

## **DEPOSITS OF FUNDS**

All moneys collected by Library are to be transferred to the Business Office within two days of receipt. Designated Business Office staff should deposit all moneys received into the Library's designated depositories within two (2) business days of receipt. Moneys for deposit shall never be kept in the Library for a period that exceeds five (5) business days.

The Business Manager shall be responsible for maintaining an internal control structure to provide reasonable if not absolute, assurance that deposits are safeguarded against loss from unauthorized use or disposition; that transactions are executed in accordance with Library policy and are properly recorded; and that deposits are managed in compliance with applicable laws and regulations.

### **Designation of Depositories**

The Library Board of Trustees shall, each year at its annual reorganization meeting, designate financial institutions as depositories of Library funds. Authorized depositories shall be indicated in the approved minutes of the annual reorganization meeting.

### **Collateralizing of Deposits**

In accordance with the provisions of General Municipal Law section 10, all deposits of the Library including certificates of deposits and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of eligible securities (obligations issued or guaranteed by the United States of America, the State of New York, or other satisfactory municipality) with an aggregate "market value" equal to the aggregate amount of deposits.

### **Safekeeping and Collateralization**

Eligible securities used for collateralizing deposits shall be held by the depository and/or a third party, bank or trust company subject to security and custodian agreements.

The security agreement shall provide that eligible securities are being pledged to secure library funds 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 enable the Library to exercise its rights against pledged securities. In the event that the securities are not registered or inscribed in the name of the library, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Mastics-Moriches-Shirley Community Library or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the library, 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 liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide the frequency of revaluation of eligible securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the library a perfected interest in the securities.

Latest Revision: January 23, 2006

Originally Adopted: March 29, 1999