



Greenburgh Central School District

Book	Board of Education Policy Manual
Section	5: Non-Instructional / Business Operations
Title	District Investments
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Whenever the District has funds (including operating funds, reserve funds and proceeds of obligations) that exceed those necessary to meet current expenses, the Board of Education shall authorize the School District Treasurer to invest such funds in accordance with all applicable laws and regulations and in conformity with the guidelines established by this policy.

Objectives

The objectives of this investment policy are four-fold:

- a) Investments shall be made in a manner so as to safeguard the funds of the School District; and
- b) Bank deposits shall be made in a manner so as to safeguard the funds of the School District;
- c) Investments shall be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of the School District;
- d) Funds shall be invested in such a way as to earn the maximum yield possible given the first three (3) investment objectives.

Authorization

The authority to deposit and invest funds is delegated to the School District Treasurer. These functions shall be performed in accordance with the applicable sections of the General Municipal Law and the Local Finance Law of the State of New York.

The School District Treasurer may invest funds in the following eligible investments:

- a) Savings Accounts or Money Market Accounts of designated banks;
- b) Obligations of the State of New York.
- c) Obligations of the United States Government, or any obligations for which principal and interest are fully guaranteed by the United States Government.

- d) Time Deposit Accounts placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law. (Banking Law Section 237(2) prohibits a savings bank from accepting a deposit from a local government. This also applies to savings and loan associations.)
- e) Transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law.
- f) Certificates of Deposits placed in a commercial bank authorized to do business in the State of New York providing the Certificates are collateralized as required by law.
 - 1. Deposits in excess of the amount insured by the Federal Deposit Insurance Corporation will be secured in accordance with subdivision 3 of the General Municipal Law Section 10.
 - 2. The District may, in its discretion, authorize the bank designated for the deposit of District funds to arrange for the redeposit of such funds in one (1) or more banking institutions, for the account of the District, through a deposit placement that meets the conditions set forth in General Municipal Law Section 10(2)(a)(ii).
- g) Securities purchased pursuant to a Repurchase Agreement whereby one party purchases securities from a second party and the second party agrees to repurchase those same securities on a specific future date at an agreed rate of return (the interest rate).

Conditions

All investments made pursuant to this investment policy will comply with the following conditions:

a) Collateral

- 1. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State, the United States, New York State school districts and federal agencies whose principal and interest are guaranteed by the United States. The market value of collateral will at all times exceed the principal amount of the deposits. Collateral will be monitored no less frequently than on a monthly basis.
- 2. Collateral will not be required with respect to the direct purchase of obligations of New York State, the United States and federal agencies, the principal and interest of which are guaranteed by the United States Government.

b) Delivery of Securities

- 1. Payment of funds may only be made upon receipt of collateral or other acceptable form of security, or upon the delivery of government obligations whether such obligations are purchased outright, or pursuant to a repurchase agreement. Written confirmation of delivery shall be obtained from the custodial bank.
- 2. Every Repurchase Agreement will make payment to the seller contingent upon the seller's delivery of obligations of the United States to the Custodial Bank designated by the school district, which shall not be the repurchase, or in the case of a book-entry transaction, when the obligations of the United States are credited to the Custodian's Federal Reserve account. The seller will not be entitled to substitute

securities. Repurchase agreements shall be for periods of 30 days or less. The Custodial Bank shall confirm all transactions in writing to insure that the school district's ownership of the securities is properly reflected in the records of the Custodial Bank

c) Written Contracts

1. Written contracts are required for certificates of deposit and custodial undertakings and Repurchase Agreements. With respect to the purchase of district obligations of U.S., New York State, or other governmental entities in which monies may be invested, the interests of the school district will be adequately protected by conditioning payment on the physical delivery of purchased securities to the school district or custodian, or in the case of book-entry transactions, on the crediting of purchased securities to the Custodian's Federal Reserve System account. All purchases will be confirmed promptly in writing to the school district.

2. The following written contracts are required:

- a. Written agreements will be required for the purchase of all certificates of deposit.
- b. A written contract will be required with the Custodial Bank(s).
- c. Written contracts shall be required for all Repurchase Agreements. Only credit-worthy banks and primary reporting dealers shall be qualified to enter into a Repurchase Agreement with the school district.

The written contract will stipulate that only obligations of the United States may be purchased and that the school district shall make payment upon delivery of the securities or the appropriate book-entry of the purchased securities. No specific repurchase agreement will be entered into unless a master purchase agreement has been executed between the school district and the trading partners. While the term of the master repurchase agreement may be for a reasonable length of time, a specific repurchase agreement will not exceed thirty (30) days.

d) Designation of Custodial Bank

1. The Board will designate a commercial bank or trust company authorized to do a business in the State of New York to act as Custodial Bank of the school district's investments. However, securities may not be purchased through a Repurchase Agreement with the Custodial Bank.

2. When purchasing eligible securities, the seller will be required to transfer the securities to the district's Custodial Bank.

e) Selection of Financial Institutions

1. The Treasurer will periodically monitor, to the extent practical but no less than annually, the financial strength, credit-worthiness, experience, size and any other criteria of importance to the district, of all institutions and trading partners through which the district's investments are made.

2. Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

f) Operations, Audit, and Reporting

1. The Treasurer or designee will authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the school district. Oral directions concerning the purchase or sale of securities will be conformed in writing. The school district will pay for purchased securities upon the simultaneous delivery or book-entry thereof.
2. The school district will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.
3. The independent auditors will audit the investment proceeds of the school district for compliance with the provisions of this Investment Regulation.
4. Monthly investment reports will be furnished to the Board of Education.

This policy shall be reviewed and re-adopted at least annually or whenever new investment legislation becomes law, as staff capabilities change, or whenever external or internal issues warrant modification.

Legal

Education Law §§ 1604-a, 1723(a), 2503(1) and 3652

General Municipal Law §§ 10 and 39

Local Finance Law § 165