

6240 INVESTMENTS

The School District Treasurer is authorized to administer the investment program in accordance with district policy as outlined in Appendix P.

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APPENDIX P

INVESTMENT POLICY

Whenever the District has funds (including operating funds, reserve funds and proceeds of obligations) that exceed those necessary to meet current expenses, the Board of Education shall authorize the Treasurer to invest such funds in accordance with all applicable laws and regulations and in conformity with the guidelines established by this policy.

Scope: The investment policy applies to all district funds and other financial resources not needed for immediate obligations and available for investment.

Objectives: The investment and deposit of district funds shall be governed by the following objectives:

- a) To conform to all applicable federal, state and local government laws, rules and regulations; and
- b) To be made in a manner so as to preserve, protect, and safeguard the funds of the School District; and
- c) To be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of the School District; and
- d) To be invested in such a way as to earn a reasonable rate of return given the first three (3) investment objectives.

Delegation of authority: The authority to deposit and invest funds is delegated to the Treasurer, or the Treasurer's designee. These functions shall be performed in accordance with the applicable sections of the General Municipal Law and the Local Finance Law of the State of New York. The Treasurer shall insure that an adequate internal control structure exists which provides a satisfactory level of accountability and regulation of subordinate employees.

Standard of care/prudence: The Treasurer, in the investment process, shall be expected to act responsibly in recognition of the public trust and shall seek to avoid any act of commission or omission that might impair the public confidence and /or create the appearance of impropriety. The purchase and sale of securities and certificates of deposit shall be made through a competitive process. Investments shall be made with judgment and care that persons of prudent discretion and intelligence, having in mind the objectives set forth above, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

Internal controls: All funds collected or received by any district officer or employee shall be deposited into accounts designated by the Treasurer. The Treasurer shall establish and monitor controls reasonably calculated to safeguard deposits and investments against loss from an unauthorized use or disposition and to assure that transactions are executed in accordance with the relevant authorization and are managed in compliance with applicable laws and regulations. The Treasurer, in conjunction with the School Business Administrator, shall be responsible for the timely and complete recording of all financial transactions, including deposits and investment transactions.

Designation of depositories: The Board of Education shall designate the banks and trust companies authorized for the deposit of funds at the Annual Organizational Meeting and thereafter, as needed.

Collateralization of deposits: All deposits in excess of the amount insured under provisions of the Federal Deposit Insurance Act shall be secured in a manner consistent with General Municipal Law §10.

Safekeeping and collateralization: Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company in accordance with security and custodial agreements approved by the district. The security and custodial agreements shall conform to all requirements of General Municipal Law §10.

Permitted investments: Subject to the limitations and requirements set forth in General Municipal Law, §11, district funds not immediately needed for expenditure, except monies the investment of which is otherwise provided by law, may be invested in the following types of legally permitted investments only:

a) **Savings accounts, money market accounts, demand deposit accounts or certificates of deposit issued by a bank or trust company located and authorized to do business in New York.**

b) **Obligations of the United States of America or obligations by agencies of the United States of America where payment of principal and interest is guaranteed by the United States of America.**

c) **Obligations of the State of New York.**

d) Repurchase agreements involving the purchase and sale of direct obligations of the United States Government; or repurchase agreements involving Notes or Tax Anticipation Notes of other school districts and/or municipalities with the approval of the State Comptroller and the Board of Education.

All investment obligations shall be payable or redeemable at the option of the Scotia-Glenville Central School District within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Scotia-Glenville Central School District within two years of the date of purchase.

Authorized financial institutions and dealers: All financial institutions with which the district conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Scotia-Glenville Central School District. The Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositories and custodians. Such listing shall be evaluated at least annually.

Purchase of investments: Purchase of investments may be made:

a) Directly through a bank or an authorized financial institution.

b) By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the Comptroller Opinion No. 88-46 and the specific program has been authorized by the governing board.

All purchased obligations, unless registered or inscribed in the district's name shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be held separately from the general assets of the custodial bank or trust company, pursuant to the

terms of a written agreement which conforms with the requirements above for collateral and shall be purchased, sold, or presented for redemption or payment by such bank or trust company only upon the prior written authorization of the officer authorized to make the investment or designees. All such transactions shall be confirmed in writing to the Scotia-Glenville Central School District by the bank or trust company.

Schedule of eligible securities for collateralization:

a) Obligations issued or 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.

b) 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 State statute may be accepted as security for deposit of public monies.

c) 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.

d) 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 on one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Implementation:

Using the policy as a framework, regulations and procedures shall be developed which reflect:

a) A list of authorized investments;

b) Procedures including a signed agreement to insure the School District's financial interest in investments;

c) Standards for written agreements consistent with legal requirements;

d) Procedures for the monitoring, control, deposit and retention of investments and collateral which shall be done at least once a month;

e) Standards for security agreements and custodial agreements consistent with legal requirements;

f) Standards for diversification of investments including diversification as to type of investments, and firms and banks with whom the School District transacts business.

Additional: The Treasurer, or the Treasurer's designee, shall submit to the Board of Education a monthly investment report which shall indicate new investments, existing investments, date of investment, date of maturity, interest rate, year-to-date and anticipated yields, and such other matters as the Treasurer deems appropriate.

The Treasurer, or the Treasurer's designee, shall be authorized to consult with financial advisors when appropriate.

Ref: Education Law §§1604-a; 1723-a; 2503(1); 3652

General Municipal Law §§10; 11; 39

Local Finance Law §165.

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