

# INVESTMENT POLICY

## I. Scope

This Investment Policy applies to all monies and other financial resources of The Guilderland Public Library (the “Library”) available for investment and deposit on its own behalf.

## II. Objectives

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

- a) To conform with all applicable federal, state and other legal requirements (legal);
- b) To adequately safeguard principal (safety);
- c) To provide sufficient liquidity to meet all library operating requirements (liquidity); and
- d) To obtain a reasonable rate of return (yield).

## III. Delegation of Authority

The Board of Trustees’ (the “Board”) responsibility for the administration of the investment program is delegated to the Library’s Chief Fiscal Officer and the Director. They shall establish written procedures for the operation of the investment program consistent with this Investment Policy, in consultation with the Finance Committee and Treasurer. Such procedures shall be approved by the Board and shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating descriptions and amounts of investments, transaction dates, and other relevant information.

In addition, the internal control procedures shall describe the responsibilities, levels of authority and regulation of the activities of key individuals involved in the investment program.

## IV. Prudence

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

Investments shall be made with prudence, diligence, judgment, and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety of 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 impair their ability to make impartial investment decisions.

For purposes of this Investment Policy, “personal business activity” shall mean any involvement whatsoever in any business, including but not limited to banking, investment sales or management, brokerages or referral activities.

V. Diversification

Subject to the limitations placed on the Library by law and the Board's fiduciary obligation to adequately safeguard principal, the diversification of investments and deposits by financial institutions, by financial instruments and types, and by maturity scheduling is to be considered.

VI. Internal Controls

All monies collected by any officer or employee of the Library shall be transmitted to the Chief Fiscal Officer within two (2) business days of collection and shall be deposited within seven business (7) days or within the time limits specified by law, whichever is shorter; a record of such deposit shall be made by the Chief Fiscal Officer.

The Chief Fiscal Officer and Library Director, in consultation with the Finance Committee and Treasurer, are responsible for establishing and maintaining an internal control structure to provide reasonable 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 properly recorded and managed in compliance with applicable laws and regulations. Such structure shall be approved by the Board.

VII. Designation of Depositories

Funds received by the Library shall be deposited in one or more depository banks duly designated by the Board at its Annual Meeting. Said designation may be changed by subsequent vote of the Board. Such depository or depositories shall be located in and authorized to do business in New York. Any depository so designated shall fully collateralize all deposits in accordance with the provisions of General Municipal Law (GML) Section 10.

X. Permitted Investments

As provided by and authorized by GML Section 11, the Library authorizes the Chief Fiscal Officer working with the Board's Finance Committee and Library Director to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs. The plan shall be approved by the Board. The following types of investments may be used:

- a) Special time deposit accounts;
- b) Certificates of deposit;
- c) Obligations of the United States of America (limited to T-Notes and T-Bills);
- d) 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; and
- e) Obligations of the State of New York.

All investment obligations shall be payable 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 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 the Library within two years of the date of purchase.

XI. Authorized Financial Institutions

All financial institutions with which the Library transacts business shall be creditworthy. The Chief Financial Officer, in consultation with the Treasurer, is responsible for evaluating the creditworthiness and maintaining a list of proposed depositories, trading partners, and custodians. Such listing shall be evaluated annually by the Chief Financial Officer, in consultation with the Treasurer, and approved by the Board of Trustees.

The Library shall maintain a list of financial institutions approved for investments and establish appropriate limits to the amount of investments that can be made with each financial institution or dealer.

XII. Reporting

The Treasurer shall, no less than quarterly, prepare a written report to the Board on the status of investments and transactions, including types of investment and cash position, depository institutions, principal balances, rates of return, and maturities.

XIII. Record Keeping

A permanent fiscal record of the Library's investments shall be retained as required by New York State pursuant to the Retention and Disposition Schedule for Local Government Records (LGS-1).

Citations

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