

OSSINING PUBLIC LIBRARY

INVESTMENT POLICY

I. Scope

This investment policy applies to all moneys and other financial resources available for investment on behalf of the Ossining Public Library (“Library”) or for which the Library and/or its agents, officers or employees may have fiduciary or financial responsibility.

II. Objectives

The primary objectives of the Ossining Public Library’s investment activities are, in priority order:

- To conform with all applicable federal, state and other legal requirements (legal);
- To adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity); and
- To obtain the best possible rate of return (yield).

III. Delegation of Authority

The Ossining Public Library’s responsibility for administration of the investment program is delegated to the Treasurer as delegated by the Board of Trustees, 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 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 the Ossining Public Library and its ability 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 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 investment decisions.

V. Internal Controls

It is the policy of the Library for all moneys collected by any officer or employee of the Library to transfer those funds to the Senior Bookkeeper within forty-eight hours of receipt. The Treasurer 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.

VI. Designation of Depositories

The following banks are designated as the official depositories for the deposit of Library funds:

Signature Bank
Mahopac National Bank

Other depositories may be added as recommended by the Library Director, Treasurer, or other officer having custody of money and approved by the Board of Trustees.

VII. Collateralization of Deposits

In accordance with the provisions of General Municipal Law, §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 the following alternatives:

1. By a pledge of "eligible securities" with an aggregate "market value", or provided by General Municipal Law, §10, equal to the aggregate amount of deposits from the 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 of 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.
4. By an irrevocable letter of credit issued in favor of the library by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization. Such letter of credit must be payable to the library as security for the payment of 100% of the aggregate amount of public deposits.

VIII. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by banks designated and/or the custodial bank pursuant to each associated security and custodial agreement. 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. 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 the pledged securities. In the event that the securities are not registered or inscribed in the name of the Library, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the 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 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 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 the Library a perfected interest in the securities.

IX. Authorized and Suitable Investments

As authorized by General Municipal Law, §11, the Library authorizes the Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- 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.
- Certificates of Deposit (CDs) issued by local financial institutions with a maturity date less than three years.
- Special time deposit accounts authorized to do business in New York State
- 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

All investment obligations shall be payable, saleable or redeemable at the option of the Library within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys 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 the Library within two years of the date of purchase.

X. Purchase of Investments

The Treasurer is authorized to contract for the purchase of investments for example by: participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law and 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 Board of Trustees.

All purchased obligations, unless registered or inscribed in the name of the 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 sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment.

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 §10.

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

XI. Repurchase Agreements

Repurchase agreements are not authorized.

XII. Maturity of Investments

No investment shall have a maturity date of more than five years from its date of purchase by the Library. The Library will match its investment maturities with anticipated cash flow requirements.

XIII. Reporting

The Treasurer shall provide to the Library's Board of Trustees monthly investment reports which clearly provide the following information regarding the investment portfolio: types of investment, depository institutions, principal balances, rates of return and maturities and any recommendations to modifications of the policy.

Approved by the Board of Trustees November 25, 2013.

APPENDIX A

SCHEDULE OF ELIGIBLE SECURITIES

1. Obligations issued, or 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 insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
3. Zero coupon obligations of the United States government marketed as “Treasury strips”.
4. Commercial paper and banker’s acceptances 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.
5. Obligations issued by states (other than 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 counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
7. Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.