§ 1708. Bonding Requirements; Investment of Guardianship Funds

1. Except as provided in this section, all property of the infant shall be secured by bond as provided in this act.

2. (a) The court may dispense with a bond wholly or partly and direct that the guardian jointly with a person or depositary designated collect and receive the moneys and other property of the infant as directed by order and that such moneys and property as it directs be deposited in the name of the guardian, subject to the order of the court, with a bank, savings bank, trust company, safe deposit company, or state or federal credit union designated in the order or invested in the name of the guardian, subject to the order of the court, in the shares of a savings and loan association or the savings account of a federal savings and loan association designated in the order, provided that no deposit or investment of the funds of any one infant in any single bank, savings bank, trust company, savings and loan association, federal savings and loan association, or state or federal credit union shall exceed the maximum amount insured by the federal deposit insurance corporation or the national credit union share insurance fund.

(b) The court may also dispense with a bond wholly or partly when it authorizes the guardian to purchase and invest in United States savings bonds, treasury bills, treasury notes, treasury bonds, or bonds of the state of New York or bonds or other obligations of any county, city, town, village or school district of the state of New York for the benefit of the infant and directs the guardian to deposit such bonds, bills, notes or other municipal obligations in joint custody with a bank, savings bank, trust company, safe deposit company, or state or federal credit union invested in the name of the guardian, subject to the order of the court. The guardian shall collect and receive all interest and income from such United States savings bonds, treasury notes, treasury bonds or bonds of the state of New York or bonds or other obligations of any county, city, town, village or school district of the state of New York and deposit such interest and income in an account in the name of the guardian, subject to the order of the court, as authorized pursuant to this section with the bank, savings bank, trust company, safe deposit company, or state or federal credit union

having joint custody with the guardian of such United States savings bonds, treasury bills, treasury notes, treasury bonds, or bonds of the state of New York or bonds or other obligations of any county, city, town, village or school district of the state of New York.

(c) The court may also dispense with a bond wholly or partly when it authorizes the guardian to invest the guardianship funds pursuant to an investment advisory agreement with a bank, trust company, brokerage house, or other financial services entity acceptable to the court. The investment advisory agreement shall provide that the guardianship funds will be invested in accordance with the provisions of section 11-2.3 of the estates, powers, and trusts law and that the funds so invested shall not be released from the custody of the custodian identified therein except on order of the court. The petition to invest the guardianship funds pursuant to this subdivision shall be accompanied by a copy of the proposed investment advisory agreement. If the custodian of the funds is not the same person or entity providing the investment advice, a separate custodial agreement shall also accompany the petition to invest the guardianship pursuant to this subdivision. Such custodial agreement shall be with an institution acceptable to the court for the purpose of retaining control of the guardianship funds and shall also provide that the funds under the control of the custodian shall not be released from custody except on order of the court.

(d) Such deposit or investment shall be withdrawn or removed only on the order of the court, except that no court order shall be required to pay over to the infant who has attained the age of eighteen years all the moneys so held unless the depository is in receipt of an order from a court of competent jurisdiction directing it to withhold such payment beyond the infant's eighteenth birthday.

3. Where an infant is a beneficiary of a contract of life insurance under which moneys are payable to the infant or under which rights may accrue to the infant pursuant to election made by his guardian under the terms of the contract, the court may by order dispense wholly or partly with a bond and direct that the insurance company and the guardian shall make no withdrawal of the funds due to the infant under the contract except by joint check to the order of the guardian and a person designated by the court to receive such moneys.

4. The letters issued shall contain the substance of the order.