

Investments

Scope

The Investments Policy applies to all financial assets of the LaGrange Association Library. These assets are accounted for in the various funds of the Library and include the general operating fund, capital project fund, and any new funds that may be established by the LaGrange Association Library in the future.

Responsibility

Responsibility for administration of the investment program is delegated to the Finance Committee of the Board of Trustees. This committee shall establish written procedures for the operation of the investment program consistent with the investment guidelines outlined in this policy.

Conversely, the Board may wish to retain an Investment Advisor to manage the investment portfolio. In that case, the Investment Advisor shall act only in accordance with the wishes of the Board as described in this Investment Policy.

Review

The Investment Policy shall be annually presented to, reviewed, and approved by the LaGrange Association Library Finance Committee and Board of Trustees in open public meetings as prescribed by the New York State Committee on Open Government, Public Officers Law, Article 7: Open Meetings Law.

Revisions to this Investment Policy may be made upon approval by the Board of Trustees.

Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public interest and shall avoid any transaction that might impair public confidence in the LaGrange Association Library.

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.

Investment Objectives

- Preservation of Principle – The deposit/investment program shall preserve capital and protect investment principle within defined parameters.
- Risk Avoidance – The security of monies, whether on hand or invested, shall be of primary concern to the Finance Committee in selecting depositories or investments. All attempts shall be made to minimize risks in investment through diversification so as to

minimize the risk of loss resulting from an over-concentration of funds in a specific maturity, issuer, industry, geographical area, or class of securities.

- Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.
- Return – The Finance Committee shall seek to attain a market average or better rate of return throughout budgetary and economic cycles, taking into account risk, constraints, cash flows, and legal restriction on investment.

Ethics and Conflicts of Interest

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.

Allowable Investments

Equity Securities – The equity investments will seek to achieve a diversified portfolio and may include portions in growth stocks, index funds, values funds, and small cap funds, etc., both domestically and overseas.

Fixed Income Securities – at least 90% of securities or mutual funds will be U.S. Treasury, U.S. Agency and non-governmental investment grade issues rate “BBB” or better. With the exception of U.S. Treasury and U.S. Agency securities, no more than 5% of the Fixed Income holdings may be invested with any single issuer, and such holding may not exceed 5% of an issuer’s outstanding debt.

The duration of the portfolio’s assets will be limited to not more than 10 years.

Short-term and Other Investments:

- Real Estate Related – The real estate investments of the Fund may include REITS and other pooled funds.
- Short-term (Cash Equivalent) Investments – All securities will have the highest ratings by Moody’s or Standard and Poor.
- Other Investments – Subject to approval of the Finance Committee.

Gifts of Stock

When the Library receives gifts of stock certificates, the Board Treasurer will turn the stock over to the local security firm of choice within two working days so that the Library becomes the owner of record.

Collateral Requirements

All deposits in excess of FDIC limits shall be collateralized.

Collateral instruments shall be negotiable obligations of the U.S. Treasury or any agency or instrumentality of the United States government.

Collateral instruments shall have a market value of at least 100% or greater of the applicable deposit balance.

The collateral shall be held in the Library's name by a third party institution satisfactory to the Finance Committee.

Safekeeping will be documented by an approved written agreement.

Maturity Guidelines

As is reasonably prudent, the Finance Committee will attempt to match deposits/investments with anticipated cash flow requirements to take best advantage of prevailing economic and market conditions. No bond, bond mutual fund, or regular money market fund investment shall have a maturity date, or average maturity date, of more than ten years from its date of purchase, unless the investment is matched to a specific obligation or debt of the Library. Individually purchased bonds and obligations shall not carry any provision for call before maturity. Any investment made must be entered into with a reasonable expectation to be held to maturity unless defined opportunities exist to better achieve the deposit/investment objectives denoted in this Investment Policy.

Reporting

The Finance Committee will track all investments and report annually to the Board of Trustees.

Adoption

This Investment Policy shall be adopted by resolution of the Library's Board of Trustees.

Approved by the Board of Trustees March 13, 2008

Amended & Approved June 9, 2011

Amended & Approved September 9, 2021