

INVESTMENT POLICY

Town of Lincoln

Policy

It is the policy of the Town of Lincoln to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and confirming to all state and local statutes governing the investment of policy funds.

Scope

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

Prudence

Investments shall be made with judgement and care, under 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 the probable safety of their capital, as well as the probable income to be derived.

Objective

The primary objective shall be:

Legality – conformance with federal, state and other legal requirements.

Safety – preservation of capital and protection of investment principle

Liquidity – maintenance of sufficient liquidity to meet operating requirements

Yield – attainment of market rates of return

The primary objectives should be reviewed periodically as to its effectiveness in meeting the Town of Lincoln's needs for safety, liquidity, rate of return, diversification and its general performance.

Delegation of Authority

The management and administrative responsibility for the investment program is hereby delegated to the Town Treasurer. All depository accounts of the Town must be held in the name of the Town. All income payable to the Town and all revenue received by the Town shall be forwarded to the Town Treasurer.

Assets of the Town may be invested in the following:

- I. Obligations of the U.S. government such as U.S. Treasury securities maturing in less than one year and short-term obligations of U.S. Government agencies approved for investment purposes by the Treasurer of State of NH.
- II. Participation accounts established with the New Hampshire Public Deposit Investment Pool established pursuant to RSA 383.22.
- III. All accounts in federally insured banks chartered under the laws of New Hampshire or the federal government.
- IV. Certificates of deposit at banks incorporated under New Hampshire law.
- V. Certificates of deposit at national banks located in New Hampshire.

It is the policy of the Town to diversify its investment portfolio. Investment of assets held in the common cash fund and any other investments shall be diversified to eliminate risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer of a specific class of securities. Diversification strategies shall be determined and revised periodically by the Treasurer and reviewed by the Board of Selectmen.

Some form of collateral must secure funds on deposit, in excess of FDIC limits, witnessed by a written agreement and held at an independent – third party institution in the name of the municipality.

Ethics and Conflicts of Interest

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

Internal Control

The Treasurer is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the Town are protected from loss, theft or misuse. The internal controls shall address the following points:

- I. Control of collusion
- II. Separation of transaction authority from accounting
- III. Custodial safekeeping
- IV. Written confirmation of telephone transactions for investments and wire transfers

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 41

CHOICE AND DUTIES OF TOWN OFFICERS

Town Treasurer

Section 41:29

41:29 Duties of Elected and Appointed Town Treasurers. –

I. The town treasurer shall have custody of all moneys belonging to the town, and shall pay out the same only as follows:

- (a) Upon orders of the selectmen in a public meeting or by a noncontemporaneously signed manifest signed by a majority of the board; or,
- (b) In the case of a conservation fund established pursuant to RSA 36-A:5, upon the order of the conservation commission; or
- (c) In the case of a heritage fund established pursuant to RSA 674:44-d upon the order of the heritage commission; or
- (d) In the case of fees held pursuant to RSA 673:16, II, upon the order of the local land use board or its designated agent; or
- (e) In the case of a recreation revolving fund established pursuant to RSA 35-B:2, upon the order of the recreation or park commission; or
- (f) In the case of fees deposited by the town clerk pursuant to RSA 41:25, upon the invoice of the town clerk, or other board or body designated by the town to expend such a fund.

II. The treasurer 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.

III. 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 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 and to the department of revenue administration, giving a particular account of all his or her financial transactions during the year and account balances at year end. The treasurer shall furnish to the selectmen statements from the treasurer's books, and submit the books and vouchers to them and to the town auditors for examination, whenever so requested.

IV. Whenever the town treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the town treasurer shall invest the same in accordance with the investment policy adopted by the selectmen under RSA 41:9, VII. The treasurer may invest in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of

federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations.

V. (a) The treasurer shall insure that prior to acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 383-B:3-301(e) shall be eligible to be pledged as collateral.

(b) As an alternative to the option of collateralization for excess funds provided in subparagraph (a), the town treasurer may also invest public funds in interest-bearing deposits which meet all of the following conditions:

(1) The funds are initially invested through a federally insured bank chartered under the laws of New Hampshire or the federal government with a branch within the state, selected by the treasurer.

(2) The selected bank arranges for the redeposit of funds which exceed the federal deposit insurance limitation of the selected bank in deposits in one or more federally insured financial institutions located in the United States, for the account of the treasurer.

(3) The full amount of principal and any accrued interest of each such deposit is covered by federal deposit insurance.

(4) The selected bank acts as custodian with respect to each such deposit for the account of the treasurer.

(5) On the same date that the funds are redeposited by the selected bank, the selected bank receives an amount of deposits from customers of other federally insured financial institutions equal to or greater than the amount of the funds initially invested through the selected bank by the treasurer.

VI. The treasurer may delegate deposit, investment, recordkeeping, or reconciliation functions to other town officials or employees provided such delegation is in writing and includes written procedures acceptable to the selectmen, or in the case of a town operating under RSA 37, to the town manager, and is agreeable to all parties involved. However any such delegation shall only be made to a town official or employee bonded in accordance with RSA 41:6 and rules adopted by the commissioner of revenue administration under RSA 541-A. Such delegation shall not eliminate the responsibility of the treasurer to comply with all statutory duties required by law.

VII. The treasurer shall ensure that all moneys remitted shall be deposited at least on a weekly basis, or daily whenever funds remitted from all departments collectively totals \$1,500 or more. Such deposit function may be delegated pursuant to paragraph VI. However, failure to ensure that funds are being deposited on a timely basis as required by this paragraph shall be cause for immediate removal from office pursuant to RSA 41:26-d. In any municipality where there is either no bank or other depository institution within the municipality the treasurer shall make deposits consisting of funds remitted from all departments and collectively totaling \$1,500 or more on a weekly basis or more frequently as directed by the board of selectpersons in the investment policy adopted pursuant to RSA 41:9, VII.

Source. 1869, 26:2-4. GL 40:8. 1883, 111:1. PS 43:20. PL 47:24. 1931, 177:3. 1939, 170:2. RL 59:24. RSA 41:29. 1959, 197:3. 1971, 158:1. 1973, 490:1. 1977, 139:1. 1987, 318:3. 1991, 268:8; 377:6; 383:9. 1992, 64:3. 1993, 161:2. 1996, 209:10. 1997, 208:8. 1998, 40:2. 2003, 100:2. 2007, 35:6; 246:3, 4. 2008, 120:25; 174:5. 2009, 14:1. 2010, 7:3, eff. July 3, 2010. 2013, 97:3, eff. Aug. 19, 2013; 124:1, eff. Aug. 24, 2013. 2015, 272:43, eff. Oct. 1, 2015.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 31

POWERS AND DUTIES OF TOWNS

Trust Funds

Section 31:22

31:22 Trustees. — All such trusts shall be administered by a board of 3 trustees, unless a town at an annual or special town meeting votes that such trusts shall be administered by a board of 5 trustees. In towns with a board of 3 trustees, one trustee shall be elected by a ballot at each annual town meeting for a term of 3 years. In towns with a board of 5 trustees the 2 additional trustees shall be appointed initially by the selectmen, one for one year and one for 2 years. Thereafter all trustees shall be elected by ballot at the annual town meeting to replace those whose terms expire. The term of each trustee shall be 3 years. Vacancies shall be filled by the selectmen for the remainder of the term. The board may recommend to the appointing authority the names of no more than 2 persons who may serve as alternate members on the board. The alternate members shall be appointed to one-year terms. In cities said trustees shall be chosen and hold their office for such term as shall be provided for by city ordinance. Trustees shall organize by electing one of their number bookkeeper, who shall keep the records and books for the trustees, and shall require a voucher before making any disbursement of funds from said trusts.

Source. 1915, 162:2. PL 42:21. RL 51:22. 1943, 70:1. 1945, 68:1. 1953, 21:1. RSA 31:22. 1979, 141:1, eff. June 5, 1979. 2014, 70:1, eff. July 26, 2014.

Reporting

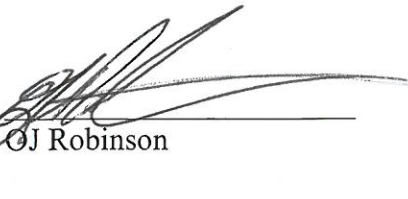
The Treasurer shall prepare an investment report at least monthly and be available to the Board of Selectmen on request.

Within sixty days following the end of the fiscal year the Treasurer shall create an annual report on the investment program and investment activity.

Policy Review

Annually, after Town Meeting, the Board of Selectmen will review this policy for the investment of public funds in conformance with the provisions of applicable statutes.

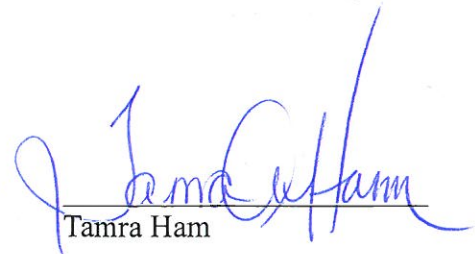
Adopted by Lincoln Board of Selectmen the 6th day of April, 2009 and revised this 6th day of June, 2016.



OJ Robinson



Jayne Ludwig



Tamra Ham

**MONEY TRANSFER FORM
TOWN OF LINCOLN**

	DATE	INITIAL
TOWN MANAGER APPROVED:	_____	_____
SELECTMEN:	_____	_____
	_____	_____
	_____	_____
FOR CHECKS TO BE DISBURSED ON:		_____
UNTS PAYABLE CHECK REGISTER TOTAL:		_____
PAYROLL CHECK REGISTER TOTAL:		_____
DIRECT DEPOSIT REGISTER TOTAL:		_____
WITHHELD REGISTER TOTAL:		_____
OTHER:		_____
OTHER:		_____
TOTAL DISBURSEMENT OF FUNDS:		_____

For Treasurer's Use:

Debit Account:

Bank Name: _____

Bank Account #: _____

Debit Dollar Amount: _____

Credit Account:

Bank Name: _____

Bank Account #: _____

Credit Dollar Amount: _____

Approved for Release:

Julie Rolando, Town Treasurer

6/6/2016

TOWN TREASURER
DELEGATION OF DUTIES
TOWN OF LINCOLN

In accordance with the Town of Lincoln's Investment Policy adopted by the Board of Selectmen on June 6, 2016, and the State of New Hampshire Chapter 41:29 VI, the town treasurer hereby delegates the following duties to the Town Manager or his/her designee (who must be a town official or employee bonded in accordance with RSA 41:6).

DEPOSITS:

All money remitted shall be deposited into the Town of Lincoln's depository account, specified by the town treasurer, at least on a weekly basis, or daily, whenever funds remitted from departments collectively totals more than \$500.

CHECK SIGNING:

In the absence of the town treasurer to physically sign checks for payroll, withholding and accounts payable, the treasurer hereby delegates to the Town Manager or his/her designee (who must be a town official or employee bonded in accordance with RSA 41:6), use of the town treasurer's facsimile signature stamp on checks included on the payroll check register, withheld check register and accounts payable check register that have been approved by the Lincoln Board of Selectmen. The town treasurer must be notified and approved check register totals prior to the release of checks to insure that funds are available to cover the check registers total disbursement. Use of the Money Transfer Form (attached) shall be used for notification and approval of check disbursements.

INVESTMENT, RECORD KEEPING, RECONCILIATION AND REPORTING FUNCTIONS:

Investment, record keeping, reconciliation and reporting functions will remain the sole responsibility of the town treasurer, such functions to be performed in accordance with the Town of Lincoln's Investment Policy and Chapter 41, Section 29, Town Treasurer Duties.

Julie Rolando
Town of Lincoln
Treasurer

TREASURER'S REPORT of BORROWING
TAX BOND ANTICIPATION NOTES ISSUED – RSA 33:7

Municipality: _____

Amount of Tax or Bond Anticipation Note: _____

Interest Rate: _____

Lending Authority: _____

Date Issued: _____ Date Due: _____

Authorized By: _____ Date: _____
(Selectmen, Commissioners, etc.)

BONDS OR LONG TERM NOTES ISSUED – RSA 33:8
(Complete a form for each issue this year)

Type of Bond/Note: _____

Amount of Bond or Long-Term Note: _____

Purpose of Issue: _____

Authorization Date: _____ Article/Resolution #: _____

Lending Authority: _____

Date Issued: _____ Due Date: _____

Amount: \$ _____ Interest Rate: _____

Principal Payable Dates: _____

Interest Payable Dates: _____

Initial Payment Due: _____

Annual Principal Payment: _____

I hereby certify that the above information is correct to the best of my knowledge and belief.

Treasurer's Signature: _____ Date: _____

FOR DRA ONLY

DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL SERVICES DIVISION
PO BOX 487
CONCORD, NH 03302-0487
(603) 230-5090

TREASURER

By law, the fiscal year of towns and cities must end on December 31, except in those communities that have adopted the optional fiscal year ending June 30. The books and accounts of all town officers must be closed as of December 31 (June 30). All entries should be completed and accounts balanced so they may be audited as soon as possible after the end of the fiscal year.

Treasurers, or their designees under RSA 41:29, must deposit all funds at least on a weekly basis, or daily whenever funds from all departments collectively totals \$500 or more. Under RSA 41:9, VIII, the selectmen will establish procedures to ensure other departments remit these funds to the treasurer on a timely basis.

Treasurers should confer with the governing body regarding the municipality's investment policy pursuant to RSA 41:29, IV. We suggest treasurers be adequately protected against the loss of funds by theft through burglary insurance. This is in addition to the required surety bond under RSA 41:6.

Pursuant to RSA 33:14, treasurers must report all note and bond issues to the Department of Revenue on the form MS-50, within 10 days after delivery of an issue. Keep a detailed record of these note and bond issues as required by RSA 33:12.

The treasurer's records should be available to the selectmen and town auditors for examination upon request (RSA 41:29). A report must be given to the town on the yearly financial transactions and account balances. This report must also be sent to the Department of Revenue Administration. Sample formats are included in our technical assistance book.

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