



Mattituck-Laurel
LIBRARY

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Investments

Scope

This investment policy applies to all monies and other financial resources available for investment.

Objectives

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

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

Delegation of Authority

The Library's Board of Trustees' responsibility for administration of this investment program is delegated to the Director or her designee. Established procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, the fund(s) for which they are held, the place(s) where kept, transaction dates, and other relevant information including other dispositions and amounts realized and regulate the activities of subordinate employees.

Diversification

It is the policy of the Mattituck-Laurel Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Internal Controls

It is the policy of the Mattituck-Laurel Library for all monies collected by any officer or employee of the Library to transfer those funds to the financial office for deposit in a timely manner. The Director or her designee is responsible for establishing and maintaining an internal control structure 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 and recorded properly, and are managed in compliance with applicable laws and regulations.

Deposit of Funds

The Director, or a designee, is authorized to deposit all available funds in the short-term account that they feel best meets the Library's current financial needs. Funds may only be deposited into accounts that are FDIC insured with pledged collateral.

The Director, or a designee, is to report the deposit of all Library funds to the Board of Trustees in the monthly financial report.

The Board of Trustees expects that the Director, or designee, will deposit all available Library funds into authorized accounts in a timely manner.

Collateralizing of Deposits

In accordance with the provisions of General Municipal Law §10, all deposits of the Library, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by one of the following:

- By a pledge of "eligible securities" with an aggregate "market value" as provided in General Municipal Law §10, that is at least equal to the aggregate amount of deposits from the categories designated in the Appendix to this policy.
- By an eligible "letter of credit" payable to the Library as security for the payment of 140 percent of the aggregate amount of deposits and the agreed-upon interest. An "eligible letter of credit" shall be an irrevocable letter of credit issued in favor of the Library, for a term not to exceed ninety (90) days, issued by a qualified bank, other than the bank with deposits in favor of the Mattituck-Laurel Library, for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of the deposits and the agreed upon interest, if any. A qualified bank is either 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.

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.

The security agreement shall provide that eligible securities are being pledged to secure Library deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities held may be sold, presented for payment, substituted or released and the events of default which will enable the Mattituck-Laurel Library to exercise its rights against the pledged securities.

The custodial agreement shall provide that pledged securities will be held by the bank or trust company, as agent of and custodian for the 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 liability. The agreement shall also describe how the custodial shall confirm the receipt, substitution or release of the collateral.

The agreement shall provide for the frequency of reevaluation of collateral by the custodial bank or trust company for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement(s) shall include all provisions necessary to provide the Library with a perfected interest in the eligible securities and to otherwise secure the Library's interest in the collateral.

Permitted Investments

The Library 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:

- a. Money market accounts
- b. Certificates of deposit
- c. T-bills
- d. Savings accounts
- e. Checking accounts

All investment obligations shall be payable or redeemable at the option of the 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 bond or notes, shall be payable or redeemable in any event at the option of the Library within two years of the date of purchase. Time deposit accounts and certificates of deposit shall be payable within such times as the proceeds will be needed to meet expenditures for which the moneys were obtained, and shall be secured as provided in this policy.

Schedule of Eligible Securities

- 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.
- 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 guaranty.
- 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 monies.

- Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating.

Adopted 11/13/2023