

VILLAGE OF EAST NASSAU

INVESTMENT POLICY

WHERE AS, Section 39 of the General Municipal Law requires that the governing body of every municipality adopt an investment policy for the investing, monitoring and reporting of funds of the local government.

NOW, THEREFORE, be it resolved that the Board of Trustees of the Village of East Nassau does hereby adopt the following investment policy.

SCOPE: This investment policy applies to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity or individual. It is understood by the Village Board of Trustees that the Village operates on relatively small annual budget so that generally there is not a large amount of funds available for investment opportunities other than low yield, short-term types of investments such as savings accounts, certificates of deposits and similar types of interest generating investments afforded by banking institutions. Thus, the scope of this policy shall be limited to such types of investment opportunities and shall, on the whole, be simple and safe methods of obtaining modest yields.

OBJECTIVES: The primary objectives of the local government's investment activities are, in priority order;

- To conform with all applicable Federal, State and other legal requirements (legal);
- To adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity); and
- To obtain a reasonable rate of return (yield).

DEFINITIONS: The terms "public funds," "public deposits," "bank," "trust company," "eligible securities," "eligible surety bond," and "eligible letter of credit" shall have the same meanings as set forth in General Municipal Law Section 10.

DELEGATION OF AUTHORITY: The Village's Board of Trustees responsibility for administration of the investment program is delegated to the Village Treasurer who shall establish procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include periodic reporting to the Village's Board of Trustees of investment actions and results.

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 Board of Trustees of the Village of East Nassau to govern effectively. 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 activities that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

DIVERSIFICATION: It is the policy of the Board of Trustees of the Village of East Nassau to diversify its deposits and investments by investment instrument and by maturity scheduling.

INTERNAL CONTROLS: It is the policy of the Board of Trustees of the Village of East Nassau for all moneys collected by any officer or employee of the Village to transfer those funds to the Village Treasurer within a reasonable time period or that which is specified in law, whichever is shorter. The Village Treasurer 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 Board of Trustees' authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

DESIGNATION OF DEPOSITARIES: The banks and trust companies authorized for the deposit of monies up to the maximum amounts are:

Depository Name	Maximum Amount	Officer
M&T Bank	\$500,000	Village Treasurer

COLLATERALIZING OF DEPOSITS: All deposits of the Village of East Nassau, 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 in accordance with the provisions of General Municipal Law section 10.

SAFEKEEPING AND COLLATERALIZATION: Eligible securities used for collateralizing deposits shall be held by M&T Bank subject to security and custodial agreements.

Security agreements shall provide that eligible securities are being pledged to secure the Village of East Nassau's 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 Village of East Nassau to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Village of East Nassau, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Village of East Nassau or its custodial bank.

Custodial agreements shall provide that securities held by the bank or trust company, or agent of and custodian for, the Village of East Nassau, will be kept separate and apart from the general assets of the custodian 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 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 Village of East Nassau a perfected interest in the securities.

PERMITTED INVESTMENTS: As authorized by General Municipal Law, Section 11, the Village of East Nassau authorizes the Village Treasurer to invest moneys not required for immediate expenditure for terms not to exceed the Village's projected cash flow needs in the following types of investments;

- Special time deposits 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,
- Obligations issued pursuant to LFL s24.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Village of East Nassau,
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments,
- Certificates of Participation (COPs) issued pursuant to GML, s109-b,
- Obligations of this local government, but only with any moneys in a reserve fund established pursuant to GML, s6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the Village of East Nassau within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Village of East Nassau within two (2) years of the date of purchase.

FINANCIAL INSTITUTIONS: All financial institutions with which the Village of East Nassau conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Village of East Nassau. Security dealers not affiliated with a bank shall not be utilized.

EFFECTIVE DATE: This Policy shall go into effect September 11, 2019 and will be reviewed from time to time as may be appropriate.

END OF POLICY