

## **INVESTMENT POLICY FOR THE GOFFSTOWN PUBLIC LIBRARY**

### **SCOPE**

This investment policy applies to all financial assets of the Goffstown Public Library not held by the Town of Goffstown Trustees of the Trust Funds. These funds are accounted for in the Town's Annual Financial Report and currently include the following accounts:

- *Non-lapsing*
- *Restricted funds*
- *Unrestricted funds*

The policy applies to all transactions involving the financial assets and related activity of all of the foregoing funds.

### **STANDARD OF CARE**

The standard of care to be used by the Goffstown Library Board of Trustees (LBOT) shall be the "Prudent Man rule" and shall be applied in the context of managing an overall portfolio and avoiding speculative investments. The LBOT, acting in accordance with written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes. The overall portfolio will be managed in accordance with the Prudent Man rule. The definition of prudence is based on RSA 31:25-b as follows:

"a prudent investment is one which a prudent man would purchase for his own investment having primarily in view the preservation of the principal and the amount and regularity of the income to be derived therefrom."

The investment guidelines that follow provide direction as to the risk tolerance and general preferences of the Goffstown LBOT. This Investment Policy will be reviewed annually as required by New Hampshire laws.

### **INVESTMENT OBJECTIVE**

The investment objective for these accounts is income and capital preservation. This objective is consistent with the LBOT's emphasis on current income and desire for modest growth of principal from appreciation. The objective dictates an asset allocation utilizing some or all of the following: savings, checking and Certificate of Deposit. The LBOT shall act responsibly as custodians of the public trust. They shall avoid any transaction that might impair public confidence in the LBOT's ability to administer the funds effectively.

### **STATUTORY AUTHORITY**

This policy complies with the requirements of RSA 31:25.

### **INVESTMENT AUTHORITY**

Management responsibility for the investment program is hereby delegated to the Administrative and Finance Committee of the LBOT and/or the Chair/Vice Chair of the LBOT, who shall authorize deposits in accordance with this investment policy. Trustees shall establish such procedures necessary to implement this policy which shall be implemented by the said committee or Chair/Vice Chair. No person may engage in an investment transaction except under authority of a vote taken by the LBOT.

### **AUTHORIZED INVESTMENTS**

The non-lapsing accounts will generate a nominal return and any Certificates of Deposit will be “laddered” as much as possible to generate current yields but be available in twelve month or less increments in the event a use is approved by the trustees.

### **MEETINGS**

The trustees shall meet to review this portfolio at least once a year.

### **REPORTING**

The LBOT shall receive a report from the bookkeeper that summarizes the accounts monthly. The LBOT shall have prepared and submit any necessary reports annually to the NH Attorney General’s Office, Charitable Trust Division.

### **HOLDING PERIOD**

There shall be no set policy for the holding period for specific securities.

### **INTEREST**

Interest generated from funds shall be applied to existing principal balance as accrued.

Approved by Goffstown Library Board of Trustees on: August 18, 2010  
Amended and re-affirmed 18 April, 2012; June 18 2014; 17 February 2016  
Reviewed and re-affirmed 17 May 2017; Reviewed and re-affirmed February 21, 2018;  
March 20, 2019