

Guernsey Memorial Library		Section #
Manual Name Library Policy Manual	Date Issued: 2/4/2014	Subsection
Section Investment Policy	Date Revised: 8/11/2017	Page 1 of 1
<p>Investment Policy</p> <p>It is the policy of the library to invest funds in a manner that will maximize the security of principal, satisfy cash flow demands, and use approved methods to provide the highest possible return. All investments will conform to applicable laws and regulations of New York State and the Federal Government.</p> <p>Primary objectives of the Library's financial investments are:</p> <p style="padding-left: 40px;">Preservation of Capital – The preservation of capital is the foremost objective of the investment program. At no time should the safety of the library’s funds be impaired or jeopardized. All investments shall be undertaken in a manner that first seeks to preserve capital and secondly attempts to fulfill other investment objectives.</p> <p style="padding-left: 40px;">Liquidity – The funds are to remain sufficiently liquid to enable the library to meet anticipated operating requirements.</p> <p style="padding-left: 40px;">Return on Investments (Yield) – The Library's investments should generate the highest available return without sacrificing the first two objectives.</p> <p>Investment s shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence might exercise in the management of their own affairs.</p> <p>Delegation of Authority</p> <p style="padding-left: 40px;">Management responsibility for the investment program is delegated to the Library Treasurer. The Treasurer shall be responsible for the implementation of the investment program and the establishment of investment procedures, including adequate internal controls to provide a satisfactory level of accountability consistent with this Policy. No person may engage in an investment transaction except as provided under the term of this Policy and the procedures established by the Treasurer.</p> <p>Authorized and Suitable Investments</p> <p>In accordance with General Municipal Law §10, the following investments are deemed to be suitable for inclusion in the investment program. The Treasurer is authorized to invest Library funds in only those investments specifically delineated below.</p> <p style="padding-left: 40px;">U.S. Treasury Bills and Notes for which the full faith and credit of the U.S. Government is pledged for the repayment of principal and interest. Bills are short term (one year or less) obligations issued and sold at a discount. Notes have fixed coupon rates with original maturities of between one and five years.</p>		

Demand deposit accounts (such as checking accounts) established with local financial institutions.

Certificates of Deposit (CDs) issued by local financial institutions.

Investment accounts established with local financial institutions.

Designation of Depositories

The banks and trust companies authorized for the deposit of monies will be designated by the Board of Trustees. Currently the depositories for library investments are JP Morgan Chase and NBT Bank.

Collateralizing of Deposits

In accordance with the provisions of General Municipal Law §10, all deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

By a pledge of "eligible securities" with an aggregate "market value", or, as provided by General Municipal Law §10, equal to the aggregate amount of deposits.

By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

Reporting

The Treasurer shall provide the Library Board of Trustees with quarterly investment reports which clearly provide the following information regarding the investment portfolio: types of investment, depository institutions, principal balances, rates of return and maturities.

All participants involved in the 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.

Review

Annually, at the July board meeting, the board will review this investment policy, the Statement of Corporate Resolution, and the Statement of Investment Objective, signing new copies as needed. The Statement of Investment Objective will be signed by the Treasurer and President. The Statement of Corporate Resolution will list the President and Treasurer as authorized to give instructions to the Bank. The Treasurer will be authorized to receive the statements and share them with the rest of the board.