

Investment Policy

I. Policy Statement and Scope

This document will govern the investment activities of the Sanbornton Public Library. It is the policy of the Library to invest public funds in a manner that will provide the highest return with the maximum security while meeting cash-flow demands. All investments will conform to applicable laws and regulations governing the investment of public funds.

II. Investment Objectives

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

1. Legality – All investments shall conform to applicable federal, state, and other legal requirements.
2. Safety of Principal – All investments shall be undertaken in a manner that seeks to preserve capital. The objective will be to mitigate credit risk and interest-rate risk.
3. Liquidity – The Library's investment portfolio will remain sufficiently liquid to enable the Library to meet all operating requirements that might be reasonably anticipated.
4. Return on Investments (Yield) – The Library's investments will generate the highest available return without sacrificing the first three objectives outlined above.

Credit Risk: The Library will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer by:

1. Limiting investments to the types of securities listed in Section VIII of this Investment Policy. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Library will do business in accordance with Section VII.
2. Diversifying the investment portfolio in accordance with Section IV.
3. Interest Risk: The Library will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by:
 1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
 2. Investing operating funds primarily in shorter-term securities, or money market mutual funds and limiting the average maturity of the portfolio in accordance with this policy and the state law.

III. Delegation of Authority

Management responsibility for the Library's investment program is hereby delegated to the Library Director, with assistance from the Board Treasurer. The Library Director shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Library Director and the Board of Trustees.

IV. 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.

V. Operating Fund

The Operating Fund will be kept in a local area approved Financial Institution for convenience sake. A portion of the operating fund will be kept in an interest bearing savings account until the money is needed. The balance of the checking account will be kept so the funds will not be required to transfer except for major expenditures. When funds are needed to cover a major expenditure, the needed amount will then be transferred to a checking account.

VI. Reporting

The Library Director shall provide quarterly investment reports to the Library Board that clearly provides the following information regarding the investment portfolio: types of investments, depository institutions, principal balances, rates of return, and maturities.

VII. Designation of Depositories

All public funds of the Library Board shall be deposited in the designated depositories that are FDIC insured per RSA 41:29.

VIII. Investment Rate Quotes

Whenever investments are made in a certificate of deposit, a quote for the highest rate available will be requested from Franklin Savings Bank for the term of the CD, when the CD renewal date is approaching. The CD rates at the time of renewal will be kept on file with the CD renewal documents. The rates of local banks will be checked to see if the rate offered by FSB is a competitive rate.

IX. Interest Earnings

All interest derived from an investment shall be receipted to the fund of which they are a part.

X. Prohibited Investments

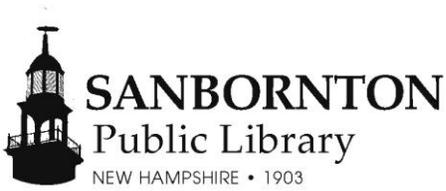
The Library may not purchase securities on margin or open a securities margin account for the investment of Library funds. The Library may not purchase foreign investments.

XI. Disclosure

Financial information of the Sanbornton Public Library, including savings accounts, checking accounts, certificates of deposit information will be disclosed as required by law.

XII. Conclusion

This policy has been promulgated by the Sanbornton Public Library to formalize prudent investment policies and procedures that will meet the investment objectives of the Library. This



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policy is to be reviewed by the Board of Trustees as new investment legislation becomes law, as staff expertise changes, and/or as necessitated by other external and internal factors.

*Approved by the Library Board of Trustees on 7/19/22, Revised 12/19/23, Reviewed 5/28/24,
Reviewed 12/16/25.*

