

## **Investment Policy for Harborfields Public Library**

(Revised and adopted 1/30/2007. Revised 2/28/2013, Revised 9/28/2023)

### **I. Scope**

This investment policy applies to all monies and other financial resources available for investment by Harborfields Public Library on its own behalf or on behalf of any other entity or individual.

### **II. Objectives**

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

1. to conform to all applicable federal, state and other legal requirements (legal),
2. to adequately safeguard principal (safety),
3. to provide sufficient liquidity to meet all operating requirements (liquidity) and
4. to obtain a reasonable rate of return (yield.)

### **III. Delegation of Authority**

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

### **IV. Prudence**

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in Harborfields Public Library to govern 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 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 investment decisions.

### **V. Diversification**

It is the policy of Harborfields Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

### **VI. Internal Controls**

It is the policy of Harborfields Public Library that all monies collected by any officer or employee be transferred to the Business Office within three days of deposit, or within the time period specified in law, whichever is shorter.

The Library Director 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 managed in compliance with applicable laws and regulations.

## VII. Designation of Depositories

The banks and trust companies authorized for the deposit of monies are:

<b>Depository Name</b>	<b>Maximum Amount</b>
First National Bank of Long Island	\$10,500,000
M&T Bank - Tri-Party Collateral Account	N/A
US Bank - DASNY Bond Series - Debt Service Account	N/A
US Bank - Tax Pledge & Collections Account	N/A

## VIII. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, Section 10, all deposits of Harborfields Public 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:

1. By a pledge of “eligible securities” with an aggregate “market value”, or provided by General Municipal Law, Section 10, equal to the aggregate amount of deposits from categories designated in Appendix A to this policy.
2. By an eligible “irrevocable letter of credit” issued by a qualified bank, other than the bank with the deposits in favor of the library, 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.
3. By an eligible surety bond payable to the library for an amount at least 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.

## IX. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by a Library Board approved bank and/or a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Harborfields Public Library deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the library to exercise its rights against pledged securities. In the event that the securities are not registered or inscribed in the name of Harborfields Public Library, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to Harborfields Public Library or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, Harborfields Public 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 part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution, or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide Harborfields Public Library a preferred interest in the securities.

## **X. Permitted Investments**

As authorized by General Municipal Law, Section 11, Harborfields Public Library authorizes the Library Director to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

1. Special time deposit accounts.
2. Certificates of deposits.
3. Obligations of the United States of America.
4. 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.
5. Obligations of the State of New York.
6. Cooperative investment program established in accordance with Article 5G of the New York State General Municipal Law, as amended, and Article 3A of the General Municipal Law (Chapter 623 of the Laws of 1998).
7. Qualified Reciprocal Deposit Program as allowed under Chapter 128 of NYS Laws of 2012 amended sections 10 and 11 of the General Municipal Law.
8. Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

All investment obligations shall be payable or redeemable at the option of Harborfields Public Library within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of Harborfields Public Library within two years of the date of purchase.

## **XI. Authorized Financial Institutions and Dealers**

Harborfields Public Library shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which Harborfields Public Library conducts business must be creditworthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of Harborfields Public Library. 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 Library Director is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

## **XII. Purchase of Investments**

The Library Director is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such 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 Library Board of Trustees.
3. By utilizing an ongoing investment program with an authorized tracking partner pursuant to a contract authorized by the Library Board of Trustees.

All purchased obligations, unless registered or inscribed in the name of Harborfields 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 the prior written authorization from the Library Director. All such transactions shall be confirmed in writing to Harborfields Public Library by the bank or trust company. Any obligation held in custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, Section 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, Harborfields Public 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 part of the backing for any other deposit or liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of securities. Such agreement shall include all provisions necessary to provide Harborfields Public Library a perfected interest in the securities.

### **XIII. Repurchase Agreements**

Repurchase agreements are authorized subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America.
4. No substitution of securities will be allowed.
5. The custodian shall be a party other than the trading party.