

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
ECONOMIC JOB DEVELOPMENT CORPORATION:
INVESTMENT GUIDELINES POLICY**

I. Introduction

- A. This Investment Guidelines Policy (the “**Investment Policy**”) of the Riverhead Industrial Development Agency Economic Job Development Corporation (the “**Corporation**”) is adopted by resolution.
- B. This Investment Policy sets forth the Corporation’s operative investment policy as well as the instructions to officers and staff regarding the investing, monitoring and reporting of the Funds (as defined below) of the Corporation.
- C. This Investment Policy shall apply to all funds of the Corporation, including monies and other financial resources available for investment and deposit by the Corporation on its own behalf or on behalf of any other entity or individual, but excluding the proceeds of any borrowings by the Corporation as financial assistance in connect with a “project” as defined in Article 18-A of the General Municipal Law (the “**Funds**”).
- D. Under the direction and supervision of the Board, the Treasurer of the Corporation shall be responsible for the implementation of this Investment Policy. The Treasurer and any such person or persons the Treasurer expressly authorizes shall have the authority to invest the Funds of the Corporation.
- E. The Treasurer and any such person or persons authorized by the Treasurer shall act prudently and responsibly so as to ensure investments and deposits made under this Investment Policy are done so with judgment and care in accordance with this Investment Policy and applicable federal, state and local laws.

II. Investment Objectives

The Corporation’s objectives with regard to all Permitted Investments (as defined below) involving the Funds of the Corporation include the following, in order of priority:

- A. to comply with all applicable federal, state and local laws;
- B. to preserve the principal of the Funds;
- C. to maintain sufficient liquidity to meet the current and future operating requirements of the Corporation; and
- D. to maximize return or to produce a reasonable rate of return.

III. Designation of Authorized Institutions for Deposit and Responsibility for Deposits

- A. Pursuant to the General Municipal Law, the Board of the Corporation hereby designates those banks and trust companies authorized by law to serve as such depositories that the Corporation, from time to time, shall choose to designate by resolution of the Board for the deposit of the Corporation's Funds.
- B. The maximum amount which shall be kept on deposit at any time in each such bank or trust company shall not exceed \$2,000,000.
- C. The Treasurer or any other officer of the Corporation authorized to have custody of the Funds shall be responsible for depositing the Funds in accordance with this Section III.
- D. In the event public deposits are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, as now or hereafter amended, such excess shall be secured in accordance with Section 10(3)(a) of the General Municipal Law.

IV. Permitted Investments and Responsibility for Investments

- A. The following, in accordance with Section 11 of the General Municipal Law, includes the permitted investments the Corporation may temporarily invest moneys not required for immediate expenditure in (collectively, the "**Permitted Investments**"):
 - 1. special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in New York, provided however, that such time deposit account or certificate of deposit shall be payable within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit be secured according to Section 10 of the General Municipal Law;
 - 2. obligations of the United States;
 - 3. obligations guaranteed by agencies of the United States where payment of principal and interest are guaranteed by the United States;
 - 4. obligations of the state of New York; and
 - 5. all other investments permitted by Section 11 of the General Municipal Law.
- B. The Board hereby delegates the Treasurer and any such person or persons the Treasurer authorizes the authority to temporarily invest the Funds of the Corporation, provided such investments are made according to the General Municipal Law.

V. Written Contracts

The Corporation shall enter into written contracts pursuant to which all investments of the Corporation's Funds are made unless the Corporation shall, by resolution, determine that a written contract is either not practicable or that there is not a regular business practice of written contracts with respect to a specific investment. Such contracts shall conform with the requirements outlined in Section 2925(c) of the Public Authorities Law.

VI. Diversification

- A. The Corporation, when investing Funds, shall diversify its investments with respect to both the types of investments the firms with which it chooses to transact with.
- B. The Corporation shall review investments at least quarterly on each January 1, April 1, July 1 and October 1 and shall allocate investments, if prudent to do so, so that no more than the greater of \$50,000 or 25% of its investments are obligations of any one obligor, other than the United States of America or the State of New York.

VII. Qualification of Investment Bankers, Brokers, Agents and Dealers, Advisors and Custodians

The Corporation shall only enter into transactions with those investment bankers, brokers, agents, dealers, financial advisors and custodians which the Corporation has deemed qualified and reliable. The following are the standards for qualification:

- A. Investment bankers retained by the Corporation to serve as senior managing underwriters for negotiated sales must be registered with the United States Securities and Exchange Commission (the "SEC").
- B. Brokers, agents and dealers involved in:
 - 1. Government Securities must be a bank or trust company organized or licensed under the laws of any state of the United States of America or the United States of America or any national banking association or any registered broker/dealer or government securities dealer.
 - 2. Municipal Securities must be registered with the SEC.
- C. Financial advisors retained by the Corporation must be a bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.
- D. Custodians retained by the Corporation must be a bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than \$50,000.

VIII. Reporting

- A. Annually, the Corporation's independent auditors shall prepare an independent audit of the Corporation's investments for the fiscal year, the results of which shall be made available to the Board at the time the annual review and approval of investment guidelines is conducted by the Corporation.
- B. Annually, the Treasurer shall prepare and the Corporation shall approve an investment report, which shall include the following:
 - 1. this Investment Policy and any amendments to such Investment Policy since the last investment report, including an explanation of the guidelines and amendments;
 - 2. the results of an annual independent audit;
 - 3. the investment income record of the corporation; and
 - 4. a list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and/or advisor.
- C. The Corporation shall make such investment report available to the public upon reasonable request therefor.
- D. The Corporation shall annually submit its investment report to the chief executive officer and chief fiscal officer of each municipality for the benefit of which it was created and to the department of audit and control.
- E. Quarterly, the Corporation shall direct the preparation and filing of a quarterly report with the Board regarding any new investments, the inventory of existing investments, and the selection of investment bankers, brokers, agent, dealers, advisors and/or auditors.

IX. Amendment

The Corporation may amend this Investment Policy from time to time.