

SUBJECT: DISTRICT INVESTMENTS

Whenever the District has funds (including operating funds, reserve funds, and proceeds of obligations) that exceed those necessary to meet current expenses, the Assistant Superintendent for Finance authorizes the Treasurer to temporarily invest those excess funds, for the benefit of the District, in accordance with all applicable laws and regulations and in conformity with the general guidelines established by this policy.

Objectives

The objectives of this investment policy are three-fold:

- a) Investments will be made in a manner so as to safeguard the funds of the District.
- b) Investments will be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of the District.
- c) Funds will be invested in such a way as to earn the maximum yield possible given the first two investment objectives.

Authorization

The authority to temporarily invest funds, for the benefit of the District, is delegated to the Treasurer. These functions will be performed in accordance with the applicable sections of the General Municipal Law and the Local Finance Law of the State of New York (collectively, the "Statutes").

Subject to any future revisions that may be made to the Statutes, the Treasurer may temporarily invest District funds in the following eligible investments:

- a) Obligations of the State of New York.
- b) Obligations of the United States Government, or any obligations for which principal and interest are fully guaranteed by the United States Government.
- c) Special time deposit accounts in a bank or trust company located and authorized to do business in the State of New York, providing the account is insured by the FDIC and, to the extent that FDIC insurance limits are exceeded, is properly and fully collateralized as required by law. (Banking Law Section 237(2) prohibits a savings bank from accepting a deposit from a local government. This also applies to savings and loan associations.)
- d) Transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank authorized to do business in the State of New York, providing the account is insured by the FDIC and, to the extent that FDIC insurance limits are exceeded, is properly and fully collateralized as required by law.

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- e) Certificates of Deposits placed in a commercial bank authorized to do business in the State of New York providing the Certificates are collateralized as required by law.
 - 1. Deposits in excess of the amount insured by the Federal Deposit Insurance Corporation will be secured in accordance with subdivision 3 of the General Municipal Law Section 10.
 - 2. The District may, in its discretion, authorize the bank designated for the deposit of District funds to arrange for the redeposit of such funds in one or more banking institutions, for the account of the District, through a deposit placement that meets the conditions set forth in General Municipal Law Section 10(2)(a)(ii).
- f) With the approval for the State Comptroller, obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (i.e, tax anticipation notes and revenue anticipation notes) by any municipality, school district or district corporation in the State of New York.

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 ensure the 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 will be done at least once a month;
- e) Standards for security agreements and custodial agreements consistent with legal requirements; and
- f) Standards for diversification of investments including diversification as to type of investments, and firms and banks with whom the District transacts business.

This policy will be reviewed and re-adopted at least annually or whenever new investment legislation becomes law, as staff capabilities change, or whenever external or internal issues warrant modification.

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Non-Instructional/Business
Operations

SUBJECT: DISTRICT INVESTMENTS (Cont'd.)

Education Law §§ 1604-a, 1723(a), 2503(1), and 3652

General Municipal Law §§ 10 and 39

Local Finance Law § 24, 25 and 165

Public Authorities Law § 2925