

West Nyack Free Library Investment Policy

I. Scope

This investment policy applies to all moneys and other financial resources available for deposit and investment by the West Nyack Free Library on its own behalf or on behalf of any other entity or individual.

II. Objectives

The primary objectives of the West Nyack Free Library's investment activities are:

- 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 governing board's responsibility for administration of the investment program is delegated to the Treasurer and 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 sale 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. 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 West Nyack Free Library to govern effectively. Investments shall be made with prudence, diligence, skill, 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 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

The West Nyack Library shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be achieved by the type of investment, number of institutions, and the length of maturity. The Library's portfolio may be deposited with one or more financial institutions.

The governing board shall establish appropriate limits for the amount of investments, which can be made with financial institutions or dealers, and shall evaluate this listing at least annually.

VI. Internal Controls and Reporting

It is the policy of the West Nyack Free Library for all moneys collected by any officer or employee of the West Nyack Free Library to transfer those funds to the Treasurer within the time period specified by law. The Treasurer and the Library Director are 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 Director and Treasurer shall provide the Board of Trustees with reports, which clearly provide the following information regarding the investment portfolio: Types of investments; depository institutions; principal balances; rates of return; maturities.

VII. Designation of Depositories

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

Depository Name Sterling National Bank

Maximum Amount \$ 2,000,000

VIII. Collateralizing of Deposits and Investments

All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, "deposits") made by officers of the West Nyack Free Library that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by:

1. A pledge of "eligible securities" with an aggregate "market value", as provided by the General Municipal Law, Section 10, that is at least equal to the aggregate amount of deposits by the officers. See Appendix A of this policy for a listing of "eligible securities" that meet this requirement.
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the West Nyack Free 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.

IX. Collateralization and Safekeeping

Eligible securities used for collateralizing deposits shall be held by bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure such deposits together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon a 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 local government to exercise its rights against the pledged securities. In the event that the pledged securities are not registered or inscribed in the name of the West Nyack Free Library, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the West Nyack Free Library or the custodial bank.

The custodial agreement shall provide that pledged securities will be held by the bank or trust company as agent of, and custodian for, the West Nyack Free Library, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of 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 and it 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 causes ineligibility. The security and custodial agreements shall also include all other provisions necessary to provide the West Nyack Free Library with a perfected security interest in the eligible securities.

X. Permitted Investments

As authorized by General Municipal Law Section 11, the West Nyack Free 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:

- 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
- 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
- With the approval of the State Comptroller, obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (i.e., Tax Anticipation Notes and Revenue Anticipation Notes) by any municipality, school district or district corporation in the State of New York other than the West Nyack Free Library

All investment obligations shall be payable or redeemable at the option of the West Nyack Free 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 in any event at the option of the West Nyack Free Library, within two years of the date of purchase.

XI. Authorized Financial Institutions and Dealers

The West Nyack Free Library shall maintain a list of financial institutions approved for investment purposes and establish appropriate limits to the amount of investments, which can be made with each financial institution. All financial institutions with which the Library conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the West Nyack Free Library. The Treasurer and one Board member are responsible for evaluating the financial position and maintaining a listing of proposed depositories and custodians. Such listing shall be evaluated at least annually.

XII. Purchase of Investments

The Treasurer and one Board member are authorized to contract for the purchase of investments directly. All purchased obligations, unless registered or inscribed in the name of the West Nyack Free 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 prior written authorization from the persons authorized to make the investment. All such transactions shall be confirmed in writing to the West Nyack Free 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 West Nyack Free 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 shall describe how the custodian shall confirm the receipt and release of securities. Such agreement shall include all provisions necessary to provide the West Nyack Free Library a perfected interest in the securities.

XIII. Review of Investment Policy

In accordance with General Municipal Law §39, this policy shall be reviewed at least annually. It should be reviewed more frequently as circumstances and/or laws change, and amended as appropriate by resolution of the Board of Trustees.

APPENDIX A

Schedule of Eligible Securities for Collateral Requirements

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 partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.
3. 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.

Adopted by the West Nyack Free Library Board of Trustees on May 9, 2015