

Chapter 11

INVESTMENT POLICY

§ 11-1. Objectives.

§ 11-3. Investment guidelines.

§ 11-2. Authorized investment.

[HISTORY: Adopted by the Board of Trustees of the Village of Champlain 7-14-1992. Amendments noted where applicable.]

§ 11-1. Objectives.

The objectives of the investment policy of the Village of Champlain are to minimize risk; to ensure that investments mature when the cash is required to finance operations; and to ensure a competitive rate of return.

§ 11-2. Authorized investment.

- A. In accordance with this policy, the chief fiscal officer is hereby authorized to invest all funds, including proceeds of obligations and reserve funds, in:
- (1) Certificates of deposit issued by a bank or trust company authorized to do business in New York State.
 - (2) Time deposit accounts in a bank or trust company authorized to do business in New York State.
 - (3) Obligations of New York State.
 - (4) Obligations of the United States Government.
- B. All funds except reserve funds may be invested in:
- (1) Obligations of agencies of the federal government if principal and interest is guaranteed by the United States.
 - (2) With the approval of the State Comptroller, in revenue anticipation notes or tax anticipation notes of other local governments.
- C. Only reserve funds may be invested in obligations of the Village of Champlain.
- D. All other Village of Champlain officials receiving money in their official capacity must deposit such funds in negotiable order of withdrawal accounts.

§ 11-3. Investment guidelines.

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

A. Collateral.

- (1) Certificates of deposit shall be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State or obligations of the United States or obligations of federal agencies, the principal and interest of which are guaranteed by the United States, or obligations of New York State local governments. Collateral shall be delivered to the Village of Champlain or a custodial bank with which the Village of Champlain has entered into a custodial agreement. The market value of collateral shall at all times equal or exceed the principal amount of the certificate of deposit. Collateral shall be monitored no less frequently than monthly, and market value shall mean the bid or closing price as quoted in the Wall Street Journal or as quoted by another recognized pricing service.
- (2) Collateral shall not be required with respect to the direct purchase of obligations of New York State, obligations of the United States and obligations of federal agencies, the principal and interest of which are guaranteed by the United States Government.

B. Delivery of securities. Payment shall be made by or on behalf of the Village of Champlain for obligations of New York State, obligations the principal and interest of which are guaranteed by the United States, United States obligations, certificates of deposit and other purchased securities upon the delivery thereof to the custodial bank or, in the case of a book-entry transaction, when the purchased securities are credited to the custodial bank's federal reserve system account. All transactions shall be confirmed in writing.**C. Written contracts.** Written contracts are required for custodial undertakings. With respect to the purchase of obligations of United States, New York State or other governmental entities, etc. in which moneys may be invested, the interests of the village will be adequately protected by conditioning payment on the physical delivery of purchased securities to the village 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 in writing to the village. It is, therefore, the policy of the Village of Champlain to require written contracts as follows:

- (1) A written contract shall be required with the Custodial Bank.

D. Designation of custodial bank. The First Chicago Trust Co. of New York, New York, and the Key Trust Company of Albany, New York are designated to act as custodial banks of the village investments.**E. Financial strength of institutions.**

- (1) All trading partners must be credit worthy. Concentration of investments in financial institutions should be avoided. The general rule is not to place more than \$100,000. in overnight investments with any one institution.

- (2) Investments in time deposits and certificates of deposit are to be made with banks or trust companies.
- F. Operations, audit and reporting.
- (1) The chief fiscal officer or the deputy chief fiscal officer shall authorize the purchase and sale of all securities and certificates of deposit on behalf of the village. Oral directions concerning the purchase or sale of securities shall be confirmed in writing. The village shall pay for purchased securities upon the delivery or book entry thereof.
 - (2) The village will encourage the purchase and sale of securities and certificates of deposit through a competitive or negotiated process involving telephone solicitation of at least two bids for each transaction.
 - (3) At the time independent auditors conduct the annual audit of the accounts and financial affairs of the village, the independent auditors shall audit the investments of the village for compliance with the provisions of these investment guidelines.
 - (4) At least annually, and if practicable, at the organizational meeting of the village, the members shall review and amend, if necessary, these investment guidelines.
 - (5) The provisions of these investment guidelines and any amendments hereto shall take effect prospectively and shall not invalidate the prior selection of any custodial bank or prior investment.