



DANSVILLE PUBLIC LIBRARY

WHERE KNOWLEDGE GROWS

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INVESTMENT POLICY

Approved May 5, 2014

SCOPE

This investment policy applies to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity of individual.

OBJECTIVES

The primary objectives of the Dansville Public Library's (DPL) investment activities are, in priority order:

- To conform with all applicable federal, state and other legal requirements
- To adequately safeguard principal (funds must not be lost to DPL)
- To provide sufficient liquidity to meet all operating requirements
- To obtain a reasonable rate of return

DELEGATION OF AUTHORITY

The governing board's responsibility for administration of the investment is delegated to the Board Treasurer who shall establish written procedures for the operation of the investment program consistent with these guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating descriptions and amounts of investments, transaction dates and other relevant information and regulate the activities of subordinate employees.

PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of a public trust and shall avoid any transaction that might impair confidence in the DPL to operate effectively.

Investments 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 safety of the principal as well as the probable income to be derived.

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 decisions.

DIVERSIFICATION

It is the policy of the DPL to diversify its deposits and investments by financial institution, by investment instrument, and by maturity schedule.

INTERNAL CONTROLS

It is the policy of the DPL that all moneys, collected by an officer or member of the DPL, to transfer those funds to the Board Treasurer, or their designee, within 3 days of receipt or deposit, whichever is shorter.

The Board Treasurer, or a designee, is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

DESIGNATION OF DEPOSITORIES

The depositories to be used for investment purposes and for the deposit of monies shall be those that the board of directors shall approve from time to time.

The maximum deposit will be \$1,000,000 per depository.

COLLATERALIZATION OF DEPOSITS

In accordance with this policy, all deposits of the DPL, including certificates of deposit and special time deposits, in excess of the amount insured in the provisions of FDIC shall be secured:

- By an eligible surety bond payable to the DPL for an amount equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State whose claims paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
- By a pledge of eligible securities with an aggregate market value 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 DPL for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregated amount of deposits and the agreed upon interest, if any.

SAFEKEEPING AND COLLATERALIZATION

Eligible securities used to collateralizing deposits shall be held by the depository bank subject to a security and custodial agreement.

A security agreement shall provide the eligible securities are being pledged to secure the DPL deposits together with agreed interest and any costs or expense of collection in the event of default.

PERMITTED INVESTMENTS

As authorized from time to time by the Board of Directors, the chief fiscal officer, treasurer or other officer having custody of money may invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposits
- Certificates of deposit
- Obligations of the United States of America or the State of New York

All investment obligations shall be payable or redeemable at the option of the DPL within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided.

AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The DPL shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the DPL conducts business must be credit worthy. Banks may be asked to provide their most recent Consolidated Report of Condition (Call Report). Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank as primary dealers. The Board Treasurer is responsible for evaluating the financial position and maintaining a listing of approved depositories, trading partners, and custodians. This list shall be evaluated annually.

PURCHASE OF INVESTMENTS

The chief fiscal officer, treasurer or other officer having custody of money is authorized to contract for the purchase of investments:

- Directly from an authorized trading partner
- By utilizing an ongoing investment program with an authorized tracking partner

All obligations shall be inscribed in the name of the DPL and shall be delivered to and held by the DPL.

Any custodial agreement shall provide that securities held by the bank or trust company, as agent for the DPL, will be kept separate and apart from the general assets of the custodial bank or trust company.

REPURCHASE AGREEMENTS

Repurchase agreements are authorized subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement
- Trading partners are limited to banks or trust companies authorized to do business in New York State

This institution is an equal opportunity provider and employer.