

INVESTMENT POLICY
SOUTH GLENS FALLS
LOCAL DEVELOPMENT CORPORATION (LDC)

I. SCOPE

This investment policy applies to all moneys and other financial sources available for investment by the LDC.

II. OBJECTIVES

The primary objective of the LDC's investment activities are, in priority order:

- To conform with all applicable federal, state and other legal requirements (legal);
- To adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity), and
- To obtain a reasonable rate of return (yield).

III. DELEGATION OF AUTHORITY

The Board of Directors' responsibility for administration of the investment program is delegated to the Treasurer, who shall follow and apply those written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates and other relevant information, and regulate the activities of subordinate employees.

IV. PRUDENCE

The Treasurer shall seek to act responsibly as custodian of the public trust and shall avoid any transaction that might impair public confidence in the LDC.

Investments 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.

Every director, officer and member of the LDC shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. DIVERSIFICATION

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

VI. INTERNAL CONTROL

It is the policy of the LDC that all moneys collected by any officer or agent of the LDC shall deposit those funds with the LDC depository bank within 1 to 3 days of receipt.

The Treasurer 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.

VII. DESIGNATION OF DEPOSITORY

Any one or more of the following banks and trust companies shall be authorized for the deposit of LDC moneys up to the following maximum amounts:

<u>Depository Name</u>	<u>Maximum Amount</u>	<u>Officer</u>
TD Banknorth	\$1,500,000	Treasurer
Glens Falls National	1,500,000	Treasurer
NBT Bank	1,500,000	Treasurer

VIII. PERMITTED INVESTMENTS

As authorized by federal and state statute, rule or regulation, the LDC authorizes the Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit

All investment obligations shall be payable or redeemable at the option of the LDC within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided.