

# **PERRY PUBLIC LIBRARY**

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*Make It Part of Your Day*

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## Investment Policy

### I. Scope:

This investment policy applies to all the moneys and other financial resources available for deposit and investment by the Perry Public Library. It is the policy of the Library to invest funds in a manner that will maximize the security of the principal while satisfying cash flow demands using approved methods that will provide the highest possible return. All investments will conform to applicable laws and regulations of New York State.

### II. Objectives:

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

- To conform with all applicable federal, State, and other legal requirements (legality)
- To adequately safeguard principal (safety)
- To provide sufficient liquidity to meet all operating requirements (liquidity)
- To obtain a reasonable rate of return (yield)

### III. Delegation of Authority

The Board of Trustees' responsibility for administration of the investment program is delegated to the Library Director, who shall establish written procedures for the operation of the investment program consistent with these investment policies. Such procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amounts of investments, the fund(s) for which they are held, the place(s) where kept, and other relevant information, including dates of sales or other dispositions and amounts realized. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

### IV. Permitted Investments

As provided by General Municipal Law Section 11, the Board of Trustees authorizes the Library Director to invest moneys 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 in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York;
- Through a Deposit Placement Program, certificates of deposit in one or more "banking institutions" as defined in Banking Law Section 9-r

### V. Prohibited Investments

The Library Director may not purchase securities on margin or open a securities margin account for the investment of library funds.

## VI. Diversification

It is the policy of the Perry Public Library Board of Trustees to diversify its deposits and investments by financial institution, by investment instrument, and by maturity schedule.

The Board of Trustees shall establish appropriate limits for the amount of investments which can be made with each financial institution or deal, and shall evaluate this listing at least annually.

## VII. Internal Controls

It is the policy of the Board of Trustees for all monies collected by any officer or employee of the Library to transfer those funds to the Library Director within 3-5 days to be deposited, or within the time period specified by law, whichever is shorter.

The Library Director is responsible for establishing and maintaining internal control procedures 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, properly recorded, and managed in compliance with applicable laws and regulations. The internal controls shall address the following:

- Separation of transaction records from accounting data
- Custodial safekeeping
- Written confirmation of telephone transactions for investments and wire transfers.

## VIII. Designation of Depositaries

The banks and trust companies are authorized for the deposits of moneys, and the maximum amount which may be kept on deposit at any time, are:

Depository Name	Officer
Tompkins Bank of Castile	Library Director
M&T Bank	Library Director

Any bank in the State of New York may become a public depository of the Library.

## IX. Collateralization of Deposits

All Library deposits, including, but not limited to, certificates of deposit and special time deposits, which are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured in accordance with General Municipal Law § 10.

- A pledge of “eligible securities” with an aggregate “market value” or as provided by General Municipal Law § 10, equal to at least the aggregate amount of the public deposits for which collateral is being sought.
- A pledge of a pro rata portion of a pool of eligible securities, as defined by General Municipal Law § 10, having in the aggregate a market value at least equal to the aggregate amount of public deposits from all officers making deposits within the state at such bank or trust company, together with a security agreement from the bank or trust company. Such security agreement shall comply with the provisions of General Municipal Law § 10.
- 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.
- 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.

#### X. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository and/or a third party bank or trust company subject to security and custodial agreements in accordance with the provisions of General Municipal Law § 10.

#### XI. Electronic Transfer of Library Funds

The Director will maintain appropriate documentation of the transactions so these may be audited as required by statute. The Director’s signature will be on the letter of authorization for transfers which will be forwarded to the bank.

#### XII. Library Funds

The Perry Public Library Board may establish funds for money and securities of the Library. All monies from whatever source derived will be receipted into funds established by the Board of Trustees under the authority of the law. The authorized funds are as follows:

- Library Operating Fund

- All money collected from tax levies, interest on investments of Library Operating Fund monies, fees, fines, rentals, and other revenues shall be deposited into the “Library Operating Fund,” and must be budgeted and expended in the manner required by law.
- Petty Cash Fund
  - This fund has been established for the purpose of paying small or emergency items of operating expense as designated by resolution of the Board of Trustees.
- Leon B Taylor Fund
  - This fund has been established with money bequeathed to the library by Mr. Leon B. Taylor. The principal is to remain untouched, and the interest is to be used to support projects of the Gallery and the Library.
- Gallery Restoration Fund
  - Established with donated monies in order to provide for restoration projects of the artwork and maintenance of the gallery.
- Capital Fund
  - This fund was established for the purpose of paying for the current Capital Project. The fund will close upon completion of the project until such time as the Library begins a new capital project.
- Reserve Fund
  - Established for the purpose of safeguarding the library against large and unexpected expenses outside of normal budgeting. This fund will be added to as directed by board, overseen by the treasurer & Library Director. The fund is not to exceed the library’s current tax request from the Perry Central School District. These expenses may include but are not limited to:
    - Equipment
    - Emergency Repairs
    - Employee Benefits to be paid upon separation of employment
    - Increased Retirement Contributions

### XIII. Ethics and Conflict of Interest

Those involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Library investment program, or that could impair their ability to make impartial decisions.

### XIV. Liability

When investments are made in accordance with this policy, no Officer of the Library shall be held liable for a loss resulting from default or insolvency of a depository of Library funds.

### XV. Reporting

The Library Director shall provide the Board of Trustees with periodic reports which clearly provide an understanding of how the library's fiscal status related to the current budget by providing information on our revenue, expense, and overall fiscal status. The Library's Board of Trustees will be informed of unusual financial activity when it becomes a concern.

Approved 11/13/2023