

RESOLUTION NO. 2014326

RE: AUTHORIZING ACCEPTANCE OF GIFTS TO THE  
COUNTY OF DUTCHESS

Legislators BORCHERT, BOLNER, and ROMAN offer the following and move its adoption:

WHEREAS, from time to time units of County Government are offered gifts of personal property, including money, for the furtherance of lawful governmental purposes, and

WHEREAS, these gifts may be of a restricted nature dedicated to a particular purpose or of a general non-restricted nature, in which case the County would make a determination as to their use, and

WHEREAS, Section 215(3) of the County Law allows the County to accept gifts of personal property, including money, for lawful County purposes, and

WHEREAS, the County wishes to allow the units of County Government to accept such gifts of both a restricted and non-restricted nature for lawful County purposes, and

WHEREAS, the County desires to establish a fund for the purpose of receiving restricted contributions county-wide to be expended for purposes specified by the donor, and

WHEREAS, the restricted fund meets the definitions of a special revenue fund as outlined in paragraph 30 of the Government Accounting Standards Board (GASB) Statement Number 54, now therefore, be it

RESOLVED, that the County of Dutchess does hereby authorize the units of Government of the County of Dutchess to accept both restricted and non-restricted gifts of personal property, including money, in the name of the County of Dutchess and be it further

RESOLVED, that the County does hereby authorize the establishment of a special revenue account to be known as the Special Purpose Fund for the deposit of restricted cash/money gifts to the County of Dutchess, and be it further

RESOLVED, that the purpose of the Special Purpose Fund shall be to receive restricted money contributions on a County-wide basis and to expend the funds for purposes defined by the donors, and be it further

RESOLVED, that the Commissioner of Finance is hereby directed to deposit and secure the moneys of this Special Fund in the manner provided by Section 10 of the General Municipal Law and that the Commissioner shall be further authorized to invest the moneys in the Special Purpose Fund in a manner provided by Section 11 of the

General Municipal Law consistent with the investment policy of the County of Dutchess, and be it further

RESOLVED, that any interest earned or capital gains realized on the moneys so deposited or invested in the Special Purpose Fund shall accrue and become part of the Special Purpose Fund, and be it further

RESOLVED, that the Commissioner of Finance shall account for the Special Purpose Fund in a manner which maintains the separate identity each of the restricted purposes in the Fund and shows the date and amount of each sum paid into the Fund, interest earned by the Fund, capital gains or losses resulting from the sale of investments of the Fund, and the amount and date of each disbursement from the Fund and be it further

RESOLVED, that disbursements from this Special Purpose Fund shall be made only for the purpose for which the Special Purpose Fund has been established and that no disbursement shall be made from the Special Purpose Fund without the approval of the County Legislature, and be it further

RESOLVED, that unrestricted gifts of money to the County of Dutchess shall be directed to the Commissioner of Finance who shall deposit such gifts in the General Fund of the County of Dutchess, and be it further

RESOLVED, that gifts of personal property other than money made to the units of County Government shall be utilized for the lawful purpose of such unit of County Government, and be it further

RESOLVED, that the Commissioner of Finance shall make an accounting of the unrestricted gift(s) received by each unit of government on an annual basis and submit the same to the County Executive.

CA-206-14  
JMF/ca/G-0124  
10/22/14

STATE OF NEW YORK

ss:

COUNTY OF DUTCHESS

This is to certify that I, the undersigned Clerk of the Legislature of the County of Dutchess have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 4<sup>th</sup> day of December 2014, and that the same is a true and correct transcript of said original resolution and of the whole thereof.

IN WITNESS WHEREOF, I have herunto set my hand and seal of said Legislature this 4<sup>th</sup> day of December 2014.

CAROLYN MORRIS, CLERK OF THE LEGISLATURE

McKinney's Consolidated Laws of New York Annotated  
County Law (Refs & Annos)  
Chapter 11. Of the Consolidated Laws  
Article 5. General Powers of Board of Supervisors (Refs & Annos)

McKinney's County Law § 215

§ 215. County property; general provisions

Currentness

1. The board of supervisors shall have the general care and control of the corporate real and personal property of the county.
2. All contracts and conveyances made by or to the county, or on its behalf, shall be made in the name of the county.
- ✓ 3. The board may acquire by purchase or condemnation and accept by gift real and personal property for lawful county purposes. The board may also lease for county purposes real property for terms not exceeding five years with the privilege of renewal, except that in the county of Cattaraugus the board may, subject to referendum provided in section twenty-four of the municipal home rule law, lease for county purposes real property for terms not exceeding ten years with the privilege of renewal. Parking areas may be regulated and a reasonable charge imposed. Necessary buildings may be erected, altered, remodelled and otherwise improved. Such buildings may be named, maintained and kept in repair, furnished and equipped for such public purposes. Adequate insurance of all types may be provided. When not otherwise provided by law, the board of supervisors may employ a custodian of any building or buildings and the grounds in connection therewith, or such custody may be made the duty of any county officer.
4. Upon the determination by the board of supervisors that county real property is not required for public use, such property may be leased for a term not exceeding five years upon such terms and conditions as may be prescribed by the board in the same manner and with the same rights and privileges as if owned by an individual.
5. When the board of supervisors shall determine that any county real property is no longer necessary for public use such board by resolution adopted by the affirmative vote of two-thirds of the total membership of the board taken by roll call and entered in the minutes, may sell and convey all the right, title and interest of the county therein.
6. Such property may be sold or leased only to the highest responsible bidder after public advertisement.
7. The income and proceeds of lease and sale of any county real property may be applied toward the payment of the cost of new sites and buildings or expended for other lawful county purposes.
8. The provisions of subdivisions four, five, six and seven of this section shall not apply to the disposition of real property acquired pursuant to section eight hundred fifty of this chapter, acquired by tax title or accepted for welfare assistance, or to lands purchased or acquired for highways or canals.

McKinney's Consolidated Laws of New York Annotated General Municipal Law (Refs & Annos) Chapter 24. Of the Consolidated Laws Article 2. General Municipal Finances (Refs & Annos)
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McKinney's General Municipal Law § 10

§ 10. Deposits of public money; security

Effective: July 18, 2012

Currentness

1. For purposes of this section:

a. "Local government" shall mean any municipal corporation, school district, board of cooperative educational services, district corporation, special improvement district governed by a separate board of commissioners, industrial development agency or authority or a public library.

b. "Public funds" shall mean funds of a local government.

c. "Public deposits" shall mean deposits of public funds in a bank or trust company which are available for all uses generally permitted by the bank or trust company to the depositing local government for actually and finally collected funds under the bank's or trust company's account agreement or policies.

d. "Bank" shall mean a bank as defined by the banking law or a national banking association located and authorized to do business in New York.

e. "Trust company" shall mean a trust company as defined by the banking law and located and authorized to do business in New York.

f. "Eligible securities" shall mean any of the following:

(i) Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

(ii) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

(iii) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.

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(iv) Obligations issued or fully insured or guaranteed by this state, obligations issued by a municipal corporation, school district or district corporation of this state or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.

(v) Obligations issued by states (other than this state) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

(vi) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

(vii) Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

(viii) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

(ix) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.

(x) Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.

(xi) Zero-coupon obligations of the United States government marketed as "Treasury STRIPS".

g. "Eligible surety bond" shall mean a bond executed by an insurance company authorized to do business in this state, the claims-paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

h. "Eligible letter of credit" shall mean an irrevocable letter of credit issued in favor of the local government for a term not to exceed ninety days by a bank (other than the bank with which the money is being deposited or invested) whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories (based on the credit of such bank or holding company) by at least one nationally recognized statistical rating organization or by a bank (other than the bank with which the money is being deposited or invested) that is in compliance<sup>1</sup> with applicable federal minimum risk-based capital requirements.

2. a. (i) The governing board of every local government shall designate one or more banks or trust companies for the deposit of public funds, the disposition of which is not otherwise provided for by law, received by the chief fiscal officer or any other

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officer authorized by law to make deposits. Such designation shall be by resolution of the governing board or, in the case of a city, such other body as may be authorized or required by law to designate depositories. Such resolution shall specify the maximum amount which may be kept on deposit at any time in each such bank or trust company. Such designations and amounts may be changed at any time by further resolution.

(ii) The governing board of a local government that has designated one or more banks or trust companies for the deposit of public funds pursuant to subparagraph (i) of this paragraph may, in its discretion, authorize the designated bank or trust company to arrange for the redeposit of the local government's funds in one or more banking institutions, as defined in section nine-r of the banking law, for the account of the local government, through a deposit placement program that meets all of the following conditions:

(A) On or after the date that the local government's funds are received, the designated bank or trust company (I) arranges for the redeposit of such funds into deposit accounts in one or more banking institutions and (II) serves as custodian for the local government with respect to the funds redeposited into such accounts.

(B) Local government funds deposited in a designated bank or trust company in accordance with this subparagraph and held in the designated bank or trust company in excess of the amount insured by the federal deposit insurance corporation pending redeposit of the funds pursuant to this subparagraph shall be secured in accordance with subdivision three of this section.

(C) The full amount of local government funds redeposited by the designated bank or trust company into deposit accounts in banking institutions pursuant to this subparagraph (plus accrued interest, if any) shall be insured by the federal deposit insurance corporation.

(D) At the same time that the money of the local government is redeposited pursuant to this subparagraph, the selected depository receives an amount of deposits from customers of other financial institutions pursuant to the deposit placement program that are at least equal to the amount of the local government's funds redeposited by the designated bank or trust company.

b. Except as otherwise provided by law, all deposits shall be made to the credit of the local government. The deposit of public funds pursuant to this subdivision shall release the officer making the deposit and his or her surety from any liability for loss of such public funds by reason of the default or insolvency of any such bank or trust company.

c. The governing board of a local government, in which a banking development district has been designated by the superintendent of financial services pursuant to section ninety-six-d of the banking law, may designate a bank, trust company or national bank located in such district for the deposit of public funds, the disposition of which is not otherwise provided for by law, received by the chief fiscal officer or other officer authorized by law to make such deposits. Such designation shall be by resolution of the governing board or, in the case of a city, such other body as may be authorized or required by law to designate depositories. Such resolution shall specify the maximum amount which may be kept on deposit at any time with such bank, trust company or national bank located in such district. Subject to an agreement between such governing board and such banking institution, public funds deposited in such banking institution may earn a fixed interest rate which is at or below such banking institution's posted two year certificate of deposit rate. In those instances where there is such an agreement, its terms and conditions shall also be specified in the resolution. Any such designation, amount, or agreement provisions may be changed at any time by further resolution.

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3. All public deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act as now or hereafter amended shall be secured in accordance with this subdivision:

a. The officers making a deposit may accept a pledge of eligible securities having in the aggregate a market value at least equal to the aggregate amount of public deposits from such officers, or a pledge of a pro rata portion of a pool of eligible securities having in the aggregate a market value at least equal to the aggregate amount of public deposits from all such officers within the state at such bank or trust company, together with a security agreement from the bank or trust company. The security agreement and custodial agreement referred to below may be the same agreement including when the bank or trust company holding the public deposits holds the collateral for the public body. The security agreement shall provide that such eligible securities or pro rata portion of a pool of eligible securities are being pledged by the bank or trust company as security for the public deposits, together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposit upon a default. It shall also provide for the conditions under which the securities or pro rata portion of a pool of eligible securities held may be sold, presented for payment, substituted or released and the events of default which will enable the local government to exercise its rights against the pledged securities. Such agreement shall include all provisions deemed necessary and sufficient to secure in a satisfactory manner the local government's interest in the collateral. The custodial agreement shall provide that the pledged securities or pro rata portion of a pool of eligible securities will be held by the custodial bank or trust company as agent of, and custodian for, the local government, and will be kept separate and apart from the general assets of the custodial bank or trust company and it shall also provide for the manner in which the custodial bank or trust company shall confirm the receipt, substitution or release of the collateral. Such agreement shall provide for the frequency of revaluation of collateral by the custodial bank or trust company and the substitution of collateral when a change in the rating of a security causes ineligibility pursuant to paragraph f of subdivision one of this section. Such agreement shall include all provisions deemed necessary and sufficient to secure in a satisfactory manner the local government's interest in the collateral. Such agreement may also contain such other provisions as the governing board may deem necessary.

b. Whenever eligible securities delivered to a custodial bank or trust company pursuant to this paragraph are transferred by entries on the books of a federal reserve bank or other book-entry system operated by a federally regulated entity without physical delivery of the evidence of such obligations, the records of the custodial bank or trust company shall show, at all times, the interest of the local government in such securities or pro rata portion of a pool of eligible securities as set forth in the security agreement.

c. (i) In lieu of or in addition to the deposit of eligible securities, the officers making a deposit may accept an eligible surety bond payable to such local government as security for the payment of one hundred percent, or an eligible letter of credit payable to such local government as security for the payment of one hundred forty percent, of the aggregate amount of public deposits from such officers and the agreed upon interest, if any. The terms and conditions of any eligible surety bond shall be approved by the governing board.

(ii) In lieu of or in addition to the deposit of eligible securities, the officers making a deposit may, in the case of an irrevocable letter of credit issued in favor of the local government by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, accept such letter of credit payable to such local government as security for the payment of one hundred percent of the aggregate amount of public deposits from such officers and the agreed upon interest, if any.

d. For purposes of determining the market value of securities as required by this subdivision:

**§ 10. Deposits of public money; security, NY GEN MUN § 10**

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(i) The eligible securities described in subparagraphs (viii), (x) and (xi) of paragraph f of subdivision one of this section shall be valued at eighty percent of their market value.

(ii) The eligible securities described in subparagraph (ix) of paragraph f of subdivision one of this section shall be valued at seventy percent of their market value.

(iii) Of the eligible securities described in subparagraphs (v), (vi) and (vii) of paragraph f of subdivision one of this section, those securities rated in the highest category shall be valued at one hundred percent of their market value; those securities rated in the second highest rating category shall be valued at ninety percent of their market value; and those securities rated in the third highest rating category shall be valued at eighty percent of their market value. When two nationally recognized statistical rating organizations rate a security in two different categories, the security shall be considered to be rated in the higher of the two categories.

4. (a) Notwithstanding any other provision of law to the contrary, the chief fiscal officer, or other officer authorized by law to make deposits, may, subject to the approval of the governing body of a local government, by resolution, enter into a contract with a courier service for the purpose of causing the deposit of public funds with a bank or trust company as provided in this section.

(b) The entrusting of public funds for deposit pursuant to paragraph (a) of this subdivision shall release the officer entrusting the public funds to the courier service and his or her surety from any liability for loss of such public funds by the courier service in the process of delivering such public funds to the designated bank or trust company.

(c) The local government authorizing the deposit of public funds by a courier service pursuant to paragraph (a) of this subdivision shall require the courier service to obtain a surety bond for the full amount entrusted to the courier, payable to the local government and executed by an insurance company authorized to do business in this state, the claims paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations, to insure against any loss of public funds entrusted to the courier service for deposit or failure to deposit the full amount entrusted to the courier.

(d) A deposit made by a courier on behalf of a local government shall be deemed to be a deposit made by the chief fiscal officer or other officer entrusting such funds for purposes of the requirements contained in this section for securing public deposits.

(e) A bank or trust company may, from time to time and as agreed upon with a local government, reimburse all or part of, but not more than, the actual cost incurred by the local government in transporting cash, negotiable instruments or other items for deposit through a courier service. Any such reimbursement agreement shall apply only to a specified deposit transaction, and may be subject to such terms, conditions and limitations as the bank or trust company deems necessary to ensure sound banking practices, including, but not limited to, any terms, conditions or limitations that may be required by the department of financial services or other federal or state authority.

**Credits**

(Added L.1992, c. 708, § 12. Amended L.1992, c. 708, § 43, eff. June 4, 1997; L.1993, c. 356, § 1; L.1996, c. 619, § 1; L.1997, c. 204, § 2, eff. Jan. 1, 1998; L.1997, c. 234, § 1; L.1998, c. 623, § 1, eff. Oct. 20, 1998; L.2002, c. 615, § 1, eff. Oct. 2, 2002; L.2005, c. 545, § 2, eff. Aug. 23, 2005; L.2011, c. 62, pt. A, § 104, eff. Oct. 3, 2011; L.2012, c. 128, § 1, eff. July 18, 2012.)

McKinney's Consolidated Laws of New York Annotated  
General Municipal Law (Refs & Annos)  
Chapter 24. Of the Consolidated Laws  
Article 2. General Municipal Finances (Refs & Annos)

McKinney's General Municipal Law § 11

§ 11. Temporary investments

Effective: July 18, 2012

Currentness

1. For purposes of this section, the terms "local government", "bank" and "trust company" shall have the same meanings as in section ten of this article.

2. a. The governing board of any local government or, if the governing board so delegates, the chief fiscal officer or other officer having custody of the moneys may temporarily invest moneys not required for immediate expenditure, except moneys the investment of which is otherwise provided for by law, either: (1) in special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in this state; or (2) in accordance with all of the following conditions:

- (i) the moneys are invested through a bank or trust company located and authorized to do business in this state;
- (ii) the bank or trust company arranges for the deposit of the moneys in certificates of deposit in one or more banking institutions, as defined in section nine-r of the banking law, for the account of the local government;
- (iii) the full amount of principal and accrued interest of each such certificate of deposit must be insured by the federal deposit insurance corporation;
- (iv) the bank or trust company acts as custodian for the local government with respect to such certificates of deposit issued for the local government's account; and
- (v) at the same time that the local government's moneys are deposited and the certificates of deposit are issued for the account of the local government, the bank or trust company receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of the moneys invested by the local government through the bank or trust company.

b. For any investment made pursuant to paragraph a of this subdivision, 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 in the same manner as is provided for securing deposits of public funds by subdivision three of section ten of this article.

## § 11. Temporary investments, NY GEN MUN § 11

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3. [Eff. until July 1, 2017, pursuant to L.1998, c. 130, § 2. See, also, subd. 3 below.] a. Investments pursuant to this section may also be made in the following:

(1) obligations of the United States of America or in obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America or in obligations of the state of New York, or with the approval of the state comptroller in obligations issued pursuant to section 24.00 or 25.00 of the local finance law by any municipality, school district or district corporation other than the municipality, school district or district corporation investing such moneys pursuant to this paragraph. In addition, moneys in any reserve fund established pursuant to section six-c, six-d, six-e, six-f, six-g, six-h, six-j, six-k, six-l, six-m or six-n of this article may be invested in obligations of the municipality, school district, fire district or district corporation which has established the reserve fund, or in the case of a capital reserve fund established for a town or county improvement district, obligations of the town or county issued for the purposes of such district.

(2) notwithstanding any other provision of general, special or local law, any city having a population of one million or more may also make investments in the following:

(i) general obligation bonds and notes of any state other than this state, provided that such bonds and notes receive the highest rating of at least one independent rating agency designated by the state comptroller;

(ii) obligations of any corporation organized under the laws of any state in the United States maturing within two hundred seventy days, provided that such obligations receive the highest rating of two independent rating services designated by the state comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding six months, provided, however, that the issuer of such obligations need not have received such rating during the prior six month period if such issuer has received the highest rating of two independent rating services designated by the state comptroller and is the successor or wholly owned subsidiary of an issuer that has maintained such ratings on similar obligations during the preceding six month period or if the issuer is the product of a merger of two or more issuers, one of which has maintained such ratings on similar obligations during the preceding six month period, provided, however, that no more than two hundred fifty million dollars may be invested in such obligations of any one corporation; or

(iii) bankers' acceptances maturing within two hundred seventy days which are eligible for purchase in the open market by federal reserve banks and which have been accepted by a bank or trust company which is organized under the laws of the United States or of any state thereof and which is a member of the federal reserve system and whose short-term obligations meet the criteria outlined in clause (ii) of this subparagraph. Provided, however, that no more than two hundred fifty million dollars may be invested in such bankers' acceptances of any one bank or trust company; or

(iv) obligations of, or instruments issued by or fully guaranteed as to principal and interest by, any agency or instrumentality of the United States acting pursuant to a grant of authority from the congress of the United States, including but not limited to, any federal home loan bank or banks, the Tennessee valley authority, the federal national mortgage association, the federal home loan mortgage corporation and the United States postal service, provided, however, that no more than two hundred fifty million dollars may be invested in such obligations of any one agency.

(v) no-load money market mutual funds registered under the Securities Act of 1933,<sup>1</sup> as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940,<sup>2</sup> as amended, provided that such funds are limited to investments in obligations issued or guaranteed by the United States of America or in obligations of agencies or instrumentalities of the

## § 11. Temporary investments, NY GEN MUN § 11

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United States of America where the payment of principal and interest are guaranteed by the United States of America (including contracts for the sale and repurchase of any such obligations), and are rated in the highest rating category by at least one nationally recognized statistical rating organization, provided, however, that no more than two hundred fifty million dollars may be invested in such funds.

b. All investments made pursuant to this subdivision shall be subject to the following conditions:

(1) Such obligations shall be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Obligations that are purchased pursuant to a repurchase agreement shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the purchased obligations are scheduled to be repurchased by the seller thereof. Any obligation that provides for the adjustment of its interest rate on set dates shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the principal amount can be recovered through demand by the holder thereof.

(2) Such obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company or, with respect to the city of New York, a reputable dealer in such obligations as shall be designated by the state comptroller, in this state. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company or dealer in obligations only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the local government by the bank or trust company. All obligations held in the custody of a bank or trust company pursuant to this paragraph shall be held by such bank or trust company pursuant to a written custodial agreement as set forth in paragraph a of subdivision three of section ten of this article.

3. [Eff. July 1, 2017, pursuant to L.1998, c. 130, § 2. See, also, subd. 3, above.] Investments pursuant to this section may also be made in obligations of the United States of America or in obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America or in obligations of the state of New York,<sup>3</sup>. In addition, moneys in any reserve fund established pursuant to section six-c, six-d, six-e, six-f, six-g, six-h, six-j, six-k, six-l, six-m or six-n of this article may be invested in obligations of the municipality, school district, fire district or district corporation which has established the reserve fund, or in the case of a capital reserve fund established for a town or county improvement district, obligations of the town or county issued for the purposes of such district.

All investments made pursuant to this subdivision shall be subject to the following conditions:

a. Such obligations shall be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Obligations that are purchased pursuant to a repurchase agreement shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the purchased obligations are scheduled to be repurchased by the seller thereof. Any obligation that provides for the adjustment of its interest rate on set dates shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the principal amount can be recovered through demand by the holder thereof.

b. Such obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company or, with respect to the city of New York, a reputable dealer in such obligations as shall be designated by the state comptroller, in this state. Such obligations shall be purchased, sold or presented for redemption

## § 11. Temporary investments, NY GEN MUN § 11

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or payment by such bank or trust company or dealer in obligations only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the local government by the bank or trust company. All obligations held in the custody of a bank or trust company pursuant to this paragraph shall be held by such bank or trust company pursuant to a written custodial agreement as set forth in paragraph a of subdivision three of section ten of this article.

4. Notwithstanding any other provision of law, the governing board of a local government may authorize the aforementioned officers to turn over the physical custody and safekeeping of the evidences of the investments made pursuant to this section to (a) any bank or trust company incorporated in this state, or (b) any national bank located in this state, or (c) any private banker duly authorized by the superintendent of financial services of this state to engage in business here. All such private bankers shall, as private bankers, maintain a permanent capital of not less than one million dollars in this state. The said officers may direct such bank, trust company or private banker to register and hold any such evidences of investments in its custody, in the name of its nominee. Such officers may deposit or authorize such bank, trust company or private banker, to deposit, or arrange for the deposit of any such evidences of investments with a federal reserve bank or other book-entry transfer system operated by a federally regulated entity to be credited to an account as to which the ownership of, and other interests in, such evidences of investments may be transferred by entries on the books of such federal reserve bank or other book-entry transfer system operated by a federally regulated entity without physical delivery of any such evidences of investments. The records of any such bank, trust company or private banker shall show, at all times, the ownership of such evidences of investments, and they shall, when held in the possession of such bank, trust company or private banker be, at all times, kept separate from the assets of such bank, trust company or private banker. All evidences of investments delivered to a bank, trust company, or private banker pursuant to this subdivision shall be held by such bank, trust company or private banker pursuant to a written custodial agreement as set forth in paragraph a of subdivision three of section ten of this article. When any such evidences of investments are so registered in the name of a nominee, such bank, trust company or private banker shall be absolutely liable for any loss occasioned by the acts of such nominee with respect to such evidences of investments.

5. A county clerk may invest any money collected on behalf of the state until such time as the money is required to be remitted to the state. The county clerk shall invest the state money only in those investments authorized by this section and payable within such time as the proceeds shall be required to be remitted to the state. Any interest that accrues on moneys invested pursuant to this subdivision shall be payable in equal shares to the state and to the county provided, however, that any fees or service charges associated with the investment shall be paid from such interest.

6. Except as may otherwise be provided in a contract with bond or note holders, any moneys of a political subdivision authorized to be invested pursuant to this section may be commingled for investment purposes; provided, however, that any investment of commingled moneys shall be payable or redeemable at the option of the owner within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained or as otherwise specifically provided in this section. The separate identity of the sources of such funds shall at all times be maintained and income received on moneys commingled for the purpose of investment shall be credited on a pro rata basis to the fund or account from which the moneys were invested.

7. The chief fiscal officer of each local government shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidences of indebtedness held by or for such subdivision for the purpose of investment. Such record shall at least identify the security, the fund for which held, the place where kept and entries shall be made therein showing date of sale or other disposition and the amount realized therefrom.

### **Credits**

(Added L.1954, c. 464, § 1. Amended L.1956, c. 203, § 1; L.1958, c. 302, § 1; L.1962, c. 66, § 1; L.1962, c. 890, § 1; L.1968, c. 877, § 1; L.1969, c. 770, § 2; L.1970, c. 352, § 1; L.1970, c. 704, § 1; L.1972, c. 984, § 1; L.1973, c. 997, § 1; L.1976, c. 680,