

Town of Plymouth **Investment Policy**

I. Scope of this policy

The purpose of this Investment Policy (the “Policy”) is to set general guidelines to provide a clear understanding of the investment objectives of the Town’s Funds (“Funds”). The Policy shall be used as a guideline for the Town Treasurer’s Office.

This policy is intended to accomplish the stated objectives while ensuring compliance with State and Federal laws. This policy is also designed to strengthen internal controls over the safeguarding of the Town’s cash and investments.

This policy applies only to the operating funds under the administration of the Town Treasurer. They do not apply to funds belonging to any funds not under the control of the Treasurer, not to any trust or custodial funds, all of which are governed by their own investments.

II. Objectives

The investment objectives of the Town’s operating fund in order of priority are as follows:

Safety of Principle: Safety of principal is the foremost objective of this investment policy. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value.

Maintenance of Liquidity: The Town’s funds shall remain sufficiently liquid to enable the Town to meet all operating requirements which might be reasonably anticipated, including but not limited to payroll, accounts payable, capital projects, debt service and any other payments.

Return on Investments: The Town’s funds shall be managed with the objective of attaining a market rate of return (or higher) throughout the budgetary and economic cycles, taking into account the Town’s risk constraints and cash flow characteristics of the Town’s portfolio.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. They shall avoid any transaction that might impair public confidence in the Selectboard’s, Town Manager’s and Treasurer’s ability to govern effectively.

III. General Policy

1. Authority and Process: According to RSA 41:29 the Town Treasurer shall have custody of all moneys belonging to the Town and shall pay out the same upon orders of the Town Manager or in the case of a conservation fund established pursuant to RSA 36-A:5, upon the order of the conservation commission or in the case of a heritage commission fund established pursuant to RSA 674:44-a upon the order of the heritage commission or in the case of fees held pursuant to RSA 673:16 II, upon the order of the local land use or its designated agent, or in the case of other revolving fund established pursuant to RSA 35-B:2, upon the order of the any and all other boards or body designated by the Town to expend such fund.
2. Prudence: Investments shall be made with judgment and care, under the circumstances then prevailing, which person of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering first the safety and liquidity of capital and next the probable income to be derived.
3. Ethics and Conflicts of Interest: Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees shall refrain from undertaking personal investment transactions with the same broker or account representative with whom business is conducted on behalf of the Town.
4. Authorized Depositories: All depository accounts of the Town must be held in the name of the Town and clear of any lien The depositories shall be selected at the sole discretion of the Town Treasurer after consideration of the depositories credit worthiness, credit characteristics and financial history.

Per RSA 41:29 and RSA 48:16, as amended by Chapter 246, Laws of 2007, Town and City treasurers *"shall deposit all such moneys in participation units in the public deposit investment pool established pursuant to RSA 383:22 or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the federal reserve bank collateral security for such deposits of the following types:*

(a) United States government obligations;

(b) United States government agency obligations [?]; or

(c) Obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case."

5. Authorized Investments: Assets of the Town may be invested in the following:

- Obligations of the US government such as US Treasury securities maturing in less than one year and short-term obligations of US Government agencies approved for investment purposes by the Treasurer of the State of NH;
 - Participation accounts established with the NH Public Deposit Investment Pool established pursuant to RSA 383:22;
 - Savings accounts in solvent banks in New Hampshire;
 - Certificates of deposit at banks incorporated under New Hampshire law, and
 - Certificates of deposit at national banks located in New Hampshire.
6. Delegation of Authority: All income payable to the Town and all revenue received by the Town shall be reported daily to the Treasurer receipts totaling \$1,500 or more. Any receipts totaling \$1,499 or less must be deposited and reported to the Treasurer at a minimum of weekly. Delegation of deposit authority selections will be made by the Treasurer and held on file by the finance office.
 7. Record Keeping: The Town Treasurer shall keep in suitable books provided for the purpose a fair and correct account of all sums received into and paid from the Town Treasury and of all notes given by the Town, with the particulars thereof. At the close of each fiscal year, the Treasurer shall make a report to the Town. The Treasurer shall submit monthly reconciled cash balances to the Town Manger and as requested to the Town auditors for examination.
 8. Safekeeping and Custody: All investment securities purchased by the Town or held as collateral on deposits or investments shall be held by the Town or by a third-party custodial agent that may not otherwise be counterpart to the investment transaction.
 9. Reporting Requirements: On a monthly basis, a report shall be provided to include a listing of existing portfolio in terms of investment securities, market value, maturity date, market yield, and other features deemed relevant. The market values presented in these reports will be consistent with accounting guidelines and GASB Statement 31 and 72 pertaining to the valuation of investments and the treatment of unrealized gains/losses.
 10. The Town Treasurer and or designee shall be bonded to protect the public against possible embezzlement and malfeasance. Further, the depositories holding the Town's funds shall provide annual collateralized updated agreements equal to or greater than 100% of the deposited amount.
 11. Policy Review: The Selectboard and Treasurer shall review, amend and modify this policy annually.

Approved by the Plymouth Town Treasurer: 4/14/2014, 4/13/2015, 10/15/2019, 10/31/2023

Approved by the Plymouth Selectboard, 4/14/2014, 4/13/2015, 10/15/2019, , 11/27/2023
