



COUNTY OF CHENAGO INDUSTRIAL DEVELOPMENT AGENCY INVESTMENT POLICY

I SCOPE

This investment policy applies to all monies and other financial resources available to the County of Chenango Industrial Development Agency (hereafter “IDA”) for investment on its own behalf. The IDA shall not invest monies on behalf of any other entity or person.

II OBJECTIVES

The primary objectives of the IDA’s investment activities are:

- (a) to identify monies in excess of monies immediately needed to meet the IDA’s cash flow needs (identification of investment funds);
 - (b) to conform with all applicable federal, state, and other legal requirements (legal);
 - (c) to adequately safeguard principal (safety);
 - (d) to provide sufficient liquidity to meet all operating requirements (liquidity);
- and
- (e) to obtain a reasonable rate of return (yield).

III NON-DELEGATION OF AUTHORITY

The governing board of the IDA shall be responsible for administration of this investment program and no investment of IDA monies shall be made without prior board approval in the form of the adoption of an authorizing resolution. All such resolutions shall be included in or attached to the written minutes of the meeting at which said resolution was adopted. The Treasurer, when authorized by resolution, shall make all investments and shall compile and maintain a written record of each investment. The Treasurer’s report submitted at each IDA meeting shall contain a separate line item detailing all investments. Upon maturity no investment shall be renewed without board approval.

IV PRUDENCE

In administering the investment policy, the board shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the IDA.

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 board members shall refrain from personal and business activities that could conflict with proper execution of this investment program, or which could impair their ability to make impartial investment decisions.

V
DIVERSIFICATION

It is the policy of the IDA to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

VI
INTERNAL CONTROLS

It is the policy of the IDA for all monies collected by any officer or employee of the IDA to deposit those funds in the name of the IDA on the same day of receipt, if possible, but in no event later than two business days after receipt.

The Executive Director and the Treasurer are responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the board's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII
DESIGNATION OF DEPOSITARIES

The banks and trust companies authorized for the deposit of monies up to the maximum amounts are:

Depository Name:

NBT Bank, National Association
52 South Broad Street
Norwich, NY 13815

Maximum Amount:

FDIC Covered Limits

VIII
COLLATERALIZING OF DEPOSITS

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

By a pledge of “eligible securities as defined by §10.1.(F) of the General Municipal Law with an aggregate “market value” as provided by GML §10, equal to 105% of the aggregate amount of deposits from the categories designated in GML §10.1.(F).

IX SAFEKEEPING AND COLLATERALIZATION

“Eligible securities” as defined by GML §10.1.(F) used for collateralizing deposits shall be held by a third party bank or trust company subject to a security and a custodial agreement. The security agreement and custodial agreement may be combined into a single Third Party Custodial Agreement or Third Party Escrow Agreement.

The security agreement or Third Party Custodial or Escrow Agreement, as the case may be, shall provide that eligible securities are being pledged to secure IDA deposits together with 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 the securities may be sold, presented for payment, substituted or released and the events which will enable the IDA to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the IDA, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the IDA or its third party.

The third party custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the IDA, 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 confirm the receipt, substitution or release of the securities. The agreement shall provide for 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 IDA a perfected interest in the securities.

X PERMITTED INVESTMENTS

As authorized by General Municipal Law, §11, the IDA shall invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs only in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;

- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United State of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Obligations issued pursuant to LFL §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the IDA;

All investment obligations shall be payable or redeemable at the option of the IDA within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided or may lawfully be expended.

XI AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The IDA shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the IDA conducts business must be creditworthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the IDA. 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 board is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

XII PURCHASE OF INVESTMENTS

With the prior approval of the board evidenced by the adoption of a written resolution, the Treasurer is authorized to make or to contract for the purchase of investments:

- i. Directly from a bank, trust company or an authorized trading partner, and/or
- ii. By participating 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 governing board, and/or
- iii. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All investments, unless registered or inscribed in the name of the IDA, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such investments shall be purchased, sold or presented for redemption or payment by such

bank or trust company only in accordance with prior written authorization from the Treasurer. All such transactions shall be confirmed in writing to the IDA. Any investment 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 local government, 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 shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the IDA a perfected interest in the securities.

XIII AMENDMENTS

This investment policy may be amended or altered, by the adoption of a written resolution by the board, and shall be automatically deemed to be amended or altered at such times and to such extent as may be required for same to comply with any and all hereinafter enacted amendments to Article 2 of the GML.

Approved April 15, 2009