



MARCELLUS FREE LIBRARY

Policy Name:	Investment Policy		
		Section Title:	Finance
Adopted:	10/4/2018	Reviewed:	

1. Policy Statement

This investment policy applies to any financial resource available for investment on behalf of the Marcellus Free Library. The purpose of this policy is to ensure that the Library invests its funds in a manner which will serve the primary purpose of preservation of capital and a secondary purpose of long-term conservative growth. These purposes will be evaluated in conjunction with an assessment of the ongoing cash flow needs of the Library, as well as to comply with any regulatory requirements governing the Library investments.

2. The Policy

- **Objectives:**

- Legality: Investments of the Library must conform to any applicable federal, state and other legal requirements.
- Safety: Capital preservation is a primary objective of the investment policy. Investments shall be undertaken in a manner that sees to insure the preservation of capital in the overall portfolio. All investments must be traded in well-functioning domestic markets.
- Diversification: Investments will be diversified among asset classes of: Equities, Fixed Income and Cash. Mutual Funds may be selected in those classes based on historical performance and low expenses with allocations mindful of liquidity needs.
- Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated,
- Simplicity of Management: Funds may be invested with trust companies, financial institutions or investment advisors who can provide diversified investment selections and simple rebalancing which reflects the conservative nature of this policy.

- **Delegation of Authority to Make Investments**

- The Library Board of Trustees has the ultimate responsibility for the investment portfolio. The Finance Committee has the responsibility of maintaining sufficient knowledge of the investments and advisors to monitor and advise the full Board. The Treasurer will serve as the primary contact for the investment advisors, and will consult with the Finance Committee on all matters relating to the investment of Library funds.
- Any trust companies, financial institutions and investment advisors shall be considered and authorized only by action of the Library Board of Trustees.



The Board shall refrain from personal business activities that might conflict with the proper execution and management of this investment program or that could impair their ability to make impartial decisions or that could give the appearance of impropriety.

- **Ethical Activity:** All participants in the investment process shall seek to act responsibly as custodians of Library funds and shall avoid any transaction that might impair public confidence in the Library.
- **Internal Controls:** The Library Director and the Treasurer are responsible for establishing and maintaining an internal control structure to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, are recorded properly, and are managed in compliance with applicable laws and regulations.
- **Prohibited Investments and Transactions:** Prohibited investments include, but are not limited to the following: commodities and futures contracts; private placements; and options. Prohibited transactions include, but are not limited to the following: short selling and margin transactions.
- **Donations of Securities:** Donations of unrestricted stock will be liquidated within 10 days of receipt, and the resulting cash will be integrated into this investment policy. Donations of stock with restrictions as to its use must first be approved by a majority vote of the Board before being accepted, and be liquidated within 10 days of such board approval.
- **Review of Investments:** The portfolio of investments will be reviewed quarterly and periodic returns of asset classes will be measured against well-established benchmarks that reflect the risk/return characteristics of each asset class.
- **Reporting:** The Treasurer shall include a report summarizing total investments in the monthly financial statements provided to the Board of Trustees.
- **Records:** The Treasurer shall maintain the following investment records:
 - Investment policy and amendments
 - List of authorized trust companies, financial institutions and investment advisors
 - Transaction confirmation notices
 - Investment ledger, which will contain the following:
 - Financial institution(s)
 - Transaction dates
 - Transaction Amount
 - Description
 - Interest Rate, if applicable
 - Balance