool or mutual fund audited;
 - (d) a description of who may invest in the investment pool or mutual fund;
 - (e) a schedule for receiving statements and portfolio listings;
 - (f) an indication whether reserves are maintained or earnings retained by the investment pool or mutual fund;
 - (g) a fee schedule and an indication of when and how fees are assessed; and
 - (h) an indication of whether the investment pool or mutual fund is eligible for bond proceeds and whether the investment pool or mutual fund will accept such proceeds.

ARTICLE IX SAFEKEEPING AND CUSTODY

- 9.1. All security transactions, including collateral for repurchase agreements, entered into by the Authority must be conducted on a delivery-versus-payment basis. Securities must be held by a nonparty custodian designated by the treasurer and evidenced by safekeeping receipts.

ARTICLE X DIVERSIFICATION

- 10.1. The Authority shall diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than 50% of the Authority’s total investment portfolio may be invested in a single security type.

ARTICLE XI
MAXIMUM MATURITIES

- 11.1. To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority shall not directly invest in securities maturing more than three years after the date of purchase.

ARTICLE XII
INTERNAL CONTROLS

- 12.1. The Executive Committee shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

ARTICLE XIII
PERFORMANCE STANDARDS

- 13.1. The Authority's investment portfolio must be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the Authority. The Authority's investment strategy is passive. Given this strategy, the basis used by the treasurer to determine whether market yields are being achieved will be to identify a comparable benchmark to the Authority's investment portfolio duration.

ARTICLE XIV
REPORTING

- 14.1. Each quarter, the chief administrative officer of the Authority shall prepare a written report to the Executive Committee concerning the investment of the Authority's money.

ARTICLE XV
ADOPTION AND MODIFICATION

- 15.1. This investment policy must be adopted by resolution of the Executive Committee. The Executive Committee shall review this investment policy at least annually. No modification of this investment policy will be effective unless approved by resolution of the Executive Committee.

ATTACHMENT A

Acknowledgement of Receipt of Investment Policy and Agreement to Comply with Investment Policy

In accordance with 1943 PA 20, as amended, MCL 129.91 to 129.97a, the Financial Institution signing this acknowledgement and agreement acknowledges receipt of the investment policy of the Management Information System (CLEMIS) Authority and agrees to comply with the terms of the investment policy.

Name of Financial Institution: _____

By: _____
[signature of authorized individual]

[printed name of authorized individual]

Its: _____
[title of authorized individual]

Date: _____

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