

CASH INVESTMENT POLICY

Seaford Public Library

I. INVESTMENT POLICY

The objectives of the library's investment policy are to: safeguard Library Funds and to minimize risk, ensure that investments mature when cash is required to finance operations, and ensure a competitive rate of return in order to supplement other Library revenues for the support of the educational and cultural programs of the Library. In accordance with this policy, the Treasurer or Director is authorized to invest and/or deposit all funds, including proceeds of obligations and reserve funds, in time-deposit accounts, certificates of deposit, short-term government securities, or other investment instruments permitted by law, subject to the investment regulations approved by the Board of Trustees. All investments of Library funds shall comply with the requirements of Section 10 of the General Municipal Law.

To the extent feasible, investments and deposits shall be made in and through local or regional financial institutions. Diversification of investments and deposits are encouraged. It is the policy of the Seaford Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

The Library Board of Trustees shall, at least annually, designate one or more banks or trust companies for the deposit of public funds and establish the maximum amount which may be kept on deposit at any one time in each such bank or trust company. See Appendix B.

II. AUTHORIZED INVESTMENTS

A. The Treasurer or Library Director, upon Library Board of Trustees approval, is authorized to invest all available library funds, including proceeds of obligations and reserve funds, in the following types of investment instruments:

- Savings accounts or Money Market accounts of designated banks
- Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State
- Bonds or other obligations of New York State
- Obligations of the United States Government (U.S. Treasury Bills and Notes to which full faith and credit is pledged)
- Repurchase Agreements involving the purchase and sale of direct obligations of the United States
- Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State.

B. All funds except Reserve Funds may be invested in Revenue Anticipation Notes or Tax Anticipation Notes of other school districts and municipalities, with the approval of the State Comptroller.

- C. Monies in reserve funds may be invested in a bank special time deposit account or in certificates of deposit issued by the bank or trust company located in New York State, provided such invested funds will be payable within such period as the proceeds are needed to meet the expenditures for which such monies were obtained, and further provided the time account or certificate of deposit is secured by a pledge of obligations of the government of the United States, the State of New York, or any municipal corporation, school district, or district corporation of the State of New York.
- D. The Treasurer or Library Director is authorized, upon Library Board of Trustees approval, to invest reserve fund monies in obligations of the government of the United States, the State of New York or other municipal obligations provided such obligations are payable or redeemable at the option of the Library within such time as the proceeds will be needed to meet expenditures for which monies so invested were obtained. Such obligations will be either registered in the name of the Library or purchased through, delivered to and held in the custody of a bank or trust company in this State and shall be sold or presented for payment only upon written instruction of the Board of Trustees or its duly appointed designee. The Library Treasurer or Library Director shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such written procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.
- E. Funds on deposit in any one institution shall be limited to: See Appendix B.

III. PRUDENCE

- A. 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 confidence in the Seaford Public Library to govern effectively.
- B. 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.

IV. INTERNAL CONTROLS

- A. It is the policy of the Seaford Public Library for all moneys collected by any officer or employee of the government to transfer those funds to the treasurer within two days of deposit, or within the time period specified in law, whichever is shorter.
- B. The Library 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.

V. SAFEKEEPING AND COLLATERALIZATION

- A. Eligible securities used for collateralizing deposits shall be held by (the depository and/or third party) bank or trust company subject to security and custodial agreements.
- B. The security agreement shall provide that eligible securities are being pledged to secure 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 held may be sold, presented for payment, substituted or released and the events of default 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 Seaford Public Library or its custodial bank.
- C. The custodial agreement shall provide that pledged securities will be 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 commingled with or become part of the backing for any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt, substitution or release of the collateral. The agreement shall provide for the frequency of revaluation of collateral by the custodial bank or trust company and for the substitution of collateral when a change in the rating of a security may cause or does cause ineligibility. Such agreement(s) shall include all provisions necessary to provide the Library with a perfected interest in the eligible securities and to otherwise secure the Library's interest in the collateral.

VI. CONDITIONS

All investments made pursuant to this investment policy will comply with the following conditions:

A. Collateralizing of Deposits

1. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State, the United States, New York State school districts and federal agencies whose principal and interest are guaranteed by the United States. The market value of collateral will at all times exceed the principal amount on deposit in any bank which exceeds \$250,000.00.
2. In accordance with the provisions of General Municipal Law, § 10, all deposits of the Seaford 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:
 - a. By a pledge of eligible securities possessing market value equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.
 - b. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with deposits in favor of the government for a term not to exceed 90 days with an 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 four 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.
 - c. 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.
3. Collaterals will not be required with respect to the direct purchase of obligations of New York State, the United States and federal agencies, the principal and interest of which are guaranteed by the United States Government. * See Appendix A.

B. Delivery of Securities

1. Payment of funds may only be made upon receipt of collateral or other acceptable forms of security, or upon the delivery of government obligations whether such obligations are purchased outright, or pursuant to a repurchase agreement. Written confirmation of delivery shall be obtained from the custodial bank.

C. Written Contracts

1. Written contracts are required for certificates of deposit and custodial undertakings. With respect to the purchase of direct obligations of U.S., New York State, or other governmental entities, etc. in which monies may be invested, the interests of the Library will be adequately protected by conditioning payment on the physical delivery of purchased securities to the library or custodian, or in the case of book-entry transactions, on the crediting of purchase securities to the Custodian's Federal Reserve System account. All purchased will be confirmed promptly in writing to the Library.
2. The following written contracts are required:
 - a. Written agreements will be required for the purchase of all certificates of deposit.
 - b. A written contract will be required with the custodial Bank (s) and depository banks.

D. Designation of Custodial Bank

1. The Board will designate a commercial bank or trust company authorized to do business in the State of New York to act as the Custodial Bank of the Library's investments.
2. When purchasing eligible securities, the seller will be required to transfer the securities to the Library's Custodial Bank.

E. Selection of Financial Institutions

1. The Treasurer will periodically monitor, to the extent practical but not less than annually, the financial strength and credit worthiness of all institutions and trading partners through which the Library's investments are made. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Seaford 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.

2. Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

F. Operations, Audit and Reporting

1. The Treasurer or Library Director will authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the Library. Oral directions concerning the purchase or sale of securities will be confirmed in writing. The Library will pay for purchased securities upon the simultaneous delivery or book-entry thereof.
2. The Library will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.
3. Independent auditors will audit the investment provisions of the Library's investment policy.
4. Monthly investment reports will be furnished to the Board of Trustees.

Adopted: Nov. 9, 2015
Revised: September 9, 2024