POLICY 107
INVESTMENTS

I. OBJECTIVE: The objective of the Investment Policy of the Hewlett-Woodmere Public Library is to attain, within the context of statutory requirements, a competitive rate of return on the investments of the financial resources of the Library, while both safeguarding those resources and providing for sufficient liquidity to meet operational and capital requirements.

All participants in the investment process shall act responsibly as custodians of the public trust and shall avoid any transaction that might compromise the public's confidence in the management of the finances of the Hewlett-Woodmere Public Library. Good judgment shall be exercised in making investments, and speculation shall be avoided, with the return on investment secondary to the safeguarding of principal.

All Investments of the Hewlett-Woodmere Public Library funds shall comply with General Municipal Law §§10 (Deposits of Public Money; security) and 11 (Temporary Investments).

II. AUTHORIZED INVESTMENTS: The Library Treasurer and/or Library Director is authorized to make decisions on the investment of available funds, with the Senior Account Clerk or Account Clerk in the Library's Finance Office carrying out the transactions. Notwithstanding the authority contained in General Municipal Law §§10 and 11, investments may only be made in:

- Savings Accounts or Money Market Accounts of designated banks
- Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State
- Demand Deposit Accounts in a bank or trust company located and authorized to do business in New York State
- Obligations of the State of New York that carry a single A rating or better and are not on the watch list of Moody's or Standard & Poor's (S&P)
- Obligations of the United States Government

III. COLLATERALIZATION: In accordance with the provisions of General Municipal Law, Section 10, all deposits of the Hewlett-Woodmere Public Library, including certificates of deposit and special time deposits, will be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State, the United States, New York State school districts, and federal agencies whose principal and interest are guaranteed by the United States. The market value of collateral will be calculated in accordance with the provisions of General Municipal Law §10, subd. 3.

Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to a security and custodial agreement.

A. The security agreement shall provide that eligible securities are being pledged to secure Library deposits together with the agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which securities may be sold, presented for payment, substituted or released and the events which will enable the library to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Library, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Hewlett-Woodmere Public Library or its custodial bank.
B. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the Library, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodial bank shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Hewlett-Woodmere Public Library a perfected interest in the securities.

C. Payment of funds may only be made upon receipt of collateral or other acceptable form of security, or upon delivery of government obligations. Written confirmation of delivery shall be obtained from the custodial bank.

D. The annual independent external audit shall include verification of investment holdings, as well as of proper and sufficient collateralization.

IV. AUTHORIZED FINANCIAL INSTITUTIONS: The Hewlett-Woodmere Public Library shall maintain a list of financial institutions and dealers approved by the Library Board at its annual reorganization meeting. The Board may modify this list at any time during the fiscal year.

V. ANNUAL REVIEW: This Investment Policy is subject to review and approval of the Library Board at its reorganization meeting.

VI. INVESTMENT PROCEDURES: Authorized 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 probable safety of their capital, as well as the possible income to be derived.

In maintaining its Authorized Investments portfolio, The Library Treasurer and/or Library Director shall avoid any transaction that might impair public confidence in the Library.

The Library Treasurer, Library Director and other employees acting in substantial accordance with this investment policy and procedures that have been or may be established, when exercising due diligence, shall be relieved of personal liability for credit risk or market changes of any Authorized Investment as herein defined.

The Library Board shall appoint a Library Treasurer who shall serve as the Board’s agent for managing the investment program in a way that is consistent with the policy herein. The Library Treasurer, acting on behalf of the Library Board of Trustees and after approval of the finance committee consisting of the Library Treasurer and the Library Director, is authorized to modify current investment allocations among Authorized Investment as herein defined. Such changes will be submitted to the Library Board of Trustees in writing.
VII. CONFLICTS OF INTEREST: Officers and employees involved in the investment process shall refrain from personal business activity that can conflict with the proper execution and management of the investment program, or that can impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interest in financial institutions with which they conduct business.

VIII. INTERNAL CONTROLS: The Library Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Library are protected from loss, theft, or misuse. Accordingly, the Library Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

IX. INVESTMENT REPORTS: The status of Authorized Investments, including balances, and interest earned shall be included as part of the monthly report to the Library Board.

Approved, Board of Trustees (BOT), July 10, 2006
Affirmed, BOT, July 11, 2007
Revised, BOT, July 14, 2008
Affirmed and Corrected, BOT, July 13, 2009
Affirmed, BOT, July 12, 2010
Revised and Approved, BOT, July 18, 2011
Affirmed, BOT, July 23, 2012
Affirmed, BOT, July 17, 2013
Revised and Approved, BOT, November 10, 2014
Affirmed, BOT, July 13, 2015
Affirmed, BOT, July 19, 2016
Revised and Approved, BOT, July 19, 2017
Affirmed, BOT, July 18, 2018
Revised and Approved, BOT, July 17, 2019
Affirmed, BOT, July 15, 2020
Revised and Approved, BOT, July 14, 2021
Affirmed, BOT, August 3, 2022
Revised and Approved, BOT, February 13, 2023