

Investment Policy

Approved September 9, 2019

Scope and Purpose of Investment Policy

This Investment Policy establishes objectives, duties and responsibilities and general investment principles for the funds held in reserve by the Kinderhook Memorial Library. It is intended to describe the delegation of duties and responsibilities concerning the management of funds held in reserve and identify the investment goals, objectives, principles, and policies for use of these funds.

Board of Trustees: Authority and Delegation of Responsibilities

The Board of Trustees shall maintain overall responsibility for directing and monitoring the investment management of funds held in reserve.

The Board of Trustees designates the Finance Committee, chaired by the Treasurer of the Board, as the primary body for supervisory oversight of funds. The Board of Trustees retains the authority to:

- Select, appoint, and remove members of the Finance Committee;
- Approve the overall investment policies and objectives for funds held in reserve in accordance with the General Investment Principles outlined in this Investment Policy;
- Review and affirm or revise this Investment Policy as it deems necessary.

The Finance Committee shall:

- Recommend investment options to the Board in accordance with the General Investment Principles enumerated below;

and/or

- Recommend delegating the investment of funds to one or more investment managers or institutions.

If the investment of funds is delegated, the Finance Committee shall be responsible for maintaining oversight of the investment manager(s) or institution(s) selected and provide reports at such intervals as may be required by the Board.

The Finance Committee shall exercise care and diligence in its supervisory and management role, and invest with the care, skill, prudence, and diligence that a prudent person, acting in like capacity and familiar with such matters, would use in a fund of similar character and with similar aims.

General Investment Principles

The management of invested funds held in reserve shall be governed by the following principles:

- The investment of funds shall be determined by the Board of Directors as necessary to meet the needs of the Library;

- Investment objectives may include, but not be limited to, preservation of purchasing power, steady flow of income, future emergency needs, approved capital costs, approved transfers to the Library's Operations account;
- The investment strategy shall seek to maximize investment returns, whether derived from income or capital appreciation, subject to maintaining risk within acceptable and appropriate limits as designated by the Board;
- This investment strategy may be pursued by means of a portfolio that includes both equity and fixed income funds;
- If investments are executed in other than money market accounts or certificates of deposit, then they shall be diversified to minimize the risk of unrecoverable losses;
- The Finance Committee shall seek investments that minimize fees, trading costs, illiquidity, and complexity, unless the contemplated fees, trading costs, illiquidity and/or complexity are clearly prudent and are reasonably expected to produce sufficient offsetting improvement to the return or risk characteristics of the investments. This provision shall also apply to any fund manager or institution selected to invest funds on behalf of the Library.