INVESTMENTS REGULATION

Designation of Depositories

Banks and trust companies are designated and authorized for the deposit of district funds at the annual reorganizational meeting.

Collateralizing of Deposits/Investments

In accordance with the provisions of General Municipal Law §10, all district deposits, including certifications of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. by a pledge of "eligible securities" with an aggregate "market value" as provided by the General Municipal Law §10 equal to the aggregate amount of deposits from the following categories:

    a. direct obligations of Federal, New York State and New York City governments;
    b. taxing authorities of other public school districts or the above listed governmental entities; or
    c. entities whose obligations are backed by full faith and credit of the governmental units set forth in "a" above.

2. by an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by a third-party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure the district's deposits together with the 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 securities may be sold, presented for payment, substituted or released and the events which will enable the district to exercise its rights against pledged securities. In event that the securities are not registered or inscribed in the name of the district, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the district or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the district, 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 part of the backing for any other deposit or other liabilities.

The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities and 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 school district a perfected interest in the securities.

Permitted Investments

Pursuant to the General Municipal Law §11, the Board authorizes the Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following type of investments:

- Special Time deposits accounts;
- Certificate of Deposits;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York; and
- Obligations issued pursuant to law by any municipality, other school district or district corporation.

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

Authorized Financial Institutions and Dealers

The district shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the district conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the district's request. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank as primary dealers. The Assistant Superintendent for Business is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

Purchase of Investments

The Treasurer is authorized to contract for the purchase of investments by participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board. Cooperative investment agreements must also comply with the requirements of General Municipal Article 3-A.

All purchased obligations, unless registered or inscribed in the name of the district, 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 company only in accordance with prior written authorization from the officer authorized to make the investment. All transactions shall be confirmed in writing to the district by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law §10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the district, 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 part of the backing for any other deposits or other liabilities. The agreement shall describe how the custodians shall confirm the receipt and release of the securities. The agreement shall include all provisions necessary to provide the school district a perfected interest in the securities.

Operations, Audit and Reporting

The Treasurer or designee will authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the district. Oral directions concerning the purchase or sale of securities will be confirmed in writing. The district will pay for purchase securities upon the simultaneous delivery or book-entry thereof.

The Board encourages the purchase and sale of securities through a competitive process involving electronic solicitation for at least three quotations, if possible.

The independent auditors will audit the investments proceeds of the district for compliance with the provisions of the district's investment policy.

Monthly investment reports will be furnished to the Board.

1st Reading March 26, 2002
2nd Reading & Adoption April 23, 2002
1st Reading: January 25, 2011
2nd Reading and Re-adoption: February 15, 2011
1st Reading for Re-adoption: February 27, 2018
2nd Reading & Re-adoption: March 27, 2018