

# *Pine Plains Free Library*

## **IV. A. Investment Policy**

### **Purpose**

The purpose of this policy statement is to outline the responsibilities, general objectives, and specific guidelines for management of public funds by the Pine Plains Free Library.

### **Responsibilities**

All investment policies and procedures of the Pine Plains Free Library will be in accordance with New York State law. Administration and execution of these policies are the responsibility of the financial officer, and, by designation, the library director acting under the authority of the library board of trustees. Investments, fund balances, and the status of such accounts will be reported at each regularly scheduled meeting of the library board.

### **Objectives**

In selecting financial institutions and investment instruments to be used, the following general objectives should be considered:

- Safety
- Maintenance of sufficient liquidity to meet current obligations
- Return on investment
- Simplicity of management

### **Guidelines**

The following guidelines should be used to meet the general investment objectives:

#### **A. Safety**

1. Investments will be made only in securities guaranteed by the U.S. government or in FDIC (Federal Deposit Insurance Corporation) insured institutions. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage.

\*\* If a depositor's accounts at one FDIC-insured bank or savings association total \$250,000 or less, the deposits are fully insured. A depositor can have more than \$100,000 at one insured bank or savings association and still be fully insured provided the accounts meet certain requirements. In addition, federal law provides for insurance coverage of up to \$250,000 for certain retirement accounts.

2. Authorized investments include and will primarily consist of certificates of deposit or time deposit accounts in commercial banks, savings banks, and trust companies located and authorized to do business in New York State. Obligations made by the United States of America or guaranteed by the United States of America or obligations of the State of New York, and any other investments allowed under General Municipal Law that satisfy the investment objectives of the library. Under very limited circumstances, obligations of municipalities and other municipal corporations. Except for gifts given to the library as a true trust, even privately acquired funds are subjected to these investment limitations.

B. Maintenance of sufficient liquidity to meet current obligations

In general, investments should be managed to meet liquidity needs for the current month plus one month (based on forecasted needs).

C. Return on investment

Within the constraints of General Municipal Law and this investment policy, every effort should be made to maximize return on investments made. All available funds (excluding the monthly operating accounts) will be placed in investments or kept in interest bearing deposit accounts at all times.

D. Simplicity of management

The time required by library staff to manage investments shall be kept to a minimum.

Adopted: March 2008  
Revised: May 20, 2013