

# **Investment Policy Olean Public Library**

Adopted 10/16/2014; Amended 11/10/2021

## **I. SCOPE**

This investment policy applies to all moneys and other financial resources available for deposit and investment by the Olean Public Library on its own behalf or on behalf of any other entity or individual.

## **II. OBJECTIVES**

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

- To conform with all applicable federal, State and other legal requirements
- To adequately safeguard principal
- To provide sufficient liquidity to meet all operating requirements
- To obtain a reasonable rate of return

## **III. DELEGATION OF AUTHORITY**

The Board of Trustees of the Olean Public Library's responsibility for administration of the investment program is delegated to the Library Finance Officer who shall establish written procedures for the operation of the investment program consistent with these investment policies.

## **IV. PRUDENCE**

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Olean Public Library to govern effectively.

Investments shall be made with prudence, diligence, skill, judgment, and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

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.

## **V. DIVERSIFICATION**

It is the policy of the Olean Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

## **VI. INTERNAL CONTROLS**

The Library Finance Officer is responsible for establishing and maintaining internal control procedures 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, properly recorded, and managed in compliance with applicable laws and regulations.

## **VII. DESIGNATION OF DEPOSITARIES**

The Olean Public Library has designated Community Bank, N.A. for the deposit of public funds. The funds are deposited into a money market account and transferred as needed to a checking account for operating purposes. All funds are secured in accordance with the provisions of General Municipal Law Section 10.

## **VIII. SECURING DEPOSITS AND INVESTMENTS**

All deposits and investments of the Olean Public Library, including all demand deposits, certificates of deposit and special time deposits that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by;

1. A pledge of "eligible securities" with an aggregate "market value" as provided by the General Municipal Law Section 10 that is at least equal to the aggregate amount of deposits by officers of the Olean Public Library.
2. A pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits from all such officers within the State at the bank or trust company.

## **IX. COLLATERALIZATION AND SAFEKEEPING**

Eligible securities used for collateralizing deposits made by officers of the Olean Public Library shall be held by the depositary or a third-party bank or trust company subject to security and custodial agreements in accordance with the provisions of General Municipal Law Section 10.

## **X. PERMITTED INVESTMENTS**

As provided by General Municipal Law Section 11, the Board of Trustees of the Olean Public Library authorizes the Library Finance Officer or their designee to invest moneys not required for immediate expenditure except monies the investment of which is otherwise provided for by law, in instruments becoming payable within such time as the proceeds shall be needed to meet expenditures for which such monies were obtained. The Library Finance Officer will determine which types of investments, authorized by law, are permitted and may include one or more of the following types of investments:

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America, where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York

- With the approval of the State Comptroller, obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 by any municipality, school district or district corporation in the State of New York other than the Olean Public Library

All investment obligations shall be payable or redeemable at the option of the Olean Public 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 bonds or notes, shall be payable or redeemable in any event at the option of the Olean Public 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 Sections VIII and IX herein.

Except as may otherwise be provided in a contract with bondholders or noteholders, any moneys of the Olean Public Library authorized to be invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the option of the Olean Public Library within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained, or as otherwise specifically provided in General Municipal Law Section 11. The separate identity of the sources of these funds shall be maintained at all times and income received shall be credited on a pro rata basis to the fund or account from which the moneys were invested.

Any obligation that provides for the adjustment of its interest rate on set dates is deemed to be payable or redeemable on the date on which the principal amount can be recovered through demand by the holder.

#### **XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

All financial institutions and dealers with which the Olean Public Library transacts business shall be creditworthy, and have an appropriate level of experience, capitalization, size, and other factors that make the financial institution or the dealer capable and qualified to transact business with the Olean Public Library. The Library Finance Officer or their designee shall evaluate the financial position of proposed depositories, trading partners, and custodians. Security dealers that are not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

#### **XII. PURCHASE OF INVESTMENTS**

The Library Finance Officer or their designee is authorized to contract for the purchase of investments:

1. Directly, from an authorized trading partner
2. By participation in a cooperative investment agreement with other authorized municipal corporations pursuant to Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law.

#### **XIII. ANNUAL REVIEW AND AMENDMENTS**

The Board of Trustees of the Olean Public Library shall review this investment policy annually, and it shall have the power to amend this policy at any time.