

1. Policy Statement

These guidelines shall be known as “Guidelines for Investment by the Central New York Regional Transportation Authority”, or as the “Investment Guidelines.”

2. Reason for Policy

The purpose of the Investment Guidelines is to set comprehensive guidelines which detail the operative policy and instructions to officers and staff of the Central New York Regional Transportation Authority (“Authority”) regarding the investing, monitoring and reporting of funds of the Authority and its subsidiary corporations. Its purposes are to comply with Title VII of the Public Authorities Law as enacted by Section 25 of Chapter 838 of the 1983 Laws of the State of New York, and to create a reasonable rate of return to the Authority in accordance with sound investment practices.

3. Applicability & Authority

The Investment Guidelines applies to all authority funds available for investment and all CNYRTA employees with the ability to invest funds on behalf of the Authority.

4. Resources & Related Procedures

CNYRTA Annual Investment Report
CNYRTA Cash Management Procedures

5. Definitions

Authority – The Central New York Regional Transportation Authority as enacted by Sections 1325, et seq. of the Public Authorities Law, and each subsidiary corporation thereof.

Funds - All moneys and other financial resources available for investment by the Authority on its own behalf or on the behalf of any other entity or individual. Funds shall not be defined to include Pension Funds which are separately administered pursuant to New York State and Federal Law.

Vice President of Finance – The highest level financial person in the organization reporting directly to the Chief Executive Officer, regardless of actual position title. In the event that the Vice President of Finance is not available to perform the duties and responsibilities elicited in this policy, those duties and responsibilities shall be performed by the Chief Executive Officer’s designee, recommended to be the second highest level financial person in the organization, regardless of actual position title.

6. Policy Detail

I. Annual Review & Approval

- a. The Investment Guidelines shall be annually reviewed and approved by the Board of Members (the “Board”) of the Authority.

- #### II. Permitted Investments
- The following is a listing of the permitted investments of the Authority all of which are consistent with the appropriate provisions of law relating to the Authority and any additional requirements pursuant to any contract with bond and note holders:

Company Approved Policy

Version: 4
Effective: 1/1/1984

Approved By:
Linda Biata, VP of Finance

Owner: Finance

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- a. Permitted Bonds and Notes;
 - b. Bank Certificates;
 - c. Obligations of the State of New York of the United States government;
 - d. Obligations the principal and interest of which are guaranteed by the State of New York or the United States government;
 - e. Certificates of deposit or other interest bearing depository accounts in banks or trust companies in the State of New York if the certificate or account is secured by obligations of the United States or of the State of New York of a market value at all times equal to or greater than the amount of the deposit;
 - f. Any repurchase agreement with any bank or trust company organized under the laws of any state or the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York (included in the then current “List of the Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York”), which agreement is secured by any one or more of the securities described in clauses (c) or (d) above.
- III. Security of Investments** – The following are procedures and provisions to fully secure the Authority’s interest and investments:
- a. Investments must be in obligations of the State of New York or the United States government, or must be guaranteed or insured by the State of New York or the United States government, or in the case of a certificate of deposit or other interest bearing account or repurchase agreement, be collateralized by securities of the same, or be a security otherwise permitted for direct investment. The amount of collateral required may adjusted by the amount of FDIC or similar federal insurance applicable to the deposits of the Authority at the institution, provided that the total of collateral and insurance equals or exceeds the total deposit.
 - b. Investments of the Authority may be less than fully secured in the event of:
 1. Emergencies
 2. Unforeseen circumstances
 3. Investments of less than \$25,000.00
 4. Investments for less than 1 week duration, or
 5. Investments which are considered reasonable or necessary by the Authority
- IV. Written Contracts** – The Authority shall enter into written contracts pursuant to which investments are made except if the Authority Board, by majority vote, shall by resolution determine:
- a. That a written contract is not practical; or

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- b. There is not a regular business practice of written contract with respect to a specific investment or transaction
 - c. In the case of Section IV. (a) or (b) of the Investment Guidelines, the Authority's financial interest in an investment or transaction must be adequately secured and the security shall be evident.
- V. Collateral, Insurance & Valuation of Collateral** – The use, type and amount of collateral or insurance for each investment shall equal or exceed the amount of such investment except upon resolution by the Authority Board.
- a. Collateral held on the Authority's behalf shall be such that it can be valued daily by an independent source. The evaluation of such collateral shall be monitored on a regular basis, as determined by the Vice President of Finance of the Authority.
 - b. All investments and collateral shall be controlled and managed by the Vice President of Finance of the Authority and shall, if practicable, be deposited and secured in fire proof or other safe locations.
 - c. In the event of a repurchase agreement, all obligations purchased shall be physically delivered for retention to the Authority or its agent (which shall not be an agent of the party with whom the corporation enters into such repurchasing agreement), unless such obligations are issued in book entry form, in which case the Authority shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.
- VI. Standards for Diversification of Investments** –
- a. Investments of the Authority shall be reasonably diversified, as shall firms with which the Authority transacts business. This section shall not be construed to mandate absolute diversification in the event that the Authority Board on advice of the Vice President of Finance, considers, in a certain instance, that diversification is not in the best interest of the Authority.
 - b. Competition in the placing of investments must be fostered. If a telephone quote is the standard method of placing a form of investment, a complete and continuous record of all such quotes, solicited and received, must be maintained. Timeliness of response is critical. A minimum of three separate solicitations will be made on each direct purchase or sale of a security or repurchase agreement, and shall be awarded to the dealers offering the highest yields.
- VII. Standards for the Qualification of Investment Bankers, Brokers, Agents, Dealers, and Other Investment Advisors and Agents Transaction Business with the Authority; Conflicts of Interest** – The Authority shall transact business only with qualified, certified or licensed investment bankers, brokers, agents, dealers and other investment advisors and agents.

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The Authority staff, on the advice and consent of the Authority Board, shall consider the quality, reliability, experience, capitalization, size and any other factors which in the judgment of the Authority make an individual or firm qualified to transact business with the Authority. Specifically, but without limitation, the following are considered qualified:

- a. Brokers, agents, dealers and bank or trust company organized under the laws of any state of the United States or America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York (included in the then current “List of Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York”).
- b. Investment advisors – Any 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:
 1. Registered with the Securities & Exchange Commission under the Investment Advisor Act of 1940, and
 2. Registered with the New York State Secretary of State as an Investment Advisor, and is a
 3. Member in good standing with the Investment Counsel Association of America
 4. Investments for less than 1 week duration, or
 5. Investments which are considered reasonable or necessary by the Authority
- c. Custodian – any bank or trust company organized under the laws of any state of the United States of Americas or any national banking association.

VIII. Independent Audit Report –

- a. The Authority shall annually report on its investments which shall be the subject of an annual independent audit. The results of such audit shall be available to the Board at the time that the annual review and approval of the Investment Guidelines is conducted by the Authority. The Authority’s financial statements should contain note disclosures on deposits with financial institutions and investments, as required by Government Accounting Standards Board Statements No. 3, effective for financial statements for periods ending after December 15, 1986:

IX. Management Reporting –

- a. The Quarterly reports or reports covering such other period as may be approved by the Board shall be filed by the Vice President of Finance regarding any new investments, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers or auditors since the last quarterly report.
 1. If during the specified period, the Authority has made no new investments, the Quarterly Report will not be required, but a statement to such effect shall be given to the Board.

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- b. The Authority shall annually prepare and approve an Annual Investment Report which shall include the Investment Guidelines as then currently amended, amendments to the Investment Guidelines since the last investment report, an explanation of the Investment Guidelines as amended, the results of the annual independent audit, the investment income records of the Authority and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last investment report. Such Annual Investment Report may be a part of any other annual report that the Authority is required to make.
 - c. The Annual Report shall be submitted to the Division of the Budget and copies thereof shall be filed in the Office of the State Comptroller, the New York State Senate Finance Committee, and the Ways and Means Committee of the New York State Assembly. In addition, by June 30 of each year, the Report shall be submitted through the Public Authorities Reporting Information System (PARIS) as required by Section 2925 of Public Authorities Law. In addition, a copy of the Report shall be placed in an easily accessed area on the CNYRTA's website in an appropriate "Document & Forms" section. Each Report shall be made available to the public upon reasonable request therefor.
- X. Operating Procedures –**
- a. The Vice President of Finance of the Central New York Regional Transportation Authority shall develop and maintain operating procedures to implement these Guidelines.
- XI. Changes Modifications & Effective Date –**
- a. The Authority shall have the power, from time to time to amend the Investment Guidelines in accordance with the provisions of Title VII of the Public Authorities Law.
 - b. The Investment Guidelines shall be effective as of the 1st day of January, 1984. Revisions were made by Board action on February 21, 1992, June 22, 2001 and June 25, 2010.
 - c. Minor formatting, section and title changes were made on 6/9/2021.