



# SCHENECTADY COUNTY CRC

## Investment Policy

### I. POLICY STATEMENT

The Schenectady County Capital Resource Corporation (the “Corporation”) adopted these guidelines pursuant to provisions of Article 18-A, Section 858-a of General Municipal Law.

- a. It is the policy of the Corporation to invest public funds in a manner providing the highest investment and security return consistent with the Corporation’s objectives, while meeting daily cash flow demands.
- b. The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of the Corporation’s funds while ensuring compliance with New York State (the “State”) and federal laws.
- c. The Corporation’s primary objectives are, in priority order:
  1. Conform with all applicable federal, state and other legal requirements (legal);
  2. Safeguard principal adequately (safety);
  3. Provide sufficient liquidity to meet all operating requirements (liquidity); and
  4. Obtain a reasonable rate of return (yield).

### II. OBJECTIVES

Responsibility for administration of the cash management and investment program is delegated to the Executive Director, who must establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall (A) include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates, and other relevant information and (B) regulate the activities of Corporation employees and/or agents.

### III. PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Corporation to govern effectively.

Cash management and investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the

management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived. All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

#### **IV. COLLATERAL**

In accordance with the provisions of Title 32 of the Public Authorities Law, Section 2788, all deposits of the Corporation, including certificate of deposits and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by obligations with a market value equal at all times to the amount of the deposit.

Obligations eligible for use as collateralization shall include those issued by the United States or by the State or any municipality therein rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization and listed on Appendix A.

1. Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.
2. The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It also shall provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Corporation to exercise its rights against the pledged securities.
3. In the event the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.
4. The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation 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 any other liabilities. The agreement also shall specify that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall specify the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security causes ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

#### **V. DESIGNATION OF DEPOSITARIES**

Any bank or trust company with a full-service office in Schenectady County is authorized for the deposit of monies of the Corporation. The banks and trust companies authorized for the deposit of Corporation funds are:

1. NBT Bank

## VI. SCHEDULE OF ELIGIBLE INVESTMENTS

(Pursuant to Section 98-a of the State Finance Law)

- (i) United State Treasury obligations seven years or less.
- (ii) Obligations backed by the United States government full faith and credit seven years or less.
- (iii) New York State, New York State Corporation, New York State subdivisions obligations (towns, villages, counties) seven years or less.
- (iv) Certificates of deposit fully collateralized from a bank or trust company in New York State.
- (v) Savings banks and trust company notes.
- (vi) Banker's acceptances with a maturity of 60 days or less which are eligible for purchase by the Federal Reserve bank and whose commercial paper rating for the preceding year is the highest rating by two independent rating services. Not more than 100 million dollars may be invested in any one bank or trust company.
- (vii) Obligations of any corporation organized under the laws of any state in the United States maturing within sixth days provided that such obligations received the highest rating of two independent rating services designated by the State Comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding year, provided, however, that no more than one hundred million dollars may be invested in such obligations of any one corporation.
- (viii) Repurchase agreements using United States Treasury obligations seven years or less.
- (ix) General obligation bonds and notes of any state other than New York receiving the highest rating from at least one independent rating Corporation.
- (x) Judgments or awards of the court of claims of New York.