

INVESTMENT POLICY

I. SCOPE

This investment policy applies to all moneys and other financial resources available for deposit and investment by the Patchogue-Medford Library on its own behalf.

II. OBJECTIVES

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

1. To conform with all applicable federal, State and other legal requirements (legality)
2. To adequately safeguard principal (safety)
3. To provide sufficient liquidity to meet all operating requirements (liquidity)
4. To obtain a reasonable rate of return (yield)

III. DELEGATION OF AUTHORITY

The Library Board's responsibility for administration of the investment program is delegated to the Library Director who shall establish written procedures for the operation of the investment program consistent with these investment policies. Such procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amounts of investments, the fund(s) for which they are held, the place(s) where kept, and other relevant information, including dates of sale or other dispositions and amounts realized. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

IV. INTERNAL CONTROLS

The Director 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.

V. 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 Patchogue-Medford 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.

VI. DIVERSIFICATION

It is the policy of the Patchogue-Medford Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling. The board shall establish appropriate limits for the amount of investments which can be made with each financial institution or dealer, and shall evaluate this listing annually.

VII. DESIGNATION OF DEPOSITARIES

The banks and trust companies that are authorized for the deposit of moneys and the maximum amount which may be kept on deposit at any time shall be determined annually by the Board at their Reorganization meeting.

VIII. SECURING DEPOSITS AND INVESTMENTS

All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, "deposits") made by the Patchogue-Medford Library that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured in accordance with General Municipal Law §10.

1. A pledge of eligible securities with an aggregate market value that is at least equal to the aggregate amount of deposits.
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 deposit.
3. An eligible surety bond payable to the Patchogue-Medford Library for an amount at least equal to 100 percent of the aggregate amount of deposits and the agreed-upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

IX. COLLATERALIZATION AND SAFEKEEPING

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 in accordance with the provisions of General Municipal Law §10.

X. PERMITTED INVESTMENTS

As authorized by General Municipal Law §11, the Board of Trustees of the Patchogue-Medford Library authorizes the Director to invest monies not required for immediate expenditure in instruments becoming payable within such time as the proceeds shall be needed to meet expenditures for which such monies were obtained, which may include one or more of the following types of investments:

1. Special time deposit accounts in commercial banks and trust companies located and authorized to do business in New York State;
2. Certificates of deposit in commercial banks and trust companies located and authorized to do business in New York State;
3. Obligations of the United States of America;
4. 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;
5. With approval of the State Comptroller, obligations issued pursuant to Local Finance Law §24 or §25 by any municipality, school district or district corporation other than the Patchogue-Medford Library;

XI. ANNUAL REVIEW AND AMENDMENTS

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

XII. DEFINITIONS

The terms “public funds,” “public deposits,” “bank,” “trust company,” “eligible securities,” “eligible surety bond,” and “eligible letter of credit” shall have the same meanings as set forth in General Municipal Law Section 10.

Adopted by the Board of Trustees August 2011; Revised July 16, 2024.

Appendix A

<u>DEPOSITORY</u>	<u>MAXIMUM AMOUNT</u>
Dime Community Bank	\$8,500,000.00
M&T Bank	\$2,000,000.00
First National Bank	\$550,000.00

Depositories and amounts approved 7/16/2024