

TOWN OF EFFINGHAM, NEW HAMPSHIRE
INVESTMENT POLICY OF THE TRUSTEES OF TRUST FUNDS

This Policy must be reviewed and re-adopted, with updates as needed, annually, per RSA 35:9.

Jurisdiction

The three elected Trustees of Trust Funds are responsible for the custody of all trust funds for the Town of Effingham in compliance with this policy and related NH laws that are found in the Handbook for Trustees of Trust Funds. The Trustees shall deposit all trust funds in a FDIC insured bank or credit union authorized to engage in banking business in New Hampshire.

Scope

This policy covers all trust funds of the Town which are administered by the Trustees, including Capital Reserve Funds, expendable Trust Funds, nonexpendable Cemetery or private trust funds, and any other funds established during this calendar year.

Purpose

The purpose of this policy is to provide guidance for the creation, deposit, investment and disbursement of all trust funds for the Town of Effingham.

Fund Documentation

The Trustees must keep accessibly filed copies of original creation instruments (such as warrant articles of a stated year, devises, bequests or best evidence) to document the purpose, intent and type of each trust created. This information may be requested for public inspection at any time.

Each and every disbursement request must conform to this policy with full documentation retained in files held in the Town Clerks archive.

Authority

Trustees of the Trust Funds are authorized to invest the funds within the guidelines of this policy provided that at least two of three trustees have voted at a meeting to make such investments and have signed all necessary documents to complete the investments. Only those at the meeting and voting shall sign the investment documents.

Objectives

Trust funds consist of trust accounts and reserve accounts, each with a primary purpose according to its creation instrument. Safety of principal is the overarching objective for each fund, with yield being secondary to fund-specific needs for liquidity.

Accounting

All funds shall be accounted for annually in the Town Report, and Form MS-09 must be filed with the Charitable Trusts Unit of the Dept. of Justice in Concord, NH, and Board of Selectmen.

No Comingling of Fund Accounts

Each trust fund shall be deposited and held in individually-named accounts or sub-accounts and not comingled with any other even similarly held trust funds.

In 2015 the Trustees moved all accounts to a TD Bank master account with individually-named sub-accounts in clearly defined categories: Capital Reserve Accounts that require town vote to be disbursed, Expendable Trust Funds to be expended by a particular board having been granted authority by prior town vote, and Cemetery or private trust funds which require strict conservation of principal with release of income only.

Disbursements

Payment of income or principal shall be in accordance with sound accounting principles and only for the intended purposes as defined by the creation instruments (e.g. warrant articles) of each trust. Release of any funds requires approval of at least two trustees at a meeting. Only those voting may sign the check(s). The meeting minutes shall state the name of the trust, the requested amount of funds, the purpose for the requested funds, the payee, the check number and the date.

Investment

Currently invested in the TD Bank EscrowDirect municipal account. TD Bank's philosophy for investor needs are, in this order: Safety and Security, Liquidity, and Good Rate of Return.

Compliance

All funds shall comply with NH RSA 31 and shall be reviewed annually.

Town of Effingham
Trustees of Trust Funds
Investment Policy Signature Page
2019 Investment Policy

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Approval date and Trustee signatures: 1 / 2 / 19

Karen Payne

Cauley

Jessie Smith