

**WASHINGTON TOWNSHIP, MONTGOMERY COUNTY, OHIO;  
A STATUTORY POLITICAL SUBDIVISION  
INVESTMENT AND DEPOSIT POLICY**

1. POLICY STATEMENT

It is the policy of Washington Township, Montgomery County, Ohio ("the Township") to deposit and invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the Township and conforming to all state and local statutes governing the investment of public funds.

2. SCOPE

This Investment and Deposit policy ("Policy") applies to all moneys of the Township, except for moneys whose investment and deposit are otherwise controlled by an independent board, advisory council, or trustee under requirements of bond indentures or endowment trusts (as in the case of certain bond debt service funds and debt service reserve funds, and certain non-expendable trust funds). The Township funds subject to this Policy are hereinafter referred to as the "Active Portfolio".

Cash balances from the different funds of the Township may be pooled for investment purposes. In accordance with the O.R.C., all interest earnings will be credited to the General, Motor Vehicle License, Gas Tax and Permissive Tax Funds.

3. OBJECTIVES AND GUIDELINES

The following investment and deposit objectives will be applied in the management of Township funds:

- i) The primary objective of the Township's investment activities is the preservation of capital and the protection of investment principal.
- ii) All investment and deposit transactions must be in conformance with all applicable laws and ordinances prevailing at the time of the transaction. (Reference ORC 135)
- iii) The Township's investment portfolio will remain sufficiently liquid to enable the Township to meet operating requirements which might be reasonably anticipated.
- iv) In investing public funds, the Township will strive to maximize the return on the portfolio, but will avoid assuming unreasonable investment risks.
- v) The Township will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- vi) Banks vary in the services they provide, their service fees, interest rates on interim investments and the minimum compensating balances required for demand-deposit accounts. The Township's objective is to obtain good banking services while minimizing the cost of banking services to the Township.

4. PRUDENCE

Deposit and investment of Township funds shall be made with the exercise of that degree of 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 probable income to be derived (hereinafter referred to as "The Prudent Person Standard").

The standard of prudence to be used by Township officials involved in the deposit and investment of Township funds shall be The Prudent Person Standard and shall be applied in the context of managing an overall portfolio. Township officials acting in accordance with written procedures and this policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

5. DELEGATION OF AUTHORITY

Authority to manage the Township's deposits and investment program is derived from the Ohio Revised Code. The Township Clerk, shall be charged with the overall management of the investment program, while the Finance Director is responsible for carrying out its day to day activities. The Clerk shall have the right to assign such duties and responsibilities as he or she deems appropriate in keeping with the efficient and prudent management of such policy. Such assignment shall include explicit delegation of authority to persons responsible for investment transactions

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures adopted by the Investment Advisory Committee.

6. INVESTMENT ADVISORY COMMITTEE

The Township Clerk, the Township Finance Director, and the Township Administrator shall constitute the Investment Advisory Committee.

The Investment Advisory Committee shall monitor the investment of Township funds in conformance with the Investment Policy herein established. Monitoring shall consist of a review at least semi-annually of this investment policy and review of the previous half year's investment transactions, performance, diversification and strategy.

The committee may meet at other regularly scheduled times as deemed appropriate and necessary by the Committee. Any Investment Advisory Committee member may call additional meetings by giving five (5) days notice to the other members.

7. PERSONAL CONDUCT AND QUALIFICATIONS

a) ETHICS

- 1) Officers and employees involved in the deposit and investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
- 2) Officers and employees involved in the deposit and investment of Township funds shall disclose to the Township's independent auditors any material financial interests in financial institutions that conduct business with the Township and further disclose any large personal financial/investment positions that could be related to the performance of the Township's portfolio.
- 3) Officers and employees involved in the investment of Township funds shall subordinate their personal investment transactions to those of the Township, particularly with regard to the time of purchases and sales.

b) CONTINUING EDUCATION

The Clerk and Finance Director will annually complete the continuing education programs required by the O.R.C. and provided by the Treasurer of State.

8. INTERNAL CONTROLS

The Finance Director shall be responsible for the establishment of a system of controls to regulate investment activities. Such internal controls and compliance therewith shall be subject to review during the annual audit conducted by or on behalf of the Auditor of the State of Ohio.

9. MATURITY

To the extent possible, the Township will attempt to match the term to maturity of its investments with anticipated cash flow requirements. The Township will not directly invest in securities maturing more than 5 years from the date of settlement unless they are matched to a specific obligation or debt as per O.R.C. (135.14(d), 135.35(c)). The term of any repurchase agreement shall not exceed thirty days.

10. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

a) Depositories

Each of the following criteria shall be met in order for a financial institution to be considered an eligible depository:

- i) Any institution mentioned in Section 135.03 of the Revised Code is eligible to become a public depository of the active, inactive, and interim deposits of public moneys of Washington Township subject to the requirements of Sections 135.01 to 135.21 of the Revised Code.
- ii) Though not legally required, the Township is to use eligible financial institutions doing business in and situated in, or operating a full service branch office within the boundaries of Washington Township.
- iii) No financial institution shall receive or have on deposit at any one time public moneys, including public moneys as defined in Section 135.31 of the Revised Code, in an aggregate amount in excess of thirty percent of its total assets, as shown in its latest report to the superintendent of financial institutions or Comptroller of the Currency.
- iv) The Finance Director will maintain a list of financial institutions and approved security broker/dealers selected by creditworthiness. The following shall be used in determining creditworthiness: audited financial statements; proof of good standing with the Comptroller of Currency or State banking regulatory or National Association of Security Dealers certification; proof of Ohio registration; biographical and regulatory information on the persons who are the primary contacts with the entity; and/or ratings in the three most recent issues of an industry-recognized bank rating publication service such as IDC Financial Publishing's Bank Financial Quarterly, Shusunoff's Bank Quarterly or similar rating services selected by the Finance Director.

To the extent practical, the Township will minimize the number of depositories for the efficient, effective, and economical deposit of Township funds, and may do so by issuing a formal Request for Proposal as frequently as determined necessary. Exceptions to this centralization of depositories provision will be made when trust agreements or other legal mandates dictate specific handling or investment requirements that may not be obtained or most efficiently managed through existing depositories.

The Township is authorized to enter into the Depository Agreements set forth in Section 15 of this Policy.

All Township funds deposited with depository banks shall be secured by collateral as prescribed in Section 15 herein.

b) Broker/Dealers - Securities Purchases

i) Eligibility Requirements

Securities shall be purchased only through an authorized financial dealer or institution per Section 135.14(m)(1) of the Revised Code and who are registered with the Ohio Department of Commerce to do business in the State of Ohio:

- (1) a bank, savings bank or savings and loan association organized within and under laws of the United States, which are insured through the Federal Deposit Insurance Corporation, and which are members of the Federal Reserve; or
- (2) broker/dealer firms which are registered with the National Association of Securities Dealers (NASD); or
- (3) through "primary securities dealers" as designated by the Federal Reserve Bank of New York and which qualify under Securities & Exchange Trustees Uniform Net Capital Rule 15c3-1.

ii) Certification

A dealer or financial institution through which securities, other than nonnegotiable interest bearing certificates of deposit, will be purchased or sold shall be asked to provide a completed and certified "Broker/Dealer Questionnaire and Certification" (see Exhibit B). The minimum acceptable criteria to be met in order to be approved as an Authorized Broker/Dealer will include:

- (1) the broker/dealer must meet the eligibility requirements set forth in Section 10.b.i, above;
- (2) the broker/dealer and the personnel assigned to service the Township's account must be licensed to sell securities in the State of Ohio;
- (3) the broker/dealer must provide satisfactory documentation and certification for requested information

The Finance Director shall:

- (4) make additions to the authorized list when the above described criteria are met,
- (5) make deletions from the list as directed
  - (a) if and as directed by ordinance of the Township Trustees,
  - (b) upon failure of the broker/dealer to meet the foregoing investment and deposit policy requirements, or
  - (c) upon request of the broker/dealer
- (6) make deletions from the list at his or her discretion based on the following criteria or circumstances:
  - (a) Perceived financial difficulties of the broker/dealer;
  - (b) Consistent lack of competitiveness by the broker/dealer;
  - (c) Lack of experience or familiarity of the account representative in providing service to large institutional accounts; or
  - (d) When deemed in the best interest of the Township.

c) Investment Advisors

(i) Benefits

Investment Advisors offer investment advice to investors for a fee. They provide access to capital markets, credit research and can complement internal resources, thereby freeing up staff time to pursue other duties

(ii) Authority

Only a nondiscretionary arrangement should be allowed. Under this arrangement the advisor is not given complete authority to execute investment transactions but must obtain Township approval for individual transactions. A nondiscretionary arrangement would allow the Township to hire an advisor to make recommendations or act as an intermediary with the broker/dealer community.

(iii) Investment Agreement

A tightly controlled investment agreement with specific instructions concerning risk parameters, allowable investment instruments and strategies, and required reporting is essential.

(iv) Required Reports

- Summary of portfolio holdings
- Investment Performance Report
- Maturity/duration indicators
- Transaction Summary
- Market to market report

(v) Selection

Verify the investment advisor is registered with the Securities and Exchange Commission as required by law.

Through a Request for Proposal (RFP) or request for information (RFI) receive answers to the following questions:

- a) Organization/ownership of the firm
- b) Any SEC or regulatory censure or litigation
- c) Firm's personnel including number of account managers
- d) Number of accounts handled
- e) Qualifications and biographical information
- f) Size and type of assets under management
- g) Approach, reporting practices and historical performances
- h) At least three references
- i) Fees

If an investment advisor is selected based upon all the above being satisfied and the benefit in additional interest earnings is greater than fees then an investment advisory agreement covering terms, services, liabilities, compliance with laws reporting and fees should be signed.

d) Transactions

(i) A copy of this policy will be provided to all securities dealers, investment bankers, and other entities doing business with Washington Township. Other interested parties may receive a copy upon request. No securities dealer, investment banker or other entity may provide investment services to Washington Township unless they have reviewed, signed, and agreed to abide by the terms of this policy. (See Exhibit C)

(ii) All securities orders shall be placed according to accepted investment practices. All receipts confirming securities transactions will include the trade date, par value, maturity, interest

rate, price, yield, settlement date, description of securities purchased, investment firm, amount due, and third-party custodial information. Confirmation receipts will be received within three (3) business days after the trade, and payment for investments shall only be made upon receipt of the securities.

(iii) Certificates of Deposit shall be purchased only from commercial banks or domestic savings and loans covered by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. A Depository Agreement with such bank or savings and loan must be on file prior to making such purchase.

11. AUTHORIZED INVESTMENTS

The Township may invest in only those instruments which appear on the List of Authorized Investment Instruments ( Exhibit A) and only at a price not exceeding their fair market value. The List of Authorized Investment Instruments will be updated by the Township Finance Director as necessary and will be kept on file in the Office of the Township Clerk.

Securities eligible for inclusion in the list of authorized investments are defined by the Ohio Revised Code (135.14 and 135.45) and include:

- i) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon;
- ii) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
- iii) Deposits in eligible financial institutions;
- iv) Bonds, notes, or other obligations of the State of Ohio;
- v) The State Treasury Asset Reserve of Ohio (STAR Ohio);
- vi) No-load money market mutual funds consisting exclusively of obligations described in sections i) and ii) above;
- vii) Repurchase agreements meeting the requirements of Revised Code Section 135.14(E).

12. DIVERSIFICATION

To avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, dealers, or maturities, the Township Clerk will diversify the Active Portfolio as follows:

<u>Instrument Type</u>	<u>Maximum Percent of Active Portfolio</u>	<u>Maximum Percent of Portfolio by Obligor</u>
U.S. Treasury Obligations	100%	100%
Authorized U.S. Federal Agency Securities and U.S. Government-sponsored Corporations and Instrumentalities	100%	50%
Nonnegotiable Certificates of Deposit	100%	50%
State of Ohio Treasurer's Investment Pool (STAR Ohio)	100%	100%

No transaction needs to be executed when, through inadvertence or unusual circumstances, a maturity in the active portfolio causes the percentage of a type or category of investment to exceed the diversification limits set forth above. Any transactions after such infraction shall work toward returning to compliance.

The Investment Advisory Committee may set lower limits on the amount of funds which can be placed in any investment category.

13. COMPETITIVE BIDDING

The purpose of competitive bidding is to strengthen the investment program in terms of level and consistency of performance. When PURCHASING securities, the Township will obtain the minimum number of offerings as follows:

<u>Type of Security</u>	<u>Minimum Acceptable Number of Offerings</u>
Government Securities	2
Nonnegotiable Certificates of Deposit	3

When SELLING any type of security, the Township will use best efforts to obtain a minimum of three (3) bids.

The right is reserved to reject the offering or bid yielding the highest return if inconsistent with the Township's investment strategy, i.e., maturity, risk, diversification, liquidity, etc.

Price and rate quotations on all trades shall be obtained from authorized financial institutions and dealers within and outside the Township. In the case of the purchase or sale of securities where all other factors are considered by the Township to be equal, placement will be made in favor of the institution situated within the Township if two or more offerings or bids are the same.

14. SAFEKEEPING AND CUSTODY

In order to minimize default-risk the Township Clerk will require delivery of investment instruments as follows:

i) Government Securities

All authorized investment securities shall be settled "Delivery versus Payment" method. Book entry or physical securities shall be safekept by a third-party safekeeping agent, in the agent's (a) Federal Reserve customer account, (b) bank customer custody account, or (c) Depository Trust Corporation (DTC) customer custody account.

As an alternative at the option of the Township, securities may be safekept by recognized primary government securities dealers and the securities dealer subsidiaries of Ohio based financial institutions if the securities are segregated from dealer securities into customer custodial accounts.

Each delivery and safekeeping shall be evidenced by a safekeeping receipt.

ii) Nonnegotiable Interest Bearing Time Certificates of Deposit

The Township will take possession for safekeeping in its own vaults, all Certificates of Deposit or document(s) evidencing a Certificate of Deposit in accordance with ORC 135.14, the acceptable time of delivery being no later than 2:00 p.m. the day of settlement.

In the event that the Certificate of Deposit or document(s) evidencing the Certificate of Deposit must be prepared at a home office of the issuing bank outside Washington Township, the Township will require an overnight safekeeping document and delivery of the Certificate of Deposit or document(s) evidencing a Certificate of Deposit no later than 12:00 noon the first business day after the date of settlement.

iii) Repurchase Agreements

(See Section 11, Authorized Investment Instruments)

15. COLLATERALIZATION OF TOWNSHIP DEPOSITS

- a) With the approval of the Township Clerk, a depository may provide collateral for deposits of the Township with a single pool of securities pledged toward all deposits of public funds held by the depository, in the manner provided in ORC 135.181.
- b) Unless secured in the manner provided in ORC 135.181, all deposits of the Township shall be secured by pledged collateral in the manner provided in ORC 135. 18.
- c) The method of collateralization of Township deposits shall be set forth in a written depository agreement between the Township and the depository institution.

Our Depository Agreements are for a two (2) year period currently August 23, 1997 through August 22, 1999. If a new depository is added in the middle of the 2 year period the depository agreement would be for less than 2 years ending at the end of the current 2 year period. Thereafter, if still appropriate, all depository agreements are renewed at the end of the 2 year period for another 2 year period.

16. NON BINDING ARBITRATION

The Township may enter into a written investment or deposit agreement that includes a provision under which the parties agree to submit to non binding arbitration to settle any controversy that may arise out of that agreement, so long as such provision meets the requirements of the Revised Code. The arbitration provision must contain a conspicuous notice that such arbitration may be appealed to the Court of Common Pleas per ORC 135.14(o); 135.35(m).

17. REPORTING and PERFORMANCE STANDARDS

The Finance Director will be responsible for providing regular semi-annual reports to the Investment Advisory Committee and an annual report to the Township Trustees about the Township's investment activities. The report should include at least a summary of the Township's portfolio by institution and types of instruments, average maturity, and changes in portfolio size.

In order to give the Investment Advisory Committee a basis by which to determine whether market yields have been achieved, the reports shall show the Active portfolio's average yield as compared to the average yield of Star Ohio. When this comparison produces a negative variance or a positive variance in excess of seventy-five (75) basis points, such variance shall be explained in writing within the semi annual report.



18. INVESTMENT POLICY DISTRIBUTION

- a. The investing authority shall distribute a copy of this investment policy and any revisions or updated versions to each qualified public depository and any eligible broker/dealer desiring to do business with Washington Township.
- b. Before accepting funds or engaging in investment transactions with Washington Township, the supervising officer at each depository or designated broker/dealer or government securities shall certify that he or she has reviewed this investment policy and agrees to disclose potential conflicts or risks to public funds that might arise out of transaction between the depository or firm and Washington Township.

19. LEGISLATIVE ACTION REQUIRED

Inasmuch that this Policy has been duly enacted by Motion of the Township Trustees, any modifications hereto shall be made only by the appropriate legislative action of the Township Trustees. The only exception to this Section being those periodic updates to the list of Authorized Investment Instruments appearing in Exhibit A as required by Section 11 of this Policy.

APPROVED: *J. Blakney*  
Washington Township Clerk

*Michael A. Barlow*  
Finance Director

Date: *11/17/97*

Date: *11/17/97*

Approved by the Washington Township Board of Trustees

Motion: *M97-336*

Date: *11/17/97*

*Jay C. Young*  
Trustee President

## EXHIBIT A

### LIST OF AUTHORIZED INVESTMENT INSTRUMENTS

The following are authorized investment instruments for the investment of Township funds. The Township may invest in only the following instruments at a price not exceeding their fair market value:

A. Obligations of the U.S. Treasury, Federal Agencies, and U.S. Government-sponsored Corporations and Instrumentalities follows:

Treasury Bills  
Treasury Notes and Bonds, including zero-coupon variations  
Federal Farm Credit System (FFC)  
Federal Home Loan Bank (FHLB)  
Federal Home Loan Mortgage Corporation (FHLMC)  
Federal National Mortgage Association (FNMA)  
Government National Mortgage Association (GNMA)  
Resolution Funding Corporation (REFCORP)  
Student Loan Marketing Association (SLMA)

B. Nonnegotiable Interest Bearing Time Certificates of Deposit and Savings Accounts

Nonnegotiable Interest Bearing Time Certificates of Deposit and savings accounts only in commercial banks organized under the laws of this State, national banks organized under the laws of the United States, doing business in and situated in or operating a full service branch office within the boundaries of Washington Township, provided that any such deposits and savings accounts are secured by collateral as prescribed in Section 15 of the Investment and Deposit Policy.

C. STAR Ohio

D. NOW Accounts ( Interest Bearing Negotiable Order of Withdrawal Accounts) which are collateralized as prescribed in Section 15 of the Investment and Deposit Policy.

E. Obligations of the State of Ohio

F. No load money market mutual funds consisting exclusively of obligations described in division (A) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in Section 135.03 of the Revised Code.

G. Overnight or term (not exceeding 30 days) repurchase agreements meeting the requirements of Section 135.14(E) with institutions which have executed a Master Repurchase Agreement entered into between the Township and that particular institution. Each Master Repurchase Agreement will provide for

- a) collateralization of each repurchase agreement consisting exclusively of obligations described in sections i) and ii) above, maturing within 5 years of the purchase date of the repurchase agreement, and having a market value which is not less than 102% of the principal amount of each repurchase agreement plus accrued interest. A term repurchase agreement must be marked to market daily;
- b) delivery of securities into the custody of the Clerk-Treasurer, Finance Director or an agent designated by the Township;
- c) settlement of each repurchase agreement on a delivery-versus-payment basis;
- d) the requirement that the participating institution or dealer shall provide all the following information:
  1. the par value of securities;
  2. the type, rate, and maturity date of the securities;

3. a numerical identifier generally accepted in the securities industry that designates the securities.

Master Repurchase Agreements may provide for substitution of collateral by the broker/dealer with the agreement of the Township.

Approved Michael A. Barlow  
Washington Township Finance Director

11/17/97  
Date

**EXHIBIT B**

**BROKER/DEALER QUESTIONNAIRE AND CERTIFICATION**

1. Name of Firm: \_\_\_\_\_

2. Local Address: \_\_\_\_\_ National Headquarters: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Local Telephone Number(s), Toll-Free Number (s)  
\_\_\_\_\_

4. Primary Representative/Manager/Partner-in-Charge:  
Name \_\_\_\_\_ Name \_\_\_\_\_  
Title \_\_\_\_\_ Title \_\_\_\_\_

5. Is the firm a Primary Dealer in U.S. Government Securities, as designated by the Federal Reserve of New York, qualifying under S.E.C. Uniform Net Capital Rule 15c3-1?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, for how long has the firm been a Primary Dealer? \_\_\_\_\_ years.

6. Is the firm a commercial bank or an NASD-member affiliate of a bank chartered under laws of one of the United States?  
Yes \_\_\_\_\_ Chartered under laws of the State of: \_\_\_\_\_  
No \_\_\_\_\_

If yes, are the bank customers' deposits insured by the Federal Deposit Insurance Corporation?  
Yes \_\_\_\_\_ No \_\_\_\_\_

7. Is the firm licensed to sell securities in the State of Ohio?  
Yes \_\_\_\_\_ No \_\_\_\_\_

8. Is/Are the person(s) designated to service the Township's account licensed to sell securities in the State of Ohio?  
Yes \_\_\_\_\_ No \_\_\_\_\_

9. Is the firm a member of the Federal Reserve System? Yes \_\_\_\_\_ No \_\_\_\_\_

10. Identify personnel who will be trading with or quoting prices of securities to our government:  
Name \_\_\_\_\_ Title \_\_\_\_\_  
Name \_\_\_\_\_ Title \_\_\_\_\_

11. Please identify the firm's most directly comparable public sector clients in our geographical area which we may use for references:

Entity: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Telephone No. \_\_\_\_\_ Client since \_\_\_\_\_

Entity: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Telephone No. \_\_\_\_\_ Client since \_\_\_\_\_

12. Have any of your public sector clients ever reported to the firm, its officers or employees, that they sustained a loss (in a single year) exceeding 10 percent of original purchase price on any individual security purchased through the firm?

Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Has the firm ever been subject to a regulatory or state/federal agency investigation for alleged improper, fraudulent, disreputable, or unfair activities related to the sale of securities? (Include copies of court/regulatory orders or agreements related to such investigations.)

Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

14. Have any of the persons responsible for servicing the Township's account ever been subject to a regulatory or state/federal agency investigation for alleged improper, fraudulent, disreputable, or unfair activities related to the sale of securities? (Include copies of ALL court/regulatory orders or agreements related to such investigations.)

Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

15. Who audits the fiduciary systems of the firm's custody and delivery processes?

\_\_\_\_\_

16. Has the firm consistently complied with all regulatory Capital Adequacy Standards?

Yes \_\_\_\_\_ No \_\_\_\_\_

17. Has the firm's capital position ever fallen short of the Capital Adequacy Standard?

Yes \_\_\_\_\_ No \_\_\_\_\_

18. What portfolio information do you require from your clients?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19. What reports, confirmations, documents and audit trail will we receive?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

20. Approximately how many and what percentage of the firm's transactions failed last month?

\_\_\_\_\_ transactions \_\_\_\_\_ %

Last Year?

\_\_\_\_\_ transactions \_\_\_\_\_ %

21. Describe the precautions taken by the firm to protect the interest of the public when dealing with governmental entities as investors:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

22. Please supply the following:

- a) The firm's most recent audited annual financial report and most recent quarterly report.
- b) Proof of the firm's designation by the Federal Reserve Bank of New York as a "primary securities dealer"

- OR -

Proof of FDIC coverage.

- c) Proof of individual's (assigned to service the Township's account) State of Ohio securities sales license.
- d) Proof of the firm's State of Ohio securities sales license.

#### CERTIFICATION

I hereby certify that for each transaction we pledge to exercise due diligence in disclosing all information necessary for each party to agree to the details of the transaction. When recommending a transaction, we will have reasonable grounds for believing the transaction is suitable based upon information available from the issuer and based upon the facts disclosed by Washington Township, Ohio or otherwise known about the Township including the Investment Policy which we have received. We have implemented investment procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and Washington Township, Ohio. I attest to the accuracy of our responses to the questionnaire. I will notify you in writing of any material change in the response to any of these questions and will supply you with updated copies of our published financial statements as they become available.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

**EXHIBIT C**

We the undersigned wish to do business with Washington Township, Montgomery County. We have reviewed this Investment Policy and agree to abide by its terms.

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_