

**Cook Memorial Library
Tamworth, New Hampshire**

I. D. Investment Policy (Adopted 2/11/2019, to be reviewed annually)

Policy Statement and Scope

This document will govern the investment activities of the Cook Memorial Library. It is the policy of the Library to invest funds in a manner that will maximize the security of the principal while satisfying cash flow demands using approved methods that will provide the highest possible return. All investments will conform to applicable laws and regulations governing the investment of funds held by local government bodies, including (but not limited to) New Hampshire RSA 202-A:23 and RSA 31:25.

This investment policy applies to funds held by the Library. It does not apply to the funds held by the Tamworth Trustees of the Trust Funds for the benefit of the Library or those held by the Friends of the Cook Memorial Library.

Investment Objectives

The primary objectives of the Library's financial investments are (in priority order):

Preservation of Capital - The preservation of capital is the foremost objective of the investment program. At no time should the safety of the portfolio's principal investment be impaired or jeopardized. All investments shall be undertaken in a manner that first seeks to preserve capital and secondly attempts to fulfill other investment objectives.

Liquidity – The Library's investment portfolio is to remain sufficiently liquid to enable the Library to meet those operating requirements that might be reasonably anticipated.

Return on Investments (Yield) – The Library's investments should generate the highest available return without sacrificing the first two objectives.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence might exercise in the management of their own affairs.

Authorized and Suitable Investments

The following investments are deemed to be suitable for inclusion in the Library's investment program. The Treasurer is authorized to invest library funds only in those investments specifically delineated below:

U.S. Treasury Bills and Notes, for which the full faith and credit of the United States Government is pledged for the repayment of principal and interest; Bonds, notes and other obligations issued by any federal government agency or instrumentality; NHDIP funds; Bonds or other obligations of the State of New Hampshire; Demand deposit accounts (such as checking accounts) established with local financial institutions, and

properly insured through the Federal Deposit Insurance Corporation (FDIC); Certificates of Deposit (CDs) issued by local financial institutions, and properly insured through the FDIC; Publicly traded mutual funds; Publicly traded stocks.

Custody and Safekeeping

All security transactions, including collateral for repurchase agreements entered into by the Library, shall be conducted on a delivery versus payment basis.

Internal Control

The Board decides and the Treasurer executes. In the absence of the Treasurer, the authority to execute is delegated to the Assistant Treasurer. The Treasurer is responsible for establishing and maintaining internal control to ensure that the assets of the Library are protected from loss, theft or misuse.

Maturity of Investments

No investment shall have a maturity date of more than six years from its date of purchase by the Library, unless an investment is matched to a specific obligation of the Library.

Diversification of Investments

The Library shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be achieved by the type of investment, number of institutions, and length of maturity.

Deposit Requirements

All deposits shall be collateralized pursuant to NH RSA 386:57. Any eligible financial institution that has offices within the State of New Hampshire may become a public depository of the funds of the Library.

Ethics and Conflicts of Interest

Those involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Library investment program, or that could impair their ability to make impartial decisions.

Reporting

The Trustee Treasurer shall provide the Board of Trustees with monthly reports which clearly provide the following information regarding the investment portfolio:

Types of investments; Depository institutions; Principal balances; Rates of return; Maturities.