

# Glen Cove Industrial Development Agency Investment Policy

## **Introduction**

This investment and deposit policy applies to the investment of all funds and financial resources available for investment and deposit on behalf of Glen Cove Industrial Development Agency (the “Agency”). The investment program shall be operated in conformance with federal, state, and other legal requirements, including the General Municipal Law (“GML”), the Public Authorities Law, the Public Authorities Accountability Act of 2005 and all applicable laws of New York State.

The responsibility for conducting investment transactions involving the Agency resides with the Chief Financial Officer of the Agency under the direction and oversight of the Executive Director, Chairman and Treasurer of the Agency. Only the Chief Financial Officer and those authorized by resolution in accordance with the Agency’s By-laws may invest the funds and financial resources of the Agency.

Except for cash in certain restricted and special funds, the Agency will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration, subject to compliance with applicable laws.

## **General Objectives**

The primary objectives, in priority order, of the Agency’s investment activities shall be safety, liquidity, and yield:

- **Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

- **Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated or planned.

- **Yield**

The investment portfolio shall be designed with the objective of attaining a reasonable return.

## **Standards of Care**

- **Prudence**

The investment officials and any individuals responsible for depositing or investment of the Agency's funds and financial resources shall use good judgment and care when making investments or deposits for the Agency.

## **Ethics and Conflicts of Interest**

Officers and employees involved in the investment process must refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials must disclose any material interests in financial institutions with which they conduct business. They must further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers must refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

## **Authorized Financial Institutions, Depositories, and Broker/Dealers**

The Agency shall maintain a list of financial institutions and depositories authorized to provide depository and investment services. In addition, a list will be maintained of approved limits of the amount of investment that can be made with each financial institution or dealer. This list must be approved by the Agency's members. All financial institutions and broker/dealers who desire to become qualified for investment transactions must be credit worthy and supply the following documents to the Agency, as applicable:

Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines

- Proof of National Association of Securities Dealers (NASD) membership
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the Agency's investment policy
- Evidence of adequate insurance coverage

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers must be conducted annually by the Executive Director, Chairman, Chief Financial Officer and Treasurer.

## **Internal Controls**

The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Agency are protected from loss, theft or misuse and 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 with applicable laws and regulations. The Chief Financial Officer shall provide an investment report to management on a quarterly basis. This report will state current investments, rates of returns and terms of maturity.

Accordingly, the Chief Financial Officer must establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or, alternatively, compliance should be assured through the Agency's annual independent audit.

## **Suitable and Authorized Investments**

Pursuant to Section 11 of the GML, the following investments will be permitted by the Agency for funds that are not required for immediate expenditure or that will exceed projected cash flow:

U.S. Treasury obligations which carry the full faith and credit guarantee of the United States government

U.S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value

Certificates of deposit

Special time deposit accounts

## **Collateralization**

Full collateralization by insurance of the Federal Deposit Insurance Corporation or with obligations of the U.S. Treasury is required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit. The market value of collateral shall at all times be equal to or exceed the principal value marked to market no less frequently than weekly.

## **Diversification**

It is the policy of the Agency to diversify its investment portfolios. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all Agency funds shall be diversified by

maturity, issuer, and class of security. Diversification strategies shall be determined and revised periodically by the Chief Financial Officer for all funds and financial resources.

**Competitive Bids**

The Chief Financial Officer shall obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market.

**Approval of Investment Policy**

The investment policy must be formally approved and adopted by the members of the Agency and reviewed annually.

Adopted 9/23/08

Re-adopted 6/30/16