

Cheney Library – INVESTMENT POLICY

SCOPE

This investment policy applies to all moneys and other financial resources of the Cheney Library available for investment.

OBJECTIVES

The primary objectives of the Library's investment activities are, in priority order,

- To conform with all applicable federal, state, and other legal requirements (legal);
- To adequately safeguard principal (safety);
- To provides sufficient liquidity to meet all operating requirements (liquidity); and
- To obtain a reasonable rate of return (yield).

DELEGATION OF AUTHORITY

The Board of Trustees' responsibility for administration of the investment program is delegated to the Library Director, Library Treasurer, and the Finance Committee who shall establish written procedures for the operation of the investment program consistent with these guidelines.

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 Library to govern effectively.

Investments shall be made with judgement 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 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 which could impair their ability to make impartial investment decisions. For purposes of this policy, “personal business activity” shall mean any involvement whatsoever in any business, including but not limited to banking, investment sales or management, brokerages, or referral activities.

DIVERSIFICATION

Subject to the limitations placed on the Library by law and the Board’s fiduciary obligation to adequately safeguard principal, the diversification of investments and deposits by type and location is encouraged.

INTERNAL CONTROLS

The Treasurer is responsible for monthly bank reconciliation and recording monthly investment activity as provided by the authorized trading partner.

DESIGNATION OF DEPOSITORIES

Funds received by the Library shall be deposited in one or more depository banks duly designated by the Board. Said designation shall be made at the Board’s organizational meeting, but may be changed by subsequent vote of the Board. Said depository or depositories shall be located and authorized to do business in New York.

PERMITTED INVESTMENTS

The Board authorizes the Library Director and Treasurer to invest moneys 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
- Stocks
- Mutual Funds
- Bonds

All investment obligations shall be payable or redeemable at the option of the Library within such times as the proceeds will be needed to meet expenditures.

PURCHASE OF INVESTMENTS

The Board is authorized to contract for the purchase of investments by utilizing an ongoing investment program with an authorized trading partner.

All purchased obligations, unless registered or inscribed in the name of the Library, shall be purchased through, delivered to, and held in the custody of, an authorized financial institution.

The authorized trading partner will choose investments at his/her discretion using investment goals stated by the Board. Monthly reports detailing activity will be sent to the Treasurer. The authorized trading partner will present relevant investment advice to the Board twice a year.

Adopted by the Cheney Library Board of Trustees: 05/24/2016

Revised by the Board of Trustees: 1st Reading: 03/26/2019

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