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LIBRARY DIRECTOR

PLAINEDGE PUBLIC LIBRARY INVESTMENTS

Adopted by the Board of Trustees, September 20, 1973

Revised, June 15, 2005

Newly Adopted by the Board of Trustees, January 20, 2021

In compliance with the New York State General Municipal Law, Section 39, the Board of Trustees of the Plainedge Public Library adopts the following Investment Policy, which will govern the investment activities of the Library.

It is the policy of the Library to invest funds in a manner which will provide the highest return with the maximum security while meeting cash flow demands.

I. Scope

This investment policy applies to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity or individual.

II. Investment Objectives

The primary objectives of the Financial Investments are:

Safety of Principal – Safety of principal is the foremost objective of the investment program. All investments shall be undertaken in a manner that seeks to preserve capital and fulfill other investment objectives.

Liquidity – The Library's Investment portfolio will remain sufficiently liquid to enable the Library to meet all operating requirements which might be reasonably anticipated.

Return on Investments (Yield) – The Library's investments should generate the highest available return without sacrificing liquidity and safety.

Minimization of Risk – All attempts shall be made to minimize the costs of financial transactions related to implementing investment strategies.

III. Delegation of Authority

Management responsibility for the Library's investment program is delegated to the Library Director, who shall act only in accordance with the wishes of the Board of Trustees.

The Library Director, together with the Board, shall establish written procedures for the operation of the investment program, consistent with these investment guidelines.

IV. Authorized and Suitable Investments

Certificates of Deposit (CDs) issued by local financial institutions, secured by a third party collateralization agreement.

Demand deposit accounts (such as checking accounts or money market accounts) established with local financial institutions.

U.S. Treasury Bills and Notes for which the full faith and credit of the U.S. Government is pledged for the repayment of principal and interest.

An 'irrevocable letter of credit' issued in favor of the Plainedge Public Library by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are related in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100% of the aggregate amount of deposits and the agreed-upon interest rate, if any.

V. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, 10, all deposits of the Public 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 all of the following:

1. By a pledge of "eligible securities" with an aggregate "market value. "
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in 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.
3. In lieu of or in addition to the deposit of eligible securities, the officers making a deposit may, in the case of an irrevocable letter of credit issued in favor of the local government by a Federal Home Loan Bank, whose commercial paper and other unsecured short term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, accept such letter of credit payable to such local government for the payment of one hundred percent (100%) of the aggregate amount of public deposits from such local officers agreed upon interest, is any.
4. By an eligible surety bond payable to the government for an amount at least equal to 100% 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.

VI. Reporting

The Director will provide quarterly reports to the Board of Trustees, of all investments.

VII. Investment Review

At the close of every fiscal year, the Library Board of Trustees will review the year end Financial Report, provided by the Library's accountant. The Investment Policy will also be reviewed by the Trustees and may be amended in accordance with the provisions of Section 39 of N.Y.S. General Municipal Law.