

**THE RECREATION AND ECONOMIC DEVELOPMENT CORPORATION OF  
SUFFOLK COUNTY**

**INVESTMENT POLICY**

**Preamble**

Section 2824(1)(e) of the Public Authorities Law requires local authorities to adopt a written policy governing Investment guidelines. The following policy ("Policy") is in accordance with Article 9, Title 7 of the New York State Public Authorities Law ("PAL"), section 1411 of the New York State Not-For-Profit Corporation Law ("Act"), and sections 10, 11, and 12 of the New York State General Municipal Law ("GML"). The Policy is hereby adopted upon approval by the Board of Directors of The Recreation and Economic Development Corporation of Suffolk County ("Corporation"), and shall be applicable with respect to all Investments by the Corporation.

**Section 1 – Definitions**

- A. "County" means the County of Suffolk.
- B. "Funds" means all monies and other financial resources available for investment by the Corporation on its own behalf or on behalf of any other entity or individual.
- C. "Investment" means any investing, monitoring, and reporting of Funds by the Corporation.
- D. "State" means the State of New York.

**Section 2 – Scope; Objectives; Fiduciary Responsibility**

- A. **Scope.** This Policy applies to all Corporation monies and other financial resources available for Investment on its own behalf or on behalf of any other entity or individual.
- B. **Objectives.** The primary objectives of the Corporation's Investment activities are, in priority order:
  - i. Legality - to conform with all applicable federal, State, County, and any other applicable entity's laws and regulations;
  - ii. Safety - to adequately safeguard principal in the overall portfolio;
  - iii. Liquidity - to provide sufficient liquidity to meet all operating requirements, expected liabilities and expenses; and
  - iv. Return - to obtain a reasonable rate of return when practicable.
- C. **Fiduciary Responsibility.** The Corporation shall conduct its Investment activities involving all operating Funds and other Funds and all Investment transactions involving operating Funds and other Funds accounted for in the financial statements of the Corporation in a manner that complies with the ACT, GML and PAL. All participants in the Investment of Funds process shall act as responsible fiduciaries of

the public trust and shall avoid any transaction that might impair public confidence in the Corporation to operate effectively. Investments shall be made with judgment and care, which persons of prudent discretion and intelligence exercise in the management of their own affairs, not for speculation, but for prudent Investment, considering the safety of the principal as well as the probable income to be derived. All participants responsible for handling the Funds shall refrain from personal business activity that could cause a conflict of interest regarding the proper execution of an Investment or the deposit of the Funds or which could impair their ability to make impartial Investment decisions.

### **Section 3 -- Internal Controls**

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.

### **Section 4 – Permitted Investments and Conditions for Investment**

- A. **Conditions for Investment.** Pursuant to section 2927 of the PAL and section 11 of the GML, the Corporation may temporarily invest monies not required for immediate expenditure in accordance with the following conditions:
- i. The monies are invested through a bank that is located and authorized to do business in the State selected by the Corporation;
  - ii. The selected bank arranges for the redeposit of the monies in certificates of deposit and other deposit accounts in one or more banking institutions, as defined in section 9-r of the Banking Law, for the account of the Corporation;
  - iii. The full amount of the principal and accrued interest of each deposit is insured by the federal deposit insurance corporation;
  - iv. The selected bank in the State acts as a custodian for the Corporation with respect to the Funds redeposited pursuant to this Section 4; and
  - v. At the same time that the Corporation's monies are redeposited pursuant to this Section 4, the selected bank in this State receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of the monies invested by the Corporation through the selected bank in this State.
- B. **Proceeds Payable Requirement.** The Corporation shall ensure that any Investments made shall be payable within such time as the proceeds shall be needed to meet expenditures for which the monies were obtained.

- C. Designation of Selected Banks. Funds may only be invested in commercial banks in Suffolk County, New York. The banks authorized for the deposit of Funds, and the maximum amounts for each authorized bank are enumerated below:

<b>Bank Name</b>	<b>Maximum Amount</b>
Capital One, N.A.	\$250,000.00

- D. Collateralizing of Deposits. All deposits of the Corporation, including certificates of deposit, shall not exceed the amount insured under the provisions of the Federal Deposit Insurance Act.

#### **Section 5 – Written Contracts Requirement**

- A. The Corporation shall enter into written contracts pursuant to which Investments are made, unless the Corporation shall by resolution determine that a written contract is not practical or that there is not a regular business practice of written contracts with respect to a specific Investment or transaction, in which case the Corporation shall adopt procedures covering such Investment or transaction. Such contracts and procedures shall include provisions:
- i. Deemed necessary and sufficient to secure in a satisfactory manner the Corporation's financial interest in each Investment;
  - ii. Covering the use, type, and amount of collateral or insurance for each Investment;
  - iii. Establishing a method for valuation of collateral and procedures for monitoring the valuation of such collateral on a regular basis;
  - iv. For the monitoring, control, deposit, and retention of Investments and collateral which shall include, in the case of a repurchase agreement, a requirement that the obligations purchased be physically delivered for retention by the Corporation or its agent (which shall not be an agent of the party with whom the Corporation enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case the Corporation shall take other action as may be necessary to obtain title to or a perfected interest in such obligations.

#### **Section 6 – Diversification of Investments**

When practicable and in the best interest of the Corporation, the Corporation shall diversify its deposits and Investments by financial institution, by Investment instrument, and by maturity scheduling.

#### **Section 7 – Qualifications of Investment Professionals**

The Corporation shall ensure that any investment bankers, brokers, agents, dealers, and other investment advisers and agents which transact business with the Corporation are sufficiently qualified for these roles, including evaluating factors of quality, reliability,

experience, capitalization, size, and any other factors that, in the judgment of the Corporation, make a firm qualified to transact business with the Corporation.

### **Section 8 – Reporting**

- A. **Annual Independent Audit.** The Corporation shall ensure that an independent audit of all Investments occurs annually, the results of which shall be available to the Board of Directors of the Corporation at or prior to the time of the annual review and approval of the Policy.
- B. **Quarterly Reports.** At the end of each quarter the Board of Directors of the Corporation and the Sole Member shall be provided with a report on all Investment activity during that quarter. This report shall contain:
- i. A list of any new Investments and deposits;
  - ii. An inventory of all existing Investments and deposits; and
  - iii. A description of the selection of investment bankers, brokers, agents, dealers, or auditors.
- Any additions or deletions must be specifically indicated, with an explanation for the addition or deletion.
- C. **Annual Investments Report.** The Corporation shall annually prepare and approve an Investment report which shall include the Investment guidelines, as specified in section 2925(3) of the PAL, amendments to such guidelines since the last Investment report, an explanation of the Investment guidelines and amendments, the results of the annual independent audit, the Investment income record of the Corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer, and adviser rendering Investment associated services to the Corporation since the last Investment report. Such Investment report may be a part of any other annual report that the Corporation is required to make.
- D. **Submission.** The Corporation shall annually submit its Investment report to the Chief Executive Officer of the County, the Chief Fiscal Officer of the County, and the County Department of Audit and Control. Copies of the annual Investment report shall also be made available to the public upon reasonable requests therefor.

### **Section 9 – Modification or Amendment**

This Policy is subject to modification or amendment at the discretion of the Board of Directors of the Corporation, subject to the Act and the PAL, and shall be reviewed and approved annually by the Board of Directors of the Corporation.