

## Southern Adirondack Library System

### Financial Accounts Policy

*"The primary objectives of the library's investment activities should be, in priority order, 1) to conform to all applicable federal, state and other legal requirements (legal), 2) to adequately safeguard principal (safety), 3) to provide sufficient liquidity to meet all operating requirements (liquidity) and 4) to obtain a reasonable rate of return (yield.)"*

Under [General Municipal Law](#) and subsequent court rulings, *all* funds (including privately raised moneys) under the control of a municipal, school district, or special district library must be invested in the following limited number of financial vehicles:

- o Time deposit accounts or certificates of deposit in commercial banks and trust companies located and authorized to do business in New York State;
- o Obligations made by the United States of America or guaranteed by the United States of America, and obligations of the State of New York;
- o Under very limited circumstances, obligations of municipalities and other municipal corporations.

NY State Trustee Handbook 2010.

#### Collateralizing Public Deposits

Each institution collateralizes all of the combined funds of SALS over the \$250,000 FDIC insured amount. The time and savings deposits owned by SALS and held by the SALS Board of Trustees are in an insured depository institution within New York State are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000.

#### **General Fund:**

Adirondack Trust Co. – NOW Checking Account

#### **Trust and Agency Fund:**

Adirondack Trust Co. - Employee Benefit Checking Account

Adirondack Trust Co. -Payroll Checking Account

#### **General Fund:**

Saratoga National Bank and Trust Co – NOW Checking Account

Saratoga National Bank and Trust Co. – Money Market Account

#### **Capital Fund:**

Saratoga National Bank and Trust Co. – Money Market Account

(Capital Fund and General Fund monies are co-mingled in this account. A set \$ amount is set aside for Capital expenses)

Adopted September 22, 2015