

Board Policy

Investments

Whenever Eastern Suffolk BOCES has funds (including operating funds, reserve funds, and proceeds of obligations) that exceed those necessary to meet current expenses, the Board authorizes the Associate Superintendent for Management Services to invest such funds in accordance with all applicable laws and regulations and in conformity with the guidelines established by this policy.

Objectives

The objectives of this investment policy are four-fold:

1. investments shall be made in a manner so as to safeguard the funds of ESBOCES;
2. bank deposits shall be made in a manner so as to safeguard the funds of ESBOCES;
3. investments shall be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of ESBOCES; and
4. funds shall be invested in such a way as to earn the maximum yield possible given the first three (3) investment objectives.

Authorization

The authority to deposit and invest funds is delegated to the Associate Superintendent for Management Services or designee. These functions shall be performed in accordance with the applicable sections of the General Municipal Law and the Local Finance Law of the State of New York.

The Associate Superintendent for Management Services or designee may invest funds in the following eligible investments:

1. obligations of the State of New York;
2. obligations of the United States Government, or any obligations for which principal and interest are fully guaranteed by the United States Government;
3. time deposit accounts placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law (Banking Law §237(2) prohibits a savings bank from accepting a deposit from a local government; this also applies to savings and loan associations);
4. transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank

authorized to do business in the State of New York, providing the account is collateralized as required by law;

5. certificates of deposit placed in a commercial bank authorized to do business in the State of New York providing the certificates are collateralized as required by law;
 - a. deposits in excess of the amount insured by the Federal Deposit Insurance Corporation will be secured in accordance with subdivision 3 of the General Municipal Law §10;
 - b. ESBOCES may, in its discretion, authorize the bank designated for the deposit of ESBOCES funds to arrange for the redeposit of such funds in one (1) or more banking institutions, for the account of ESBOCES, through a deposit placement that meets the conditions set forth in General Municipal Law §10(2)(a)(ii); and
6. securities purchased pursuant to a Repurchase Agreement whereby one party purchases securities from a second party and the second party agrees to repurchase those same securities on a specific future date at an agreed rate of return (the interest rate).

Implementation

Using the policy as a framework, regulations and procedures shall be developed which reflect:

1. a list of authorized investments;
2. procedures including a signed agreement to ensure ESBOCES financial interest in investments;
3. standards for written agreements consistent with legal requirements;
4. procedures for the monitoring, control, deposit, and retention of investments and collateral, which shall be done at least once a month;
5. standards for security agreements and custodial agreements consistent with legal requirements;
6. standards for diversification of investments including diversification as to type of investments, and firms and banks with whom the District transacts business; and
7. standards for qualification of investment agents which transact business with ESBOCES, including, at minimum, the Annual Report of the Trading Partner.

This policy shall be reviewed and readopted at least annually or whenever new investment legislation becomes law, as staff capabilities change, or whenever external or internal issues warrant modification.

References:

- NYS Education Law §§1604-a, 1723(a), 1950, and 3652
- NYS General Municipal Law §§10 and 39
- NYS Local Finance Law §165

First Adopted: 7/1/2003
Readopted: 7/11/2007
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