



143 Genesee Street ▪ Avon, NY 14414 ▪ (585) 226-8461 ▪ avonfreelibrary.org

CASH MANAGEMENT INVESTMENT POLICY AND PROCEDURES

This investment policy applies to all moneys and other financial resources available for investment by the Avon Free Library (“Library”).

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

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

Investment objectives will be reviewed, at a minimum, on an annual basis by the Board of Trustees (“Board”). The Board will monitor investments and investment performance to ensure the policy objectives are being met and that the safety and soundness of the funds are maintained.

Delegation of Authority:

It is the Board’s responsibility to oversee the management of the Library’s finances. The Board’s responsibility for administration of the investment program is delegated to the Treasurer. The Treasurer is authorized to take the actions listed in this policy with direct authorization from the Board.

Ethical Activity:

Any participant in the investment process shall seek to act responsibly as custodians of the funds and shall avoid any transaction that places Library funds at unreasonable risk.

Any participant 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 (please see Conflict of Interest Policy for further details).

Internal Controls:

The Treasurer and the Finance Committee are 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, are recorded properly, and are managed in compliance with applicable laws and regulations.

Collateralizing of Deposits:

All deposits of the 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.

Safekeeping and Collateralization:

Eligible securities used for collateralizing deposits shall be held by the depository bank and/or a third party bank or trust company subject to security and custodial agreements at the discretion of the Library. The security agreement shall provide that eligible securities are being pledged to secure the Library's deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for the 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 the backing for any other deposit or other liabilities.

Permitted Investments:

The Treasurer is authorized 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
- 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 the State of New York

Purchase of Investments:

The Treasurer is authorized to contract for the purchase of investments:

- Directly, including through a repurchase agreement, from an authorized trading partner
- By contracting with a managed investment program

All purchased obligations, unless registered or inscribed in the name of Avon Free 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 Board. All such transactions shall be confirmed in writing to the Library by the bank or trust company.

Operating Procedures:

The Treasurer is responsible for the investment of Library funds and will make investment decisions based upon projections of cash flow needs, so that investments shall mature at such times when funds are estimated to be needed for the orderly payment of Library obligations.

The Treasurer is authorized to transfer Library funds using any electronic transfer system(s) that reasonably assures the safety of Library funds.

Electronic transfer procedures and guidelines will be established between the Library and the banking institutions with which the Library intends to use electronic means to transfer funds

between or within banks. The Board will establish internal control procedures that will provide reasonable assurance that the Library's deposits are safeguarded against loss.

Funds will only be transferred between institutions in the name of Avon Free Library by using the Federal Reserve Wire Transfer (Fed Wire) system, the Automated Clearing House, the Internet, or by Library check and only by the Treasurer or other staff authorized by the Board. Funds may be transferred within the same institution only between Library accounts and only as authorized by the Treasurer.

Specific information relative to each investment will be maintained by the Treasurer and all investment transactions will be reported to the Board at the next monthly meeting.

Approved Financial Institutions:

Avon Free Library may do business with any FDIC insured banks upon review and approval by the Board.

Adopted by the Library Board: September 27, 2021

Amended by the Board of Trustees on January 27th, 2025