

Heermance Memorial Library
Investment Policy

Adopted: March 13, 2001

Objectives: The objectives of the Library's investment policy are to safeguard funds, to minimize risk, to ensure that cash is available when required, and to ensure a competitive rate of return.

Summary: In accordance with this policy, the Treasurer is authorized to invest and/or deposit all funds, including proceeds of obligations and reserve funds, in time-deposit accounts, certificates of deposit, and short-term government securities, subject to any investment regulations approved by the Board of Trustees. To the degree possible, investments and deposits shall be made in and through local or regional financial institutions. Concentrations in a single financial institution shall be avoided. Diversification of investments and deposits is encouraged. This policy will be reviewed annually by the Board and may be amended from time to time in accordance with applicable legislation, regulation, and bylaws.

Authorized Investments:

1. Savings Accounts or Money Market Accounts of designated banks;
2. Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State;
3. Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State;
4. Obligations of New York State and Obligations of the United States Government (U.S. Treasury Bills and Notes), provided the principal and interest of any such obligations are guaranteed by the United States Government.

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

1. Collateral
 - a. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation.
 - b. Collateral will not be required for obligations of New York State and the United States Government.
2. Delivery of Securities
 - a. Payment of funds may only be made upon receipt of notice collateral.

- b. Written confirmation of delivery shall be obtained from custodial bank
- 3. Designation of Custodial Bank
 - a. The Board will designate a commercial bank or trust company authorized to do business in the State of New York to act as Custodial Bank of the Library's investments.
 - b. When purchasing eligible securities, the seller will be required to transfer the securities to the Library's Custodial Bank.
- 4. Selection of Financial Institutions
 - a. The financial strength of institutions will be of extreme importance in making investment decisions. All investing partners must be credit-worthy.
 - b. The Treasurer will periodically monitor, not less than annually, the financial strength, credit-worthiness, and experience of all institutions through which the Library's investments are made. Those banks with credit ratings below A2 according to Moodys or below B/C according to Keefe will not be authorized depositories.
 - c. Investments in time deposits and certificates of deposits are to be made only with commercial banks or trust companies.
- 5. Operations, Auditing, Reporting
 - a. The Treasurer will authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the Library. Oral instructions 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 of them.
 - b. The Treasurer will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least two quotations.
 - c. Investments and investment proceedings are subject to audit.
 - d. Reports of investment purchases and sales will be made no later than the second Board meeting following each transaction.

###