

Investment Policy

The objectives of the INVESTMENT POLICY of the Saugerties Public Library are to conform with all applicable federal, state and other legal requirements, minimize risk, to insure that investments mature when the cash is required to finance operations, and to insure that a competitive rate of return is obtained. In accordance with this policy, the Treasurer is hereby authorized to invest all funds not immediately needed for operations, including proceeds of obligations and reserve funds in:

- Insured or collateralized Certificates of Deposit issued by a bank or trust company authorized to do business in New York State.
- Insured or collateralized Time Deposit Accounts in a bank or trust company authorized to do business in New York State.
- Obligations of New York State.
- Obligations of the United States government.

All funds, except reserve funds, may be invested in:

- Obligations of agencies of the Federal Government, if principal and interest are guaranteed by the United States.
- With the approval of the State Comptroller, in Revenue Anticipation Notes or Tax anticipation Notes of other Local Governments in New York State.

All monies held by the Library shall comply with the following conditions:

1. COLLATERAL

- a. All deposits must be collateralized in accordance with N.Y. General Municipal Law 10. All collateral shall be held in third party (custodial) banks which the Saugerties Public Library has entered into a Custodial Agreement. The market value of the collateral shall at all times be monitored no less frequently than semi-annually.
- b. Collateral shall not be required with respect to direct purchase of obligations of New York State, obligations of the United States and obligations of Federal Agencies, the principal and interest of which are guaranteed by the United States Government.

2. DELIVERY OF SECURITIES

- a. Securities must be delivered to the Custodian upon payment being made by or on behalf of the Saugerties Public Library for obligations of New York State or, obligations where the principal and interest are guaranteed by the United States, United States obligations, certificates of deposit, and other purchased securities. In the case of a book-

entry transaction, delivery is deemed to have occurred when the purchased securities are credited to the Custodial Bank's Federal Reserve System account. All transactions shall be confirmed in writing. The Director is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with all applicable laws and regulations.

3. WRITTEN CONTRACTS

a. Written contracts are required for certificates of deposit and custodial undertakings. With respect to the purchase of obligations of the United States, New York State or other governmental entities, etc. in which monies may be invested; the interest of the Saugerties Public Library will be adequately protected by conditioning payment on the physical delivery of purchased securities to the Custodian's Federal Reserve System Account. All purchases will be confirmed in writing to the Saugerties Public Library.

b. The Board of the Saugerties Public Library will encourage the purchase and sale of securities and certificates of deposit through a competitive or negotiated process involving telephone solicitation of at least two bids for each transaction. The Saugerties Public Library shall use only those institutions with which they are familiar and can expect good service and credibility.

c. The Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the Board of Trustees' authorization and recorded properly, and managed in accordance with applicable laws and regulations. Investing of funds will require the authorization of the Board of Trustees, including execution of wire transfers of funds to effect such investments.

d. Every third year, the Saugerties Public Library will engage an independent CPA to audit the accounts and financial affairs of the Saugerties Public Library. The independent auditors shall audit the investments of the Saugerties Public Library for compliance with the provisions of these Investment Guidelines.

e. Within the third quarter of the end of the fiscal year, the Treasurer shall prepare and submit to the Board of Trustees of the Saugerties Public Library an annual investment report, and such other investment matters that the Treasurer deems appropriate.

Approved by the Saugerties Public Library board on April 10, 2001 Review History:
January 14, 2010, January 2022
Review Cycle: 3 years