



INVESTMENT POLICY

The Board of Trustees of Lee-Whedon Memorial Library shall invest library funds in a fully secure and legal manner in compliance with the guidelines of the Office of the State Comptroller and all other agencies as required by New York State Law.

Authorized Agent

The Director is authorized to invest all library funds in those investment categories outlined in New York State Municipal Law, Sections 10 and 11, and its applicable rules and regulations. Funds must be deposited in FDIC insured commercial banks or trust companies located within the State.

Investment Objectives

The overall investment objective is to adequately safeguard the principal amount of funds invested or deposited; to conform to federal, state and other legal requirements; to provide sufficient liquidity of invested funds in order to meet obligations as they come due; and to obtain the highest rate of return consistent with these objectives.

Authorized and Suitable Investments

The following investments are deemed to be suitable for inclusion in the Library's investment program. The Library Director is authorized to invest library funds only in those investments specifically delineated below:

- Interest-bearing accounts, certificates of deposit or interest-bearing time deposits at commercial banks and insured by the Federal Deposit Insurance Corporation.
- Money market mutual funds.
- U.S. Treasury Bills and Notes, for which the full faith and credit of the United States Government is pledged for the repayment of principal and interest
- Demand deposit accounts (such as checking accounts) established with local financial institutions, and properly insured through the Federal Deposit Insurance Corporation (FDIC).

Internal Control

The Director and Treasurer are responsible for establishing and maintaining internal control to insure that the assets of the Library are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

Maturity of Investments

No investment shall have a maturity date of more than five years from its date of purchase by the Library, unless an investment is matched to a specific obligation of the library.

Diversification of Investments

The 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 length of maturity. The Library's portfolio shall be deposited with more than one financial institution.

Ethics and Conflicts of Interest

Those involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Library investment program, or that could impair their ability to make impartial decisions.

Liability

When investments are made in accordance with this policy, no Library staff member with investment authority shall be held liable for a loss resulting from default or insolvency of a depository of Library funds.

Reporting

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.

Restricted Funds – Building Fund

Money or securities may be accumulated in the Library Building Fund for the purpose of anticipating necessary future capital expenditures such as the purchase of land, the purchase and construction of buildings or structures, or the construction of additions or improvements to existing structures.

Restricted Funds - Capital Improvement Fund

Money or securities may be accumulated in the Capital Improvement Fund for the purpose of anticipating necessary future capital expenses such as major repairs to maintain the integrity of the structure.

Unrestricted Funds –Fund Balances

Unexpended funds at the end of the fiscal year may be accumulated in the unrestricted Fund Balance up to an amount equal to 50% of the annual operating budget. Any additional funds shall be designated to a restricted fund.

Record Keeping

A permanent fiscal record of library investments shall be retained as required by New York State's Records Retention and Disposition, Schedule M-1, for local governments.

Approved 9/2016

Reviewed 4/2021