



## CASH MANAGEMENT INVESTMENT POLICY AND PROCEDURES

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.

The primary objectives of OWWL Library System (the System) investment activities are, in priority order:

- To conform to all applicable federal, state, and other legal requirements
- To adequately safeguard principal
- To provide sufficient liquidity to meet all operating requirements
- To obtain a reasonable rate of return

### DELEGATION OF AUTHORITY

The Board of Trustees' responsibility for administration of the investment program is delegated to the Executive Director. The Executive Director is authorized to take the actions listed in this policy only with direct authorization from the Board of Trustees.

### ETHICAL ACTIVITY

Any participant in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that places System funds at unreasonable risk.

Any participant 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 (please see Conflict of Interest Policy for further details).

### INTERNAL CONTROLS

The Executive Director and the Finance Director are 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, are recorded properly, and are managed in compliance with applicable laws and regulations.

## COLLATERALIZING OF DEPOSITS

All deposits of the System 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 U.S. securities” with an aggregate “market value” equal to the aggregate amount of deposits from the categories designated in “Eligible List of Securities for Collateralization of Deposits,” located at the end of this policy.

## SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by the depository bank and/or a third-party bank or trust company subject to security and custodial agreements at the discretion of the System.

The security agreement shall provide that eligible securities are being pledged to secure the System’s deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for the System, 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 the backing for any other deposit or other liabilities.

## PERMITTED INVESTMENTS

The Executive Director is authorized to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of Deposit
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York
- Obligations issued pursuant to Local Finance Law, section 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general state statutes governing such entities or whose specific enabling legislation authorizes such investments

## PURCHASE OF INVESTMENTS

The Executive Director is authorized to contract for the purchase of investments:

- Directly, including through a repurchase agreement, from an authorized trading partner.

- By participating in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such a program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Trustees.
- By contracting with a managed investment program.

All purchased obligations, unless registered or inscribed in the name of OWWL Library System, shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the Executive Director. All such transactions shall be confirmed in writing to the System by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal law, Section 10.

## OPERATING PROCEDURES

The Executive Director is responsible for the investment of System funds and will make investment decisions based upon projections of cash flow needs, so that investments shall mature at such times when funds are estimated to be needed for the orderly payment of library obligations.

The Executive Director is authorized to transfer System funds using any electronic transfer system(s) that reasonably assures the safety of System funds.

Electronic transfer procedures and guidelines will be established between the System and the banking institutions with which the System intends to use electronic means to transfer funds between or within banks. The Executive Director will establish internal control procedures that will provide reasonable assurance that the System's deposits are safeguarded against loss.

Funds will only be transferred between institutions in the name of OWWL Library System by using the Federal Reserve Wire Transfer (Fed Wire) system, the Automated Clearing House, the Internet, or by System check and only by the Executive Director or other staff authorized by the Board of Trustees. Funds may be transferred within the same institution only between System accounts and only as authorized by the Executive Director.

Specific information relative to each investment will be maintained in an investment log and all investment transactions will be reported to the Board of Trustees at the next monthly meeting.

## APPROVED FINANCIAL INSTITUTIONS

OWWL Library System may do business with any FDIC insured banks upon review by the Executive Director and the Treasurer of the Board.

## ELIGIBLE LIST OF SECURITIES FOR COLLATERALIZATION OF DEPOSITS

- 1) Obligations issued by the United States of America, an agency thereof, or a United States government-sponsored corporation, or obligations fully insured or guaranteed as to the

payment of principal and interest by the 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 this state or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public money.
- 3) Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of three highest rating categories by at least one nationally recognized statistical rating organization.

*Amended: February 14, 2024; April 12, 2023; April 13, 2022; February 10, 2021;*

*October 14, 2015*

*Adopted: March 11, 2009*