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## *Investment and Deposit Policy and Procedures*

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### OBJECTIVE

The objectives of this investment and deposit policy and procedures are three-fold:

- Investments and bank deposits (hereafter collectively referred to as investments) shall be made in a manner so as to safeguard the funds of the Town of Hannibal.
- Investments shall be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of the municipality.
- Funds shall be invested in such a way as to earn the maximum yield possible given the first two investment objectives.

### AUTHORIZATION

The authority to deposit and invest funds is delegated to the Town Supervisor. These functions shall be performed in accordance with the applicable sections of the General Municipal Law and Town Law of the State of New York.

The Town of Hannibal Supervisor may invest funds in the following eligible investments:

1. Obligations of the State of New York.
2. Obligations of the U.S. Government, or any obligation for which principal and interest are fully guaranteed by the U.S. 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 described within this policy.
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 described in this policy.
5. Certificate of deposit placed in a commercial bank authorized to do business in the State of New York, providing the certificates are collateralized as described within this policy.
6. Insured Cash Sweep Accounts fully backed by FDIC insurance.
7. NYCLASS was authorized by the board on January 22, 2020.

### DEPOSITS

The Town Board of the municipality upon the recommendation of the Supervisor, shall annually designate authorized depositories for funds of the municipality. These depositories shall only be commercial banks authorized to conduct business in the State of New York. Each authorized depository shall execute a security agreement, which will provide that collateral is being pledged by the bank as security for the municipality's deposits. Each authorized custodial bank or trust company shall execute a custodial agreement. This agreement must acknowledge that the pledged collateral is being held by the custodian bank or trust company as agent of the custodian for the municipality. The depository and custodian may be the same bank or trust company.

## TERMS AND CONDITIONS

### **CERTIFICATE OF DEPOSIT**

Investments in certificates of deposit shall be collateralized as described in the executed security/custodial agreement. The municipality shall take possession of the actual certificate and maintain it in a safe keeping area.

MINIMUM TERM – 7 days

MAXIMUM TERM – 180 days

## OPERATING PROCEDURES

The Town Supervisor is responsible for the investment of the municipality's funds. Authorized staff will make investments based upon projections of cash flow needed so investments shall mature at such time when funds are estimated to be needed for the orderly payment of the municipality's obligations. The Town Supervisor shall annually receive and review the financial statements of all institutions with which the municipality is depositing funds or entering into investment transactions.

Funds will only be transferred between institutions in the name of the municipality by using the Federal Reserve Wire Transfer (FED WIRE) system, ACH payment processing, or by check and only by staff as authorized in writing by the Town Supervisor or the Bookkeeper. Funds may be transferred within the same institution only between accounts and by authorized staff.

A listing of authorized staff will be maintained by the Town Supervisor and will be forwarded to the authorized depositories.

If changes in staffing or staff responsibilities occur, updated authorization letters will be forwarded to the depositories.

All investments shall be in the name of the municipality. The Town Supervisor will maintain in an investment log detailing the specific information relative to each investment. All investment transactions will be entered into the accounting system.

Comparisons of the existing investments to those recorded in the accounting system will be performed routinely.

## INTERNAL CONTROLS

The Town Supervisor will ensure that the Bookkeeper has enough knowledge of the investment procedures to carry out such related duties as might be required in the absence of the Supervisor.

## COLLATERAL

All investments of the municipality, except direct purchases of obligations of the federal government shall be secured (collateralized) by the pledging of eligible securities. All such investments shall first be secured by the Federal Deposit Insurance Corporations (RDIC) insurance coverage to the extent available. Collateral required in excess of FDIC insurance coverage shall be pledged in accordance with chapter 708 of the general Municipal Law and the executed security/custodial agreement. The agreement should be approved by the New York State office of the Comptroller.

Federal Deposit Insurance Corporation (FDIC)

Coverage as follows:

\$250,000 Transaction Accounts

\$250,000 Time Deposits

POSSESSION OF SECURITIES

Purchased Obligations

When obligations of the USA or obligations guaranteed by the USA are purchased directly by the municipality, the municipality as owner shall be inscribed on the securities and they shall be delivered to the municipality or its designated depository for safekeeping. If in a book entry form, such securities shall be registered in the name of the municipality.

AUDIT AND CONTROL

The Town Board shall, in conjunction with the municipality's audit, annually review the investment policies and procedures used by the Town Supervisor to be certain they are in conformance with all applicable laws and regulations.

The investments and deposits of the municipality will be made in accordance with the specifics as outlined in the above noted resolution.

Dated this 19 day of FEBRUARY, 2020

Town of Hannibal Town Board Motion to adopt the Town of Hannibal Investment and Deposit Policy and Procedures as written above made by Rick Shouets,

Seconded by BRENDA WILSON.

Approved 4 Yea 0 Nay

Resolution 25-2020