



# VESTAL PUBLIC LIBRARY

## INVESTMENT POLICY

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This document will govern the investment activities of the Vestal Public Library. It is the policy of the Library to invest funds in a manner that will maximize the security of the principal while satisfying cash flow demands using approved methods that will provide the highest possible return. All investments will conform to applicable laws and regulations of New York State and the Federal Government.

### **POLICY**

As custodians of public funds, Library Trustees are subject to very tight restrictions on eligible investments. The Vestal Public Library Board of Trustees will adhere to the State of New York Comptroller recommendations and General Municipal Law and subsequent court rulings for Library funds investments.

The primary objectives of the Vestal Public Library's investment activities will be, in priority order:

- 1) to conform to all applicable federal, state and other legal requirements (legal)
- 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)

Under General Municipal Law and subsequent court rulings, all funds (including privately raised moneys) under the control of the Vestal Public Library must be invested in the following limited number of financial vehicles:

- 1) Time deposit accounts or certificates of deposit in commercial banks and trust companies located and authorized to do business in New York State
- 2) Obligations made by the United States of America or guaranteed by the United States of America
- 3) In limited circumstances, obligations of municipalities and other municipal corporations

Except for gifts given to the Vestal Public Library as a true trust, even privately acquired funds are subject to these investment limitations for public libraries.

Under certain circumstances, and with the express permission of the State Comptroller, gifts of stock may be held until a fiscally appropriate time for sale.

It is permissible for public libraries to partner with regional, accredited Community Foundations to allow the foundation to accept significant donations on behalf of the library and to invest them in a diversified manner. The relationship between the Vestal Public Library and an accredited Community Foundation must be reviewed by the Library's Legal and Financial advisors and approved by the Board of Trustees. This relationship must be in place before such a donation may be accepted and applied in this manner. Community Foundations must be accredited and listed on the



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National Standards of U.S. Community Foundations website  
(<https://www.cof.org/community-foundation-locator>).

### **APPLICABILITY**

This procedure applies to the Board of Trustees, VP of Finance Trustee, Director, Treasurer, Business Office Clerk and any other Library representative empowered to make financial decisions on behalf of the Vestal Public Library.

### **RESPONSIBILITIES**

No person may engage in an investment transaction except as provided under the terms of this Policy and its Procedures.

#### **A. Finance Trustee**

- As the Chief Financial Officer of the Library, the Finance Trustee is the manager of the Library's investment program.
- The Finance Trustee is responsible for the implementation of the investment program and the establishment of investment procedures consistent with this Policy.

#### **B. Board President**

- In the absence of the Finance Trustee, the Board President will appoint a Trustee or will assume the role of interim manager of the Library's investment program.

#### **C. Board of Trustees**

- The Board will consider the analysis, procedures and investment program as presented by the Finance Trustee and vote to approve adoption, defer or to not enact.

#### **D. Treasurer**

- The Treasurer will assist as directed by the Finance Trustee in administrative and reporting activities as needed to adhere to this Policy.

#### **E. Business Office Clerk/Staff**

- The Business Office will assist as directed by the Finance Trustee, Director or requested by the Treasurer in administrative and reporting activities as needed to adhere to this Policy.

#### **F. Director**

- The Director will assist and/or oversee staff responsibilities to ensure the Finance Trustee, Treasurer and Business Office personnel have timely access to all financial matters and communications to adhere to this Policy.



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### PROCEDURES

- A) The Finance Trustee will research and present investment opportunities to the Board of Trustees that adhere to this Policy.
- B) The Finance Trustee will review the investment program quarterly and/or when additional funds are presented to consider for investment as directed by the Board of Trustees.
- C) The Finance Trustee will contact the Board President to include the Investment program/opportunities on the agenda and provide any necessary materials in advance of the scheduled Board meeting for review by the Board.
- D) If the Board approves of an action, the Finance Trustee with support from the Treasurer, Business Office Clerk/Staff, Director as needed, will implement the investment opportunity/program.
- E) The Finance Trustee with support from the Treasurer, Business Office Clerk/Staff, Director as needed, will establish internal controls to ensure that the assets of the Library are protected from loss, theft, or misuse. The internal control structure will be designed to reasonable assurance that these objectives are met.
  - 1) Separation of transaction records from the accounting data
  - 2) Custodial safekeeping
  - 3) Written confirmation of telephone transactions for investments and wire transfers
- F) 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.
- G) The Finance Trustee will use the following guidelines in administering the Library's investment policy:
  - 1) The Library's total (100%) portfolio may be invested in securities guaranteed by the United States, or those securities for which the full faith of the United States is pledged for the payment of principal and interest
  - 2) The Library's total (100%) portfolio may be invested in certificates of deposit, savings, or deposit accounts that have been fully collateralized
- H) The Library's Board of Trustees shall designate its public depositories. Any eligible financial institution that has offices within the State of New York may become a public depository of the funds of the Library.



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### PROCEDURES (continued)

- I) The Library's Board of Trustees may establish funds for money and securities of the Library. All monies from whatever source derived will be received into funds established by the Library Board under authority of law. The authorized funds are as follows:
  - 1) Library Operating Fund – All money collected from tax levies, interest on investments of Library Operating Fund monies, fees, fines, rentals, and other revenues shall be deposited into the "Library Operating Fund", and must be budgeted and expended in the manner required by law.
  - 2) Petty Cash Fund – This fund has been established for the purpose of paying small or emergency items of operating expense as designated by resolution of the Library Board.
  - 3) Gift Funds – money accepted by the Library Board as a grant, gift, donation, endowment, bequest, or trust may be set aside in a separate fund or funds. Expenditures from such funds shall be in compliance with the Purchasing Policy.
  
- J) The Finance Trustee with support from the Treasurer, Business Office Clerk/Staff, Director as needed shall provide the Board of Trustees monthly reports containing the following information regarding the investment portfolio:
  - 1) Types of investments
  - 2) Depository institutions
  - 3) Principal balances
  - 4) Rates of return
  - 5) Maturities

This report is in addition to other finance reports which are to include a reconciliation of bank balances to fund balances, a cash position report, and a report that compares estimated and actual receipts with expenditures for each fund.
  
- K) 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.
  
- L) When investments are made in accordance with this Policy, no Library Trustee with investment authority shall be held liable for a loss resulting from default or insolvency of a depository of Library funds.



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### **POLICY ADOPTION AND DEVIATIONS**

- A. The Library's investment Policy shall be adopted by resolution of the Library's Board of Trustees.
- B. The Policy shall be reviewed no less than annually by the Finance Committee of the Board of Trustees and any modification made to this Policy must be approved by the Board of Trustees.
- C. Deviations from this process are allowed only by approval of the Board of Trustees.

### **REFERENCE DOCUMENTS**

- Office of the New York State Comptroller, Investing and Protecting Public Funds (<https://www.osc.state.ny.us/localgov/pubs/lgmg/investingpublicfunds.pdf>).
- Listing of accredited community foundations with the National Standards of U.S. Community Foundations (<https://www.cof.org/community-foundation-locator>).