I. SCOPE

This investment policy applies to all moneys and other financial resources available for investment on the Library’s behalf or on behalf of any other entity or individual.

II. OBJECTIVES

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

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

III. DELEGATION OF AUTHORITY

The governing board's responsibility for administration of the investment program is delegated to the Library Director who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees. The Library Director shall work closely with the Fairport Central School District (the District), who is the custodian of the Library funds.

IV. 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 Fairport Public Library. Investments shall be made with judgment 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.

V. DIVERSIFICATION

It is the policy of the Fairport Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.
VI. INTERNAL CONTROLS

It is the policy of the Fairport Public Library for all moneys collected by any officer or employee of the Library to transfer those funds to the Library Director or designee for deposit within 3 days of receipt, or within the time period specified in the law, whichever is shorter;

The Library Director is 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, that transactions are executed in accordance with management’s authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII. DESIGNATION OF DEPOSITORIES

The banks and trust companies authorized for deposit of moneys will be authorized at the reorganization meeting every July. The following banks and trust companies and their affiliated firms are authorized for the deposit and investment of Library funds in accordance with considerations of financial stability and a minimum rating of “AA.”

<table>
<thead>
<tr>
<th>Bank</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>JP Morgan Chase</td>
<td>$120,000,000</td>
</tr>
<tr>
<td>Bank of America</td>
<td>120,000,000</td>
</tr>
<tr>
<td>UBS Financial Services, Inc.</td>
<td>1,000,000</td>
</tr>
<tr>
<td>BNY Mellon</td>
<td>120,000,000</td>
</tr>
<tr>
<td>M &amp; T Bank</td>
<td>120,000,000</td>
</tr>
</tbody>
</table>

VIII. COLLATERALIZING OF DEPOSIT

In accordance with the provisions of General Municipal Law, 10, all deposits of the Fairport Public Library, 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:

1. By a pledge of "eligible securities" with an aggregate "market value" as provided by GML 10, equal to 102% of the aggregate amount of deposits from agreed upon interest (see appendix A for designated categories);
2. By an eligible "irrevocable letter of credit" issued by a qualified bank (other than the banks authorized as District depositories and whose commercial paper and other unsecured short-term debt obligations are rated "AA" or better) for a term not to exceed 90 days with an aggregate value equal to 102% of the aggregate amount of the deposits and the agreed upon interest, if any; and
3. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
IX. SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held in the name of the “Fairport Public Library” by the depository and/or a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Library deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Fairport Public Library to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Fairport Public Library, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Fairport Public Library or its custodial bank.

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

The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Fairport Public Library a perfected interest in the securities.

X. PERMITTED INVESTMENTS

As authorized by General Municipal Law, 11, the Fairport Public Library authorizes the Library Director 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;
- Certificated 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 New York State

All investment obligations shall be payable or redeemable at the option of the Fairport Public Library within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Fairport Public Library shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial
institution or dealer. All financial institutions with which the Library conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Fairport Public Library. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Library Director is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

**XII. PURCHASE OF INVESTMENTS**

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

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. 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 State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board.
3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the Fairport Public Library, 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 officer authorized to make the investment. All such transactions shall be confirmed in writing to the Fairport Public Library 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, 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Fairport Public Library, 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 part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.
APPENDIX A

Schedule of Eligible Securities

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.

Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.

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 moneys.

Adopted by Library Board of Trustees, July 14, 2015