



## **Investment Policy**

Adopted: 6/16/92

Last Revised: 09/14/2023

### **1. 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 or individual.

### **2. Objectives:**

The primary objectives of Walworth-Seely Public Library investment activities are, in priority order:

- To conform to all applicable federal, state and other legal requirements
- To adequately safeguard principal
- To provide sufficient liquidity to meet all operating requirements
- To obtain a reasonable rate of return

### **3. Delegation of Authority:**

The Board of Trustees' responsibility for administration of the investment program is delegated to the Financial Officer, Library Director, and Library Bookkeeper.

### **4. Ethical Activity:**

Any participant in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that places library funds at unreasonable risk.

Any participant 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.

### **5. Internal Controls:**

The Financial Officer, Library Director, and Library Bookkeeper are 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, are recorded properly, and are managed in compliance with applicable laws and regulations.

### **6. Collateralizing of Deposits:**

In accordance with the provision of General Municipal Law, Section 10, all deposits of the library 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” equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy. *(See Appendix immediately following this policy.)*

By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of Walworth-Seely Public Library for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agree upon interest, if any.

#### **7. Safekeeping and Collateralization:**

The depository bank and/or a third party bank or trust company subject to security and custodial agreements at the discretion of the library shall hold eligible securities used for collateralizing deposits.

The security agreement shall provide that eligible securities are being pledged to secure the library’s deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for the Library, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become the backing for any other deposit or other liabilities.

#### **8. Permitted Investments:**

The Library Director and Financial Officer are authorized to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of Deposit
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York
- Obligations issued pursuant to Local Finance Law, section 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Town of Walworth or the Walworth-Seely Public Library
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general state statutes governing such entities or whose specific enabling legislation authorizes such investments



- Certificates of Participation (COP's) issued pursuant to GML Sec. 109b
- Obligations of this local government, but only with any monies in a reserve fund established pursuant to GML Sections 6-c, 6-d, 6-e, 6-g, 6-h, 6-k, 6-l, 6-m, or 6-n.

#### **9. Purchase of Investments:**

The Library Director and Financial Officer are authorized to contract for the purchase of investments:

- Directly, including through a repurchase agreement, from an authorized trading partner
- By participating in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such a program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88=46, and the specific program has been authorized by the Board of Trustees.
- By contracting with a managed investment program.

All purchased obligations, unless registered or inscribed in the name of Walworth-Seely Public Library, shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the Treasurer. All such transactions shall be confirmed in writing to the library by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal law, Section 10.

#### **10. Operating Procedures:**

The Financial Officer will oversee the investment of library funds made by the Library Director. The Library Director and Financial Officer will make investments based upon projections of the library's cash flow needs, so that investments shall mature at such times when funds are estimated to be needed for the orderly payment of library obligations.

Investments will generally be made based upon competitive bids solicited by telephone by the Financial Officer and shall be awarded to the highest bidder who has and is willing and able to pledge sufficient and acceptable collateral.

The Library Director and Financial Officer are authorized to transfer library funds using any electronic transfer system(s) that reasonably assures the safety of library funds.

Electronic transfer procedures and guidelines will be established between the library and the banking institutions with which the library intends to use electronic means to transfer funds between or within banks. The Library Director, as overseen by the



Financial Officer, will establish internal control procedures that will provide reasonable assurance that the library's deposits are safeguarded against loss.

Funds will only be transferred between institutions in the name of Walworth-Seely Public Library by using the Federal Reserve Wire Transfer (Fed Wire) system, the Automated Clearing House, the Internet, or by Library check and only by the Treasurer or other staff authorized by the Board of Trustees. Funds may be transferred within the same institution only between library accounts and only as authorized by the Library Director.

The Library Director and Financial Officer will maintain an investment log detailing the specific information relative to each investment. All investment transactions will be reported to the Board of Trustees at the next monthly meeting.

At least annually, the Board of Trustees shall review and amend, if necessary, the Investment Policy.

**11. Approved Financial Institutions:**

The Walworth-Seely Public Library acknowledges the following bank(s) as financial institutions that the library does or may do business with:

- Citizens Bank
- Lyons National Bank
- or any other FDIC insured banks the Board may approve.



**Appendix A (per General Municipal Law Section 10)  
Eligible List of Securities for Collateralization of Deposits**

1. Obligations issued by the United States of America, an agency thereof, or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof, or a United States government sponsored corporation.
2. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the InterAmerican Development Bank, the Asian Development Bank, and the African Development Bank.
3. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.
4. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of this state or obligations of any public benefit corporation, which under a specific state statute may be accepted as security for deposit of public money.
5. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
6. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
7. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of three highest rating categories by at least one nationally recognized statistical rating organization.
8. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
9. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.



10. Commercial paper and bankers acceptance issued by a bank, other than the bank rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
11. Zero coupon obligations of the United States Government marketed at “Treasury STRIPS”

*Note: This Walworth-Seely Public Library policy conforms to the New York State Municipal Law.*

APPROVED