

ALBANY COUNTY PINE HILLS LAND AUTHORITY
DEPOSITS AND INVESTMENT OF FUNDS POLICY

1. Purpose.

(A) Authority Funds. The purpose of this Policy is to implement Section 2767-k of Title 28-C of the Public Authorities Law (the “Act”), which provides the requirements applicable to deposits and investments made by Albany County Pine Hills Land Authority (the “Authority”) of funds for the use and account of the Authority (“Authority Funds”).

(B) Non-Authority Funds. The provisions of this Policy shall not apply to funds derived from the sale of bonds, notes or other obligations issued to fund a particular project for the benefit of a particular applicant, or any other funds of the Authority which are not Authority Funds.

2. Deposits of Agency Funds.

(A) Designation of Depositories. The Authority shall by resolution or resolutions of the members of the Authority designate one or more banks or trust companies (each, a “Depository”) for the deposit of Authority Funds received by the treasurer or any other officer of the Authority authorized by law or the by-laws of the Authority to make deposits.

(B) Security. All Authority Funds shall be secured by obligations of the United States or of New York State or of any municipality of a market value equal at all times to the amount on deposit, and all banks and trust companies shall be authorized to give such security for such deposits.

3. Investments of Agency Funds.

(A) Investment Policy. It is the general policy of the Authority that Authority Funds not required for immediate use or disbursement shall be invested as described in subsection (C) below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

(B) Designation of Investment Officers. The treasurer and any other officer or employee of the Authority so authorized by the by-laws of the Authority or by resolution of the members of the Authority (each, an “Investment Officer”) are authorized to temporarily invest Authority Funds not required for immediate expenditure. Any designation of an Investment Officer made by resolutions of the members of the Authority may be changed at any time by a further resolution of the members of the Authority.

(C) Types of Investments. Except as otherwise provided by resolution of the members of the Authority, an Investment Officer may invest Authority Funds in those obligations specified pursuant to Section 980a of the State Finance Law. Generally, this includes the following types of investments:

(1) special time deposits in, or certificates of deposit issued by, any bank or trust company located and authorized to do business in the State of New York, provided that such deposit account or certificate of deposit is secured in manner specified in section 2(B) above;

(2) obligations of, or obligations where the payment of principal and interest are guaranteed by, the United States of America; and

(3) obligations of the State of New York.

(D) Custodians. The Authority may, by resolution of the members of the Authority, authorize the Investment Officers to turn over the physical safekeeping and evidences of the investments made pursuant to subsection (C) of this Section (“Authority Investments”) to the following types of entities to act as custodians of Authority Investments:

(1) any bank or trust company incorporated in the State of New York; and

(2) any national bank located in the State of New York.

(E) Commingling. Any Authority Funds invested pursuant to this Section may be commingled for investment purposes so long as (1) such investment is payable or redeemable at the option of the Authority within such time as the proceeds are needed by the Authority, (2) the separate identity of such funds are maintained at all times, and (3) income received on such commingled monies is credited on a pro rata basis to the fund or account from which the monies were invested.

(F) Proper Records. The treasurer of the Authority shall maintain (or cause the Investment Officers to maintain) a proper record of all books, notes, securities or other evidences of indebtedness held by or for the Authority for purposes of investment. Such record shall at least (where applicable) (1) identify the security, (2) the fund for which held, (3) the place where kept, (4) the date of sale or other disposition, and (5) the amount received from such sale or other disposition.

4. Internal Controls.

(A) Periodic Reviews. To the maximum extent possible, the treasurer of the Authority shall prepare and submit to the members of the Authority at each regular meeting of the Authority (but not more often than monthly), a summary showing the amount of Authority Funds on deposit in each Depository and the general nature of the investment of such Authority Funds.

(B) Annual Report. Within ninety (90) days of the end of each fiscal year, the treasurer of the Authority shall prepare and submit to the members of the Authority an annual investment report (the “Annual Investment Report”) showing the deposits and investments of Authority Funds as of the beginning of such fiscal year, a summary of the changes in such amounts during such

fiscal year, a summary of the earnings thereon during such fiscal year, and the balance thereof as of the end of such fiscal year.

(C) Annual Audit. The Annual Investment Report shall be audited by the Authority's independent certified public accountant as part of the Authority's annual general audit required pursuant to Section 2676-t of the Act.

(D) Annual Review. The members of the Authority shall annually review the Annual Investment Report, Annual Audit and this Policy, and shall make any amendments to this Policy necessary to achieve the purposes of this Policy.