

BETHLEHEM PUBLIC LIBRARY

INVESTMENT POLICY

*Policy adopted by the Board of Trustees October 14, 1997
Policy revised December 12, 2005*

I. Scope

This investment policy applies to all moneys and other financial resources available for investment on its own behalf.

II. Objectives

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

1. To conform with all applicable federal, state and other legal requirements;
2. To adequately safeguard principal;
3. To provide sufficient liquidity to meet all library operating requirements; and,
4. To obtain a reasonable rate of return.

III. Delegation of Authority

The Board of Trustees' responsibility for administration of the investment program is delegated to the Director and the Business Manager, who shall solicit advice from the Board Treasurer, and who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability.

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 Bethlehem Public Library to operate effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; 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 Bethlehem Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling, to accommodate the ongoing needs of the library.

VI. Internal Controls

It is the policy of Bethlehem Public Library for all moneys collected by any officer or employee of the library to be deposited within seven days of receipt, and a record of such deposit conveyed to the Business Manager.

The Director is responsible for supervising an internal control structure to provide assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition.

VII. Designation of Depositories

All commercial banks maintaining offices in Albany County are authorized for the deposit of the library's funds.

VIII. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, #10, all deposits of Bethlehem 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 a pledge of "eligible securities" with an aggregate "market value" as provided by GML #10, equal to the aggregate amount of deposits from the categories designated in Appendix A to this policy.

IX. Permitted Investments

As authorized by General Municipal Law #11, Bethlehem Public Library authorizes the Director and the Business Manger to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

1. Special time deposit accounts;
2. Certificates of deposit;
3. Obligations of the United States of America.

APPENDIX A

Schedule of Eligible Securities

1. Obligations issued, or fully insured or guaranteed as to the payment and interest, by United States of America, an agency thereof or a United States government-sponsored corporation.
2. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific statute may be accepted as security for deposit of public moneys.
3. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.