



INVESTMENT POLICY

SCOPE

This Investment Policy applies to all money and financial resources available for deposit and investment by Dansville Public Library on its own behalf or on behalf of any other entity or individual.

Funds include operating, capital, and reserve funds, grants, gifts, and any other financial assets in the custody or control of the Library.

POLICY STATEMENT AND OBJECTIVES

The Board of Trustees adopts this Investment Policy to ensure that all funds are invested in accordance with applicable law and in a manner that protects the public trust.

The primary objectives of the Library's investment activities, in order of priority, are:

1. Legal compliance
2. Safety of principal
3. Liquidity sufficient to meet operational needs
4. Yield consistent with the above objectives

Safety and availability of funds shall take precedence over return.

AUTHORITY

This policy is adopted pursuant to applicable provisions of:

- General Municipal Law §§10, 11, and 39, where applicable
- Other relevant New York State law
- Estates, Powers and Trusts Law, where applicable

The Board retains ultimate responsibility for the investment program.

DELEGATION OF RESPONSIBILITY

The Board delegates day-to-day responsibility for administering the investment program to the Treasurer.

The Treasurer shall:

- Develop procedures consistent with this policy
- Maintain internal controls
- Ensure proper documentation
- Ensure compliance with collateralization requirements
- Provide regular reports to the Board

No person involved in the investment process shall engage in personal business activity that could conflict with the proper execution of the investment program.



PRUDENCE STANDARD

Investments shall be made with prudence, diligence, skill, and care under circumstances then prevailing that a prudent person acting in a like capacity would use.

Funds shall not be invested for speculative purposes.

CASH FLOW AND LIQUIDITY

The Treasurer shall consider projected receipts and disbursements before investing funds.

Investments shall mature in accordance with anticipated cash needs.

For small libraries, this projection may be based on historical patterns and the approved annual budget.

DESIGNATION OF DEPOSITORIES

At the annual organizational meeting, the Board shall designate banks or trust companies authorized to hold Library funds.

Authorized Depositories:

| Depository Name | Maximum Amount Authorized |
|------------------------|----------------------------------|
| Community Bank | \$1,000,000 |
| Five Star Bank | \$1,000,000 |

Depositories must be located and authorized to do business in New York State.

PERMITTED INVESTMENTS

The following investments are authorized:

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company authorized to do business in New York State
- Certificates of deposit placed through a Deposit Placement Program
- Obligations of the United States of America
- Obligations guaranteed by the United States
- Obligations of the State of New York
- Certain New York municipal obligations where legally authorized
- Obligations of the Library only when invested through statutorily authorized reserve funds

The following are prohibited:

- Mutual funds
- Money market mutual funds
- Corporate stocks or bonds
- Investment brokerage sweep accounts not fully secured
- Credit union deposits unless specifically authorized by law

All investments must be redeemable in accordance with cash flow needs.



All investments must comply with the prudent investor standard under Estates, Powers and Trusts Law.

As a matter of prudent fiduciary practice, public tax monies held by the Library should be invested conservatively in bank deposits and government-backed instruments consistent with the restrictions applicable to public libraries under General Municipal Law.

DIVERSIFICATION

Investments shall be diversified by:

- Financial institution
- Investment type
- Maturity

For small libraries, diversification may primarily involve spreading deposits across multiple authorized banks when feasible.

SECURING DEPOSITS AND INVESTMENTS

All deposits in excess of FDIC insurance coverage shall be secured in accordance with General Municipal Law §10.

Permissible methods include:

- Pledge of eligible securities
- Pledge of a pro rata portion of a collateral pool
- Eligible surety bond
- Eligible letter of credit
- Irrevocable letter of credit from a federal home loan bank

The market value of pledged securities must equal or exceed the required coverage level.

For small libraries, collateral equal to at least 100 percent of uninsured deposits is required by law.

SECURITY AND CUSTODIAL AGREEMENTS

When required, the Library shall enter into written security and custodial agreements.

Such agreements shall provide that:

- Pledged securities are held separate from bank assets
- The Library maintains a perfected security interest
- Collateral is valued at least monthly
- Substitution or release of collateral is controlled

Legal counsel should review agreements prior to execution.

AUTHORIZED FINANCIAL INSTITUTIONS

The Treasurer shall maintain a list of approved financial institutions.



Institutions must be creditworthy and authorized to do business in New York State.

INTERNAL CONTROLS AND REPORTING

The Treasurer shall:

- Maintain records of all investments
- Record purchases at cost
- Record interest earnings separately
- Reconcile investment statements monthly
- Provide monthly reports to the Board

The Board shall review investment activity as part of its regular financial oversight.

USE OF INVESTMENT ADVISORS

If the Library engages an investment advisor for endowment or private funds, the Board retains ultimate decision-making authority.

Advisory services shall be procured in accordance with the Library's procurement policy.

ANNUAL REVIEW

This Investment Policy shall be reviewed annually at the organizational meeting of the Board of Trustees.

Amendments require Board approval.

Approved by Dansville Public Library Board of Trustees on May 5, 2014; Updated 6/8/2026



**Dansville
Public
Library**

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Where knowledge grows

Sample Motions (NOT PART OF POLICY)

MOTION 25-01: [NAME] moved to adopt the Investment Policy dated [DATE]. [NAME] seconded, and the motion passed unanimously.

MOTION 25-02: [NAME] moved to designate [BANK NAME] and [BANK NAME] as official depositories of Library funds for fiscal year [YEAR], with maximum balances as outlined in the Investment Policy. [NAME] seconded, and the motion passed unanimously.

MOTION 25-03: [NAME] moved to authorize the Treasurer to invest Library funds in accordance with the adopted Investment Policy. [NAME] seconded, and the motion passed unanimously.

MOTION 25-04: [NAME] moved to authorize participation in a Deposit Placement Program through [BANK NAME], subject to statutory collateralization requirements. [NAME] seconded, and the motion passed unanimously.