

**SCARSDALE UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK**

**REQUEST FOR PROPOSALS
TO FINANCE INSTALLMENT / LEASE PURCHASE AGREEMENT**

Overview

The Scarsdale Union Free School District of Westchester County, New York (the "District"), is seeking proposals (the "Proposal") from qualified respondents to be a third party ("Lessor") to a lease purchase agreement ("Lease") with the District to finance the purchase of computers and computer related hardware and equipment totaling \$916,000 (the "Equipment"). The District seeks proposals for a Lease with two amortization schedules each with semiannual payments in advance as follows:

Amount	Number of Semiannual Payments	Closing Date/ 1 st Payment Date	Last Payment Date
\$250,000	6	July 13, 2023	January 13, 2026
\$666,000	8	July 13, 2023	January 13, 2027

Lease

Any proposed Lease shall define the purpose and objective of the financing and the rights and obligations of each party to the financing. Further, the Lease will specify the applicable interest rate, as well as standard contractual terms and conditions. The form of the lease purchase agreement, and any related documents must be submitted with the proposal. Proposers must satisfy themselves that credit approval will be granted prior to submitting a proposal. All finance documents are subject to negotiation and modification by the District's counsel. All agreements and contractual conditions are required to conform with the laws of the State of New York, including but not limited to New York General Municipal Law, Local Finance Law, Education Law, Energy Law and the regulations of the New York State Education Department, the Commissioner of Education and the Office of the New York State Comptroller. The District's attorneys will review and approve all documents before consideration and/or approval by the Board of Education.

Lessor will be required to provide a form of standard lease purchase agreement and escrow agreement with proposal.

Lease Assignment

Assignment of the Lease and related documents by the successful proposer shall be subject to the prior, written consent of the District. The Lease must state that any assignment or transfer of the Lessor's interest shall not be effective until the District has received prior, written notice, signed by the Lessor, of the name, contact person, address, telephone number and tax identification number of the proposed assignee and the District has given its consent in writing. No assignment will be valid unless the Lessor has received the District's prior, written consent.

Amount

The amount to be financed under the Lease is \$916,000 principal. Lessor shall be responsible for all financing fees of Lessor's legal, issuance and closing costs. The District shall not incur or absorb any fees of Lessor related to Lessor's proposal, negotiations, closing or other activities related to this RFP or the proposed transaction. In the event that a transaction does not close because of the successful proposer's failure to meet the terms of this RFP, the successful proposer shall be responsible for any and all costs incurred by the District in connection with the failed transaction and its negotiation.

Specifications

Interest Rate The Proposal must provide interest rate terms for a lease related to \$250,000 principal with a final payment on January 13, 2026 and \$666,000 principal with a final payment on January 13, 2027. The lease shall state the interest rate(s) under any options at which the proposing firm will provide the District with financing under the Lease. The Proposal must also cite the index and margin used in establishing the interest rates cited.

Prepayment The Proposal must state that District will have the right, at its option, to prepay the principal portion outstanding on the Lease at any time after 10 days written notice to the Lessor. The Proposal must disclose additional fees and terms, if any, that are required upon the execution of this prepayment right, in addition to interest payable. The Proposal must also disclose how such amounts are to be calculated in the event that the District exercises its right of prepayment. The proposal is to include an option to prepay without penalty.

Lease Payments The District will make periodic payments to the Lessor under the Lease. The Lease shall separately state the principal and interest component of the periodic payments to be made thereunder. The total of these payments, which include both principal and interest components made by the District each year throughout the term of the lease, shall result in substantially level annual debt service. Each payment shall be detailed in an amortization schedule(s) prepared by the Lessor and provided to the District in its Proposal. For illustrative purposes, please assume a closing date of July 13, 2023 when developing an amortization schedule(s). Debt service payments will be made semiannually in advance on each January 13 and July 13, with the first payment to be made at closing, on July 13, 2023 and the last payment to be made January 13, 2026 for principal of \$250,000 and January 13, 2027 for principal of \$666,000. The Lessor may provide alternate amortization schedules for consideration. The Proposal should discuss how the frequency of the lease payments affects the interest rate(s) on the Lease, if at all.

The Proposal must state that the interest rate(s) and other terms cited in the Lease will be good through the closing date of July 13, 2023. The Lease shall not become effective until the delivery of funds.

Term The Lease is scheduled to close on July 13, 2023 and mature on January 13, 2026 for principal of \$250,000 and January 13, 2027 for principal of \$666,000.

Escrow Upon closing, it is anticipated that lease proceeds will be deposited in an escrow account to be utilized over the period for acquisition and installation of the computer hardware and equipment (the "Project Fund"). The escrow provider must be a bank or trust company located and authorized to do business in New York State (the "Escrow Agent"). Investment and collateralization of the moneys in such fund will be solely at the direction of the District and must be in compliance with the New York State General Municipal Law Sections 10 and 11 as well as the District's investment policy. ***A copy of the District's Investment Policy is attached to this RFP.*** The Escrow Agent shall be an agent of the District. The Project Fund shall be free of any security interest of the Escrow Agent.

1. At the option of the District, the moneys in the Project Fund may be held uninvested in the Project Fund. If invested, the Escrow Agent shall invest amounts on deposit in the Project Fund solely at the written direction of an individual authorized by the District's Board of Education ("Authorized Officer"). All investments made 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. 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, shall be registered or inscribed in the name of the District and shall be purchased through, delivered to and held in the custody of the Escrow Agent. Such obligations shall be purchased, sold or presented for redemption or payment by such Escrow Agent in obligations only in accordance with prior written authorization from an Authorized Officer. All such transactions shall be confirmed in writing to the District by the Escrow Agent.
2. All investments described above shall be made and ownership recorded in accordance with all applicable requirements of Section 10 and Section 11 of the General Municipal Law.

3. The Escrow Agent will expressly acknowledge that the Lessee is not authorized to invest in mutual funds registered with the Securities Act of 1933, as amended and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, including no-load money market mutual funds limited to investments in obligations of or guaranteed by 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 any similar mutual fund or other money market or liquid deposit investment vehicles.
4. Monies and investments in the Escrow Fund shall not be subject to levy, attachment or lien by or for the benefit of the Escrow Agent, or any creditor thereof.

Excess Proceeds In the event that there are excess proceeds available in the Project Fund at the end of the period for acquisition and installation of the computer hardware and equipment, proceeds shall be transferred by the Escrow Agent to the Lessor and applied to the next succeeding lease payment and each lease payment thereafter until fully utilized. Such use of funds will not constitute lease prepayment and will not be subject to any administrative fees or charges.

UCC Filing The District will not provide a legal description for each District property in connection with this financing. In the event the winning proposer requires this information for the purposes of making a fixture filing pursuant to the applicable provisions of the Uniform Commercial Code, the winning proposer shall obtain such information at its own effort and expense.

Warranties All manufacturers' warranties, expressed or implied with respect to the Equipment acquired shall be assigned by the Lessor to the District.

Annual Appropriation The annual lease payments are subject to appropriation each year by the Board of Education of the District. The District will covenant in the Lease to include the annual lease payment amount in the District's budget for each fiscal year that the Lease is in place.

Non-Funding/Executory Clause Pursuant to the General Municipal Law §109-b, the Lease shall contain an executory clause which shall state that should payments not be appropriated by the District in any fiscal year; the District will not be obligated to pay the amounts due beyond the end of the last funded fiscal year and no liability on account thereof shall be incurred by the District beyond the amount of such monies. The financing contract is not a general obligation of the District. Neither the faith and credit nor the taxing powers of the District are pledged to the payment of any amount due or to become due under the financing contract. In the case of a failure to appropriate, the sole security under the Lease shall be the Equipment. In the event that no funds or insufficient funds are appropriated by the District to pay the Lease, the Equipment may be acquired and sold by or on behalf of the Lessor, provided that any excess proceeds from such a sale, after deduction for and payment of fees, expenses and any taxes levied on the sale, shall be paid to the District. Prior to the sale or seizure of such equipment, the District shall be provided adequate written notice, no less than ninety (90) days, to cure any default. Should such a sale or seizure take place there shall be no disruption to the District's operation to the extent possible.

Financing Documents Upon submission of the proposal and following notification of the award, the prospective Lessor must provide the District with a draft of its proposed financing documents, which will incorporate proposed terms and append sample documents provided with submission. All financing documents are subject to modification by District counsel. Closing is subject to successful negotiation and approval of all documents by counsel to the District. The District reserves the right to rescind any award due to failure of successful negotiation of the parties to agree to the terms and conditions thereof and to recover its costs in connection therewith. Closing is subject to final approval by the District Board of Education by resolution. Unless otherwise provided by a duly adopted Resolution of the Board of Education, the prospective Lessor is advised that the President of the Board of Education is the sole authorized representative of the District for the purpose of signing financing documents.

Lease Termination Upon termination of the Lease through exercise of Lessee's option to prepay or through payment by Lessee of all Rental Payments and other amounts due with respect to such particular Equipment, Lessor's security interest in such Equipment shall terminate, and Lessor shall execute and deliver to Lessee such

documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment.

Tax Status The Lease shall qualify as a tax-exempt lease financing, that is, the interest component of the Lease will be exempt from Federal, New York State and, where applicable, New York City taxation. The Lease will be designated as “bank qualified” pursuant to Section 265(b)(3) of the Internal Revenue Code.

Credit Rating The District is currently rated “Aaa” with a stable outlook by Moody’s Investor’s Service. The District will not seek a rating for the Lease.

Binding Authority Each Proposal must be signed by an individual who is legally authorized to contractually bind the proposing firm.

Purchase Price and Certificate The Lessor must submit to the District a certificate (the “Issue Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Agreement, assuming the Lessor does not reoffer the Agreement to the general public, which states that the Lessor has purchased the Agreement for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary, and the price or prices at which such purchase was made, in such form and including such additional information as the District and Bond Counsel shall reasonably require.

Financial Information: Links to credit information may be found as follows:

- 2023-2024 Budget Documents: <https://www.scarsdaleschools.k12.ny.us/Page/29531>
- Audited Financial Statements for FYE 6/30/2022: <https://emma.msrb.org/P11694207.pdf>
- Audited Financial Statements for FYE 6/30/2021: <https://emma.msrb.org/P11612807.pdf>
- Audited Financial Statements for FYE 6/30/2020: <https://emma.msrb.org/P21514106.pdf>
- Audited Financial Statements for FYE 6/30/2019: <https://emma.msrb.org/ER1397642.pdf>
- Official Statement for the District’s 2021 Serial Bonds: <https://emma.msrb.org/P21554424.pdf>

Evaluation Process

During the evaluation process, the District reserves the right, where it may serve the District’s best interest, to request additional information or clarifications from proposers, or to allow corrections of error or omissions.

Amendments to RFP

Any verbal information obtained from or statements made by the representative of the District or his designee at the time of examination of the documents or site shall not be construed as, in any way, amending RFP documents. Only such corrections or addenda that are issued in writing to all proposers shall become a part of the RFP. Any addendum issued during RFP process shall be included in the RFP response and become a part of any subsequent contract agreement.

Legal Requirements

The Lease is required to conform with the laws of the State of New York, including, but not limited to, General Municipal Law, Local Finance Law, Education Law, and regulations promulgated by the Commissioner of Education.

Submission Requirements

In addition to submitting a completed **Proposal Response Form** as attached hereto, each proposing firm must include:

1. Examples of its prior experience with three (3) similar size lease financings for school districts in New York State.
2. Three references from jurisdictions that your firm has provided lease financing to in the past year.
3. Any other information that would favor the use of your financial institution by the District.

Proposals are due by **11:00 a.m. on Thursday, June 1, 2023** by e-mail to:

Ms. Lisa Zareski
Treasurer
Scarsdale Union Free School District
Tel: 914-721-2420
lzareski@scarsdaleschools.org

Ms. Janet Morley
Senior Vice President
Capital Markets Advisors, LLC
Tel: 516-570-0340
jmorley@capmark.org

Questions regarding this RFP may be directed to Janet Morley.

Basis of Award

The District reserves the right, in its sole discretion, to reject any and all proposals, or any part thereof, received in response to this Request for Proposals, to re-solicit for new proposals, to waive informalities, to request additional information from any proposer, and to award and negotiate the terms of the contract with any proposer. The District intends to select the firm whose proposal is most advantageous to the District and meets the District’s needs for this Lease, and not necessarily the firm with the lowest cost proposal. In determining which proposal is most advantageous and in the District’s best interests, the District will evaluate, among other things, the overall financing cost (inclusive of any interest and fees) to the District, optional redemption provisions, responsiveness of each proposal to the terms of this RFP and applicable law, the terms and conditions of the proposed agreement, experience and reputation of the proposer in the State of New York. The District will not have any liability to any proposer for any costs or expenses incurred in connection with your response to the request for proposals.

All proposals shall be signed by an individual legally authorized to bind the proposing firm and the signer’s name shall also be typed or printed to or under the signature together with his/her title or designation.

Following receipt of the completed proposals, tentative notification will be made to the prospective Lessor whose response best meets the District’s needs and otherwise appears to meet the basis for award. It is expected that a formal award will be made by the Board of Education at its July 6, 2023 meeting, subject to and contingent upon final review of the Lease and all financing documents by the District’s legal counsel. Note that the prospective Lessor must provide the District with a draft of its proposed financing documents, together with notification of credit approval in order for District officials to accept and grant final approval.

Opinion of School Attorney

At closing, the District shall furnish a validity opinion of Thomas, Drohan, Waxman, Petigrow & Mayle, LLP (“School Attorney”), dated the closing date, including a statement to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the execution or delivery of the installment financing agreement.

Summary of Estimated Dates

RFP sent to providers:	May 23, 2023
Proposal and Response Form Due:	June 1, 2023 (by 11:00 o’clock a.m.)
Lessor Tentatively Approved *:	June 1, 2023
Lease Documents Delivered:	June 12, 2023 Credit approval must be completed
District Board Meeting Date:	July 6, 2023 Lease approved
Closing of Lease:	July 13, 2023

*Subject to formal award by Board of Education on July 6, 2023.

Thank you for your interest in Scarsdale Public Schools.

END OF RFP

PROPOSAL RESPONSE FORM

June 1, 2023

Ladies and Gentlemen:

In response to Scarsdale Union Free School District’s (“District”) Request for Proposals (“RFP”), the undersigned, an authorized representative of _____ commits said firm to enter into a Lease to provide the required financing to fund the cost of Equipment. We understand that this Lease is subject to the approval of the District’s Board of Education. The submission of this Response Form indicates that we have read the District’s RFP and are fully informed as to the extent and character of this request and we can satisfactorily comply with all specifications of the RFP.

We understand the District will repay our lease in periodic installments, including interest and all financing costs. We understand the lease shall be funded following the approval of the District’s Board of Education.

Our proposal, the terms of which are good for 30 days from the date hereof, is as follows:

The principal amount of the lease will total: \$916,000

Lease Amount	Lease Closing and 1 st Payment Date:	Last Payment Date	Proposed Interest Rate (%)
\$250,000	July 13, 2023	January 13, 2026	
\$666,000	July 13, 2023	January 13, 2027	

The index used to establish these interest rates is: _____

The margin added to the index to establish these interest rates is: _____

Prepayment Terms: _____

Lease payments will be payable on: _____

Escrow Fee, if any: \$ _____

Other required fees, if any (please explain): \$ _____

Bidding Firm: _____

Contact: _____

Address: _____

Tel.: _____

E-mail: _____

Attachments: Sample Lease and Escrow Agreements



Book	Board of Education Policies
Section	Policies 6000 - Fiscal Management
Title	Investments
Code	6240
Status	Active
Adopted	November 21, 1994
Last Revised	June 5, 2015

6240

INVESTMENTS

The objectives of the District's investment policy are to: safeguard District funds and to minimize risk, ensure that investments mature when cash is required to finance operations, and ensure a competitive rate of return in order to supplement other District revenues for the support of the educational program of the District.

In accordance with this policy, the Assistant Superintendent for Business or his/her designee is authorized to invest and/or deposit all funds, including proceeds of obligations and reserve funds, in time-deposit accounts, certificates of deposit, short-term government securities, repurchase agreements, cooperative investment agreements, or other investment instruments permitted by law. The Assistant Superintendent for Business or his/her designee shall establish written procedures for the operation of the investment program consistent with these investment guidelines.

It is the policy of the Scarsdale Union Free School District to diversify its deposits investments by financial institution, by investment instrument, and by maturity scheduling.

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Scarsdale Union Free School District.

Annually the Assistant Superintendent for Business and the Treasurer will provide information to the Board of Education on potential investments for the coming school year, and the Treasurer will provide a quarterly report to the Board listing its investments, the rates of return, and the maturities, and an annual cash flow forecast.

Ref: Education Law Section 1640-a; 1709(8); 173-a; 3651; 3652
Local Finance Law Section 165
General Municipal Law Section 6-j; 6-n; 10; 11



Book	Board of Education Policies
Section	Policies 6000 - Fiscal Management
Title	Investment Regulation
Code	6240 - R
Status	
Adopted	November 21, 1994
Last Revised	May 21, 2012
Last Reviewed	June 5, 2015

6240-R

INVESTMENT REGULATIONS

Authorized Investments

1. The Assistant Superintendent for Business or his/her designee is authorized to invest all available District funds, including proceeds of obligations and reserve funds, in the following types of investments instruments:
 - a. Savings Accounts or Money Market Accounts of designated banks;
 - b. Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State;
 - c. Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State;
 - d. Obligations of the State of New York or with the authority of the State Comptroller, obligations of any municipal corporation, school district or district corporation of New York State, provided such obligations are rated at least Double AA by Standard & Poor's Corporation or Double Aa or MIG-1 by Moody's Investor Service, Inc.;
 - e. Obligations of the United States Government (U.S. Treasury Bills and Notes);
 - f. Repurchase Agreements involving the purchase and sale of direct obligations of the United States and 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;
 - g. Cooperative municipal investment agreements as permitted under General Municipal Law Article 3-A and as approved by the Board.

2. All obligations shall, at the time of their pledge, be collateralized at an amount equal to not less than 100% of the amount being secured, provided that if the collateralization is less than 102% of the amount being secured, then the Administration shall notify the Board of this situation and identify such investments in the next quarterly Treasurer's report on investments.
3. All funds except Reserve Funds may be invested in Revenue Anticipation Notes or Tax Anticipation Notes of other school districts and municipalities, with the approval of the State Comptroller.

Conditions

Funds received by the District shall be prudently invested between the time of receipt and anticipated use. Investments shall be made in conformity with the provisions of Section 1723-a(2) of the New York State Education Law and other applicable law.

1. Special Time Deposit accounts and Certificates of Deposit authorized by Section 1723- a(1) shall be the direct obligation of member banks of the New York Clearing House Association or their affiliates. (An "affiliate" means a bank, which controls, is controlled by, or is under common control with the member bank.) Investments in municipal obligations authorized by Section 1723-a(3) shall be rated AAA by Standard & Poor's Corporation or Triple Aaa by Moody's Investors Service, Inc., except that general obligations of New York State shall have the ratings indicated above. All investments shall be purchased through, delivered to, and held in the custody of member banks of the New York Clearing House Association or their affiliates.
2. In accordance with the provisions of General Municipal Law Section 10, all deposits of the District, including Certificates of Deposit and Special Time Deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, shall be secured:
 - a. By a pledge of "eligible securities" with an aggregate "market value", or as provided by General Municipal Law Section 10, at least equal to the aggregate amount of deposits from the categories designated in Appendix A.
 - b. By an eligible surety bond payable to the government as security for the payment of 100% of the aggregate amount of deposits and the agreed upon interest, if any, by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
 - c. By an eligible irrevocable letter of credit issued by a qualified bank payable to such local government as security for the payment of 140% of the aggregate amount of public deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
 - d. By 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 as security for the payment of 100% of the aggregate amount of public deposits and agreed upon interest if any.
3. The security agreement shall provide that eligible securities are pledged to secure District deposits together with agreed upon interest, if any, and any costs arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events that will enable the District to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the District's name such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the custodial bank.

Delivery of Securities

1. Depository banks shall deliver pledged securities to another bank which is engaged by the District to act as its custodian; provided, however, that the Board may authorize depository banks to deliver the pledged securities to the bank's own trust department to be held in a custody account in the name of the District, pursuant to a written agreement between the depository bank and the District.
2. Depository banks shall not have the right to substitute or remove pledged securities without the prior permission of the District, which permission will be granted if the substitute securities are, in the judgment of the Assistant Superintendent for Business or his/her designee, of sufficient quality and market value.

Written Contracts

1. Written contracts are required for certificates of deposit and custodial undertakings and Repurchase Agreements. With respect to the purchase of direct obligations of U.S., New York State, or other governmental entities, etc., in which monies may be invested, the interests of the District will be adequately protected by conditioning payment on the physical delivery of purchased securities to the District or custodian, or in the case of book entry transactions, on the crediting of purchased securities to the Custodian's Federal Reserve System account. All purchases will be confirmed promptly in writing to the District.
2. The following written contracts are required:
 - a. Written agreements will be required for the purchase of all certificates of deposit.
 - b. A written contract will be required with the Custodial Bank(s).

Designation of a Custodial Bank

1. The Board will designate a commercial bank or trust company authorized to do business in the State of New York to act as a Custodial Bank of the District's investments. However, securities may not be purchased through a Repurchase Agreement with the Custodial Bank. All purchased 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. Such obligations shall be purchased, sold or presented for payment by such bank or trust company 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 District by the custodial bank or trust company. Any obligation held in custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, Section 10.
2. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the District, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities. 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 security causes ineligibility pursuant to paragraph I of subdivision 1 of Section 10 of New York General Municipal Law.
3. Depository banks shall not have the right to substitute or remove pledged securities without the prior permission of the District, which permission will be granted if the substitute securities are, in the judgment of the Assistant Superintendent for Business, the District Treasurer, or the Superintendent, of sufficient quality and market value.

Selection of Financial Institutions

1. Investments in special time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

2. The Assistant Superintendent for Business or his/her designee will periodically monitor, to the extent practical but not less than annually, the financial strength and credit worthiness of all institutions and trading partners through which the District's investments are made. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the District. The Treasurer shall be responsible for evaluating the financial position of the authorized organizations and maintaining a listing of proposed depositories, trading partners, and custodians.

Purchase of Investments/ Operations and Audit

1. The Assistant Superintendent for Business or his/her designee is authorized to contract for the direct purchase and sale of all securities and execute contracts for investments and deposits on behalf of the District. Oral directions concerning the purchase or sale of securities will be confirmed in writing. The District will pay for purchased securities upon the simultaneous delivery or book-entry thereof.
2. The Assistant Superintendent for Business or his/her designee is authorized to contract for the purchase of investments by participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board.
3. The Assistant Superintendent or for Business or his/her designee is authorized to contract for the purchase of investments by utilizing an ongoing investment program with an authorized tracking partner pursuant to a contract authorized by the Board.
4. The District will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.
5. The District's independent auditors will audit the investments proceeds of the District for compliance with the provisions of the District investment policy.

Repurchase Agreements

1. Repurchase agreements are authorized subject to the following restrictions:
 - a. Written contracts shall be required for all Repurchase Agreements. Only credit worthy banks and primary reporting dealers shall be qualified to enter into a Repurchase Agreement with the District.
 - b. All repurchase agreements must be entered into, subject to a Master Repurchase Agreement.
 - c. While the term of the master repurchase agreement may be for a reasonable length of time, a specific repurchase agreement will not exceed thirty (30) days
 - d. Every repurchase agreement will make payment to the seller contingent upon the seller's delivery of obligations of the United States to the Custodial bank designated by the District, which shall not be the repurchaser, or in the case of a book-entry transaction, when the obligations of the United States are credited to the Custodian's Federal Reserve account.
 - e. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers
 - f. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America, where the principal and interest are guaranteed by the United States of America.
 - g. No substitution of securities will be allowed without the written consent of the Assistant Superintendent for Business or his/her designee.
 - h. The custodian shall be a party other than the trading partner.

Any exceptions to these procedures may be authorized only by the Board of Education.

Appendix A***Schedule of Eligible Securities for Collateralization or Securitization***

1. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States government, an agency thereof or a United States government sponsored corporation.
2. Obligations 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.
3. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of New York State or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.
4. Obligations issued by states other than the State of New York rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
5. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
6. Obligations of certain counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such government entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
7. Zero coupon obligations of the United States government marketed as “Treasury strips.”