

BETHLEHEM PUBLIC LIBRARY

INVESTMENT POLICY

Policy adopted by the Board of Trustees October 14, 1997

Policy revised December 12, 2005

Policy revised February 10, 2014

Policy revised August 12, 2019

Policy revised November 12, 2019

Scope

This investment policy applies to all monies and other financial resources available for deposit and investment on the Bethlehem Public Library's own behalf.

The Board of Trustees relied upon information contained in the General Municipal Law and in the "Local Government Management Guide", dated as of August 2014 and published by the Office of the New York State Comptroller in drafting this policy.

Objectives

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

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

Delegation of Authority

The Board of Trustees' responsibility for administration of the investment program is delegated to the Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall be approved by the Board of Trustees and shall include an adequate internal control structure to provide a satisfactory level of accountability. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

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 Bethlehem Public Library to operate effectively.

Investments shall be made with prudence, diligence, 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 impair their ability to make impartial investment decisions.

Diversification

It is the policy of the Bethlehem Public Library to consider diversifying its deposits and investments by financial institutions, by investment instrument, and by maturity scheduling.

Internal Controls

All monies collected by any officer or employee of Bethlehem Public Library shall be deposited within seven days of receipt, or within the time limit specified in law, whichever is shorter; a record of such deposit shall be conveyed to the Business Manager.

The Treasurer, in coordination with the Board of Trustees, is responsible for establishing and maintaining an internal control structure 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.

Designation of Depositories

The banks and trust companies authorized for the deposit of monies, and the maximum amount which must be kept on deposit at any time are:

Depository name	Maximum Amount
TD Bank	\$8,000,000
M&T Bank	\$8,000,000
Key Bank	\$8,000,000
NBT Bank	\$2,000,000
Pioneer Bank	\$ 250,000

Collateralizing of Deposits

All deposits and investments of the Bethlehem 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 General Municipal Law (GML) Section 10, that is at least equal to the aggregate amount of deposits from the categories designated in SubSection F of GML Section 10.
2. A pledge of a pro rata portion of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits.

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

Collateralization and Safekeeping

Eligible securities used for collateralizing deposits shall be held by the depository and/or third party bank or trust company subject to security and custodial agreements in accordance with the provisions of General Municipal Law Section 10.

Permitted Investments

As provided by General Municipal Law Section 11, the Bethlehem Public Library authorizes the Treasurer, the Director or the Business Manager to invest monies 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 (limited to T Notes and T Bills)

Authorized Financial Institutions

All financial institutions with which the Bethlehem Public Library transacts business shall be creditworthy. The Treasurer is responsible for evaluating the financial position and maintaining a list of proposed depositories, trading partners and custodians. Such listing shall be evaluated annually by the Treasurer and approved by the Board of Trustees.

The Bethlehem Public Library shall maintain a list of financial institutions approved for investments and establish appropriate limits to the amount of investments that can be made with each financial institution or dealer.

Annual Review and Amendments

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