

Item: WLS Investment of Funds Policy Revision

Background: Westchester Library System has a Board Restricted Fund, which has primarily been used to cover operating expenses in periods of reduced cash flow, such as when anticipated payments from New York State are delayed. The Board is looking to formalize the governance and use of this fund.

Status: The Budget and Governance Committees met jointly on July 30th and on September 22nd to further discuss the Board Restricted Fund included in the operating account.

The current WLS Investment of Funds Policy #12 was reviewed, and revisions are being suggested that more accurately reflect appropriate levels of reserve and expectations for the rates of return.

Attached is a revised policy. Please note that deletions are shown as ~~strikethrough~~ and additions, as underscored.

Per regular procedure, this policy revision was distributed and presented one meeting in advance as an Information Item.

Recommended

Action: Approval of the submitted revisions for the WLS Investment of Funds Policy #12.

October 27, 2020

Subject: Investment of Funds

Application: Trustees and employees

Westchester Library System (WLS) is committed to investing its funds in a way that will maximize the security of principal, satisfy cash flow requirements, and use approved investments to provide the highest possible return. All investments shall conform with all applicable laws and regulations applicable to library systems in New York State.

Investment Objectives

The investment objectives of the Board of Trustees of WLS are, in priority order: (1) to conform to all applicable federal, state and other legal and regulatory requirements; (2) to preserve capital; (3) to provide sufficient liquidity to enable WLS to meet ~~all anticipated operating requirements~~ its goal of maintaining a reserve sufficient to meet at least ninety (90) days of operating expenses; and (4) to generate ~~the highest possible~~ higher rates of return than available through standard savings accounts consistent with the first three objectives.

Authorized Investments; Security

All WLS funds (including privately raised moneys, but excluding trust funds that may be invested as provided in the Estates, Powers and Trusts Law) shall be invested in accounts or securities permitted under Sections 10 and 11 of Article 2 of the General Municipal Law, as from time to time amended and in effect, or any successor or similar laws. All deposits in commercial banks or trust companies in excess of the amount insured from time to time under the Federal Deposit Insurance Act shall be secured as provided in said Section 10.

Designation of Depositories

The Board of Trustees shall designate one or more banks or trust companies authorized to do business in the State of New York for the deposit of WLS funds, and the maximum amounts that may be deposited in each such financial institution, at the January meeting of the Board of Trustees. Such designation and amounts may be changed at any time by resolution of the Board of Trustees.

Delegation of Authority

The Board of Trustees hereby delegates management responsibility for investment of WLS funds to the Treasurer and the Chief Financial Officer, who shall jointly (1) invest WLS funds in accordance with the investment objectives and subject to the limitations described in this policy; and (2) establish procedures consistent with this policy. No person may engage in any investment transaction on behalf of WLS except as provided in this policy and the procedures established hereunder.

Reporting

The Treasurer shall provide the Board of Trustees with investment reports at regular board meetings, specifying the types of investments, principal balances, rates of return and maturities.

Last approved: ~~May 26, 2015~~

DRAFT