



## Cape Vincent Local Development Corporation

121 S Market Street, Cape Vincent, NY 13618

# Investment Policy

### *Introduction*

The purpose of establishing an investment policy is to develop operating principles within the guidelines of current legislation governing investment activity of public authorities. Anyone charged with fiduciary responsibility of Cape Vincent Local Development Corporation's ("Corporation") assets will be guided by this Investment Policy in managing the short and long-term investment of the Corporation's available cash.

### *Prudence*

All participants in the investment process and responsible for depositing the Corporation's funds will act responsibly as custodians of the public trust and will avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits will be made with judgment and care, with consideration for current circumstances and context. Investments and deposits will not be made 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 and responsible for depositing the Corporation's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation's funds or which could impair their ability to make impartial investment decisions.

### *Internal Controls*

All monies collected by an officer or employee of the Corporation will be immediately deposited in depositories designated by the Corporation for the receipt of such funds.

The Corporation will maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.

The Corporation is 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 management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.



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### *Permitted Investments*

The Corporation's investment policies are governed by state statutes. Primarily, Corporation monies must be deposited in FDIC insured commercial banks or trust companies operating a branch within <Jurisdiction>. FDIC insured demand accounts and certificates of deposit are permissible investments, as are obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of New York State or its localities.

### *Designation of Depositories*

All FDIC insured institutions located within <Jurisdiction> are hereby established as the Corporation designated depositories.

### *Purchase of Investments*

Investment decisions are made by the Treasurer, with board approval, considering permitted investments, rates of return, financial institution strength, product offerings and available Corporation cash flow.

### *Collateralization*

Occasionally, the amount on deposit with one bank may exceed the FDIC insurance limit. All deposits of the Corporation (including 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" with an aggregate "market value" equal to the aggregate amount of all Corporation deposits;
- An eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of Corporation deposits and the agreed upon interest, if any; or
- An eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York, whose claims-paying ability is rated in the highest rating category of at least two nationally recognized statistical rating organizations.

Eligible securities used for collateralizing deposits shall be held by the depository bank, and/or a third party bank or trust company, subject to security and custodial agreements at the discretion of the Corporation. A security agreement shall be provided that indicates eligible securities are being pledged to secure the Corporation's deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default.



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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 bank's backing for any other deposit or liabilities.

Approved and adopted this <date> day of <month> 2021