

ISLAND COUNTY TREASURER'S INVESTMENT POOL

Operating Terms and Conditions



Island County Treasurer
Tony Lam

Island County Chief Deputy
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October 26, 2018
Updated as of January 1, 2026

Island County Treasurer Investment Pool (ICTIP)

The Island County Treasurer Investment Pool (ICTIP) was established in 2019 to invests funds collectively in order to better meet investment objectives. RCWs 36.29.020, 36.29.022, and 36.29.024 provide statutory authority for the Treasurer to operate a pooling program. The purpose of the pool is to allow political subdivisions to combine funds available for investments in order to achieve a potentially higher yield than if the funds were invested on an individual entity basis.

The ICTIP will offer daily liquidity to the participants. Pool participation is voluntary. All pool participants must submit to the Island County Treasurer a signed resolution by their district expressing an interest in participating in a local government investment pool (see form enclosed). The district, entity, or department will be responsible for depositing and withdrawing funds based on its cash flow needs, so there is no maturity date for pooled investments as there are for specific securities and certificates of deposit. For more information, please contact the Treasurer at ICTInvestments@islandcountywa.gov.

Board Resolution identifying Investment Officer

Board Resolutions appointing the Investment Officer(s) for each Island County district, entity, and department must specifically state an effective duration period granted by the agency's Board of Directors or Legislative Authority. At the conclusion of each duration period, a new resolution must be submitted to the Treasurer's Office. To ensure that accurate information is maintained, our office suggests that this resolution be updated annually. The name of the individual(s) should be used, not a title only. If your Investment Officer should change at any time, you must notify this office immediately and present a new Board Resolution as well as a new Signature Authorization Form.

Funds Invested and Redeemed - Procedures

Investment Request Forms (investment deposits and withdrawal requests-see attached form) must be received by the Treasurer's Office by 3:00 pm at least two business days prior to the desired transaction date. Scanned copies of these requests are currently being emailed to our office, we recommend that you continue that process. Each request received will be confirmed by our office in a separate email to the requester. If your entity utilizes fax transmissions to request investments or withdrawals, please do not consider the message delivered until you have verified its receipt with our office.

Requests received after the deadline will be processed the next business day, as long as sufficient funds are still available. Funds must be available upon request. We cannot consider futures deposits, as they are not yet confirmed receipts. Likewise, the lack of available cash balance, including deposits that are receipted the next day, will be cause for delay.

As a courtesy, our office will contact the Investment Officer(s) as soon as all other daily cash activities have been completed and the investment can be confirmed.

Please verify that a confirmation of your entity's investment or withdrawal has been received; if it has not, please contact our office immediately at ICTInvestments@islandcountywa.gov

Instructions must include the following information:

- Investment date (weekdays only, no holidays)
- Fund names and numbers to be invested.
- Transaction type – Invest or Withdraw
- Transaction amount in whole dollars
- Signature of Investment Officer

The Treasurer's Office will not make correction to or alter investment requests; therefore, if any of the information listed above is omitted, we will contact your district to receive the appropriate corrections prior to processing the request. If a change to an investment request is required, an authorized investment officer will need to initial the correction or submit a new form with appropriate signatures. Corrections that must be made to investment authorizations will be considered as next day transactions if not submitted within the required timeframe.

Large Withdrawals – Additional notice required.

To allow the investment officer to manage cash flows, the following are guidelines for withdrawing large sums of money, other than the expected month end payroll:

1. ICTIP participants will notify the Treasurer's Office by 3pm 2 business days in advance of disbursements up to \$500,000.
2. ICTIP participants will notify the Treasurer's Office by 3pm 5 business days in advance of disbursements \$500,001-\$2,000,000.
3. ICTIP participants will notify the Treasurer's Office by 3pm 10 business days in advance of disbursements over \$2,000,000.

Removal from participation

For accounts of \$500,000 or less, the department or district must notify the County Treasurer in writing of intent to close the account at least 30 days in advance.

For accounts over \$500,000, the department or district must notify the County Treasurer in writing of intent to close the account. At that time, the County Treasurer will approve a reasonable distribution schedule for the balance of the funds in the account, as proposed by the department or district and the County Treasurer's Finance Officer. Regardless of the size of the balance in the account, all monies will be distributed to the department or district within one year.

Speculation not allowed.

Participants will not use the ICTIP for speculative purposes. For this reason, once a fund is removed from the ICTIP, it cannot be reinvested in this pool without written approval of the Island County

Treasurer. In no case will the removal and reinvestment be approved if such actions negatively impact other participants or, in the judgment of the Island County Treasurer, such actions are being taken for speculative reasons.

Investing Cash Outside the ICTIP

Eligible pool participants may invest certain specified monies outside of the ICTIP if specific criteria apply.

- The department or district must clearly demonstrate to the County Treasurer that adequate cash flow planning has occurred, and that no money will be needed for at least two years.
- External investment must represent new money received by the district, such as bond proceeds.
- Investments must comply with all applicable state statutes and policies.
- Minimum length of maturity is two years.
- Minimum size of external investment is \$1 million.
- Department or District is solely responsible for monitoring coupon payment, maturity dates and reinvestment of cash

No Ongoing Instructions

No written notice with “ongoing” instructions will be accepted; that is, a new directive should be provided for each new investment – at maturity for non-pooled transactions or time of withdrawal for pooled transactions.

No Deficit Cash Balances

No public entity may carry deficit cash balances (RCW 36.29.010). If a fund has a deficit cash balance and we have been unable to contact the Investment Officer(s) we have statutory authority to liquidate an investment without the public entity’s authorization. The entity will be notified in writing when their investment(s) have been liquidated by the Island County Treasurer under this rule.

Cash balances, as maintained by the Island County Auditor’s Office within the general ledger, will be verified on the County’s business day prior to making any investment. If there are not sufficient funds for the investment to be made, the investment request will not be processed until records indicate proper funds are available.

In the event of an error in investment instructions – specifically, that an entity has over-invested, we will not process the investment request. The district may then make a decision regarding a new investment.

Interest Earnings

Interest for pool participants is distributed each month based on the average daily balance a fund maintains in the pool and is calculated using the actual number of days in the prior month, based on a 360-day year. The total interest distributed to pool participants will be the total accrued interest earned on securities held for the pool, during the month of the interest allocation less the administrative fee. Interest earnings will be posted to participants' accounts within ten business days after the close of each month.

RCW 36.29.024 allows the County Treasurer to deduct the amounts necessary to reimburse the Treasurer's Office for the actual expenses the office incurs for the initial costs of establishing a pool and for the cost of administering that pool. The investment fee will be calculated based on the participant's average daily balance maintained in the pool. The rate, determined by the actual costs of running the pool, is set by the Island County Treasurer and reviewed no less than annually. The initial rate is set at 5 basis points, or 0.05% of average principal balance; advance notice of any subsequent change will be provided to pool participants no less than 30 days prior to the start of a new calendar year.

Interest earnings for non-pool transactions will be calculated within the Treasurer's Financial System. Interest for individually placed investments for non-pool participants is distributed at maturity, sale date, and/or when periodic interest coupon payments are received. RCW 36.29.020 allows the charging on an investment fee on individually placed investments for providing the service of investing funds. The statutory administrative fee of 5% or the maximum of \$50 per fund shall be charged per transaction against the interest earnings after those earnings have been deposited into the County Treasurer's bank account.

Management

The County Treasurer is the manager of the ICTIP and has overall responsibility for the general management and administration of the fund.

The County Treasurer may utilize outside investment resources from time to time to review and/or develop new investment strategies.

Custodian

A third-party custodian that will hold securities and act as an agent for the Fund, will be approved in accordance with the terms of the Island County Treasurer's Office Investment Policy. The current custodian is Principal Custody Solutions.

Amendments

The Operating Terms and Conditions, as well as the Island County Treasurer's Office Investment Policy, may be amended from time to time at a public meeting of the administrative Finance Committee. Pool participants will receive a notice if any changes have been made and the most current version of the documents will be available on the Island County Treasurer's website, and upon request.

PARTICIPANT SIGNATURE PAGE

DISTRICT _____

I _____ on behalf of _____ have read and understand the Terms and Conditions for the Island County Investment Pool. I understand and acknowledge that these Terms and Conditions represent a memorandum of understanding between _____ and the Island County Treasurer.

Signed by: _____

District Name: _____

Signature: _____

Date: _____

Please email a copy of the signed page back to ICTInvestments@islandcountywa.gov

(NAME OF JTD)

Date: March 14, 2025

TO: Island County Treasurer's Office
Attn: Investment Officer
ICTInvestments@islandcountywa.gov

_____ authorizes the Island County Treasurer to process the following request on _____, to/from the Island County Treasurer's Investment Pool, a local government investment pool program. It is understood that each transaction requires two business days' notice.

<u>Transaction Type</u> <i>(invest/Withdraw)</i>	<u>Fund Number & Name</u> <i>(Three digits)</i>	<u>Dollar Amount</u>
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TOTAL TRANSACTION AMOUNT

By: _____
(Signature of Authorized Investment Officer)