

Youngstown Free Library Investment Policy

Adopted by the Youngstown Free Library Board of Trustees
on June 22nd, 2015

1. Scope

This statement of this Investment Policy reflects the objectives and constraints which apply to all financial assets held directly by the Youngstown Free Library.

2. Purpose of this Investment Policy Statement

This investment Policy is set forth by the Youngstown Library Board of Trustees in order to:

- Define and assign responsibilities of all involved parties.
- Establish a clear understanding for all involved parties of the investment goals and objectives of our investment.
- Offer guidance and limitations to present and future Financial Committees and Boards of Trustees regarding the investment plan.
- Establish a basis for evaluating investment results.
- Manage investments according to prudent standards as established by Municipal Law, subsequent court rulings, and regulations of the State of New York.

3. Investment Objectives

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

- **Legal Considerations**
To conform to all applicable federal, state and other legal requirements
- **Preservation of Capital**
To adequately preserve the capital of the investment program
At no time should the safety of the portfolio's principal investments be impaired or jeopardized. All investments shall be undertaken in a manner that first seeks to preserve capital and secondly attempts to fulfill other investment objectives.
- **Liquidity**
To provide sufficient liquidity
The Library's investment portfolio is to remain sufficiently liquid to enable the Library to meet those operating requirements that might be reasonably anticipated.
- **Return on Investments (Yield)**
To obtain a reasonable rate of return
The Library's investments should generate the highest rate of return without sacrificing the objectives of preservation of capital and necessary liquidity.
- **Prudence**
To ensure prudent custodial care of Library Funds

Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence might exercise in the management of their own affairs.

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. (See Conflict of Interest Policy)

4. Definition

Given that the Youngstown Free Library's Objectives state that at no time must the safety of the portfolio's principal investments be impaired or jeopardized, it is hereby determined that for the purposes of its Investment policy, the Youngstown Free Library will consider itself bound by the applicable Municipal Law, subsequent court rulings and regulations of the State of New York which relate more specifically to non-Association libraries, even though the Library is considered within the State of New York as an "Association Library". (The Board of Trustees acts as a custodian of public funds, and as such, is cognizant of the need for utmost prudence and conservatism when determining the instruments of investment.)

This definition, regarding the Library's alignment with, and adherence to General Municipal Law relating to "Non-Association Libraries" may not be changed unless by vote of a 2/3 (two thirds) majority of the Full Board.

5. Authorized Investments

As a consequence of the Library's alignment for investment purposes with the laws governing non-Association libraries, ALL funds (including privately raised moneys) under control of the Library may only be invested in the following limited number of financial vehicles:

- Time deposit account or certificates or certificates of deposit in commercial banks and trustees 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, and obligations of the State of New York.

6. Investment Authority

A Finance Committee made up of at least three members of the Board of Trustees including the Treasurer and the President, shall implement, oversee and manage the investment program. The Treasurer shall lead the committee. In the absence of the Treasurer, the President is authorized by the Board of Trustees to lead the committee in his/her stead.

The Duties of the Finance Committee, with respect to this Investment Policy are to:

- Meet at least 2 times per year to review the investment performance results.
- Establish and maintain an internal control structure to provide assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with Board of Trustees authorization, are recorded properly, and are managed in compliance with applicable laws and regulations.
- Review investments to insure maximum yield including consideration of the costs of the investment.
- Report to the Board twice yearly the status of investments and make recommendations, if any, for change. The report should include:
 - the types of investments;
 - Depository institutions;
 - Principal balances;
 - Rates of Return
 - Cost of investment

This report is in addition to other reports as outlined in the Library's by-laws.
- Implement the investment program with approval of the Board of Trustees.

The Duties of the Treasurer, with respect to this Investment Policy are to:

- Convene meetings of the Finance Committee at least 2 times per year.
- Maintain all financial records of investment.
- Perform other duties as set forth in the Treasurer-position-description of the by-laws of the Youngstown Free Library.

7. Library Funds

The Youngstown Free Library Board may establish funds for money and securities of the library. All monies from whatever source derived will be receipted into funds established by the Library Board under authority of law.

Authorized funds are as follows:

- Library Operating Fund

All monies collected from interest of investments, monies delegated from the Town of Porter, County of Niagara, Village of Youngstown, fees, fines, rentals and other revenues shall be deposited into "The Library Operating Fund", and must be budgeted and expended in the manner required by law.
- Petty Cash Fund
- This fund has been established for the purposes of paying small or emergency items of operating expense as designated by resolution of the Board.
- Restricted Funds to include Automation, Operating Reserve, Special Projects, Scholarship, Fitch Cady Fund.
- Gift Funds Money

Gift funds money or securities accepted and secured by the Library Board as a grant, gift, donation, endowment, bequest or trust may be set aside in a separate fund or funds.

All such authorized funds must, however, be invested in Authorized Investments per Article 5 - 'Authorized Investments'.

8. Gifts of Stocks

- The Board of Trustees may not purchase securities for the investment of Library Funds.
- When the library receives gifts of stock certificates:
 - When a gift of stock is transferred from the donor's broker to the Library's broker, the Library will automatically at transfer become the owner of record.
 - The Finance Committee will determine when the stock will be sold for cash.

9. Liability

When investments are made in accordance with this policy, no Library Trustee shall be held liable for a loss resulting from default or insolvency of a depository of Library funds or loss to the principal of the investments.

10. Investment Advisors, Qualified Brokers and Dealers and Financial Institutions

All brokers, dealers, and other financial institutions that transact investment business with the Youngstown Free Library or give advice regarding its investments, must receive, read and comprehend the bylaw and associated policies and agree to comply with them before providing any services or transacting business with the Library. This is to be evidenced by a signed statement of receipt of the by-law and the Investment Policy by those identified above.

11. Investment Adoption Policy

The Library's Investment Policy shall be adopted by resolution of the Library's Board of Trustees. The policy and any future associated investment policies shall be reviewed no less than annually by the Finance Committee of the Board of Trustees and any modification made to it must be approved by the Board of Trustees of the Youngstown Free Library.