



Chautauqua, Cattaraugus, Allegany & Steuben Counties

Southern Tier Extension Railroad Authority

Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779
TEL (716) 945-5301 FAX (716) 945-5550 TDD (716) 945-5301

"This institution is an equal opportunity organization"
John Margeson, Chairman

CHAUTAUQUA, CATTARAUGUS, ALLEGANY AND STEUBEN COUNTIES SOUTHERN TIER EXTENSION RAILROAD AUTHORITY

INVESTMENT POLICY

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

- 1. Scope** – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit.
- 2. Objectives** – The primary objectives of the Corporation’s investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
- 3. Prudence** – All participants in the investment process and all participants responsible for depositing the Corporation’s funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits 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.

All participants involved in the investment process and all participants responsible for depositing the Corporation’s funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation’s funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

5. Internal Controls

- a. All money's collected by an officer or employee of the Corporation shall be immediately deposited in such depositories and designated by the Corporation for the receipt of such funds.
- b. The Corporation shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.
- c. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

B. Investment Policy

1. Permitted Investments – Pursuant to Section 2642-1 of the Public Authorities Law, all monies of the Corporation from whatever source derived shall be paid to the Treasurer of the Corporation and shall be deposited forthwith in an interest-bearing accounts a bank or banks designated by the Corporation. The monies in such accounts shall be paid out or withdrawn on the order of such person or persons as the Corporation may authorize to make such requisitions. All deposits of such monies shall be secured by obligations of the United States or of the state or any municipality of a market value equal at all times to the amount on deposit and all banks and trust companies are authorized to give such security for such deposits. To the extent practical, consistent with the cash requirements of the Corporation, all such monies shall be deposited in interest-bearing accounts. Any monies of the Corporation not required for immediate use or disbursement may, be invested in accordance with Section ninety-eight or ninety-eight-a of the State Finance Law.

Approved and adopted this _____ day of _____ 2007.

Name

Title