

Investment Policy 2012 Town of Wolfeboro, NH

I PREFACE

The investment policy establishes a framework for the safe and prudent investment of public funds.

It also provides guidance and direction shall apply to all funds in custody of the elected Town Officials in the daily conduct of investing activity in addition to improving consistency, creating and defining accountability and in ensuring that laws are followed.

II SCOPE

The investment policy applies to all financial assets of the Town of Wolfeboro New Hampshire. These funds are accounted for in the Town's annual audited financial reports and any "Investments" will be limited for the following accounts:

- General Account
- Conservation Accounts

Investment of excess General Account funds will be in the currently established Meredith Village Savings Bank Money Market Account. Investments of excess Conservation Commission Citizens Bank checking account will be in the currently established NH Public Deposit Investment Pool (PDIP) account.

Current Town of Wolfeboro accounts that will not be considered for "Investing" are:

- Concentration
- Disbursement
- Dockside Escrow (a TD bank Savings Passbook account)
- Payroll (a Zero balance account)
- Disbursement (a Zero balance account associated with the Concentration account)
- Point and Pay (an account for the receipt of credit card payments; this fund is kept at \$10,000.00; credit card payments into this account are transferred to the General account as they occur)

Any new funds created by the Town, unless specifically exempted by the governing body, in accordance with law, or by law will not be considered for "investing" unless approved by the Board of Selectmen upon application by the Treasurer.

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

III OBJECTIVES:

1. Security: Safety of principal is the foremost objective of the Town. Each investment transaction shall seek to ensure that capital losses are avoided.
2. Liquidity: Investments shall not be made that may have an adverse effect on the normal operations of the town. Therefore, the length of all investments shall be dictated by cash flow needs.
3. Return on Investment: Return on investments should be maximized, but never to the extent that security of principal or liquidity of funds is jeopardized. Town officials are encouraged to receive competitive bids on prospective investments.
4. Prudence: All participants in the investment process shall act responsible as custodians of the public trust. They shall avoid any transactions that might impair public confidence in the Board of Selectmen's ability to govern effectively.

IV AUTHORITY:

In accordance with chapter 41:29 of the Revised Statutes Annotated (RSA) of the State of New Hampshire, the responsibility for conducting investment transactions resides with the Town Treasurer, with the approval of the Board of Selectmen, *except in the instance of those funds which reside with other activities/agents in accordance with State Statutes such as the Trustees of the Trust Funds and the Library Board of Trustees.*

No person may engage in an investment transaction except as provided under the terms of this policy and the internal procedures and controls hereby established.

The Town Treasurer will work in conjunction with the Finance Director, neither of whom shall make any investment without knowledge and agreement of the other. No person shall engage in an investment transaction except as provided under the terms of this policy.

V INSTRUMENTS:

Excess funds of the Town of Wolfeboro shall be invested in:

1. United States Treasury securities maturing in less than one year.
2. Fully insured or collateralized certificates of deposit (1 year or less) or cash management accounts at commercial banks and savings and loan associations incorporated under the laws of the State of New Hampshire.
3. New Hampshire Deposit Investment Pool (NHDIP) established pursuant to RSA 383:22.

4. Repurchase Agreements of banks incorporated under the laws of the State of New Hampshire and fully collateralized by U.S. Treasury securities

No investment shall be made that is in conflict with RSA 41:29.

VI DIVERSIFICATION:

It is the policy of the Town of Wolfeboro to diversify its investment portfolio. Excess funds held in the common cash fund (checking account) and any other investment shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically by the Town Treasurer in conjunction with the Finance Director. Funds labeled "excess" shall be determined by the Treasurer in coordination with the Finance Director. Furthermore, movement of excess funds will require the approval of both the Treasurer and the Town's Finance Director.

Deposits placed in the NH Deposit Investment Pool shall by definition meet this requirement.

VII DEPOSITORIES AND DEALERS:

Depositories for the Town of Wolfeboro's banking and cash management services shall be selected using the Town's formal procurement process every three (3) years.

Short term investment of surplus funds may be made by contacting credible institutions to establish the best available instrument at that time. All investments must be backed by full third party collateral and consider cash flow needs prior to considering the return on that investment. Also, no investment shall be made that contradicts the section titled "instruments" in this policy

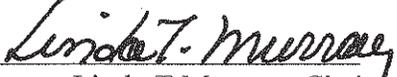
VIII ETHICS AND CONFLICT OF INTEREST:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers and employees involved in the investment process shall disclose to the Town Manager any material financial interest in financial institutions that conducts business with the town. Further, they shall report to the Town Manager any large personal financial investment position that could be related to the performance of the town portfolio. Officers and employees involved in the investment process shall subordinate their personal investment transactions to those of this town, particularly with regard to the timing of purchases and sales.

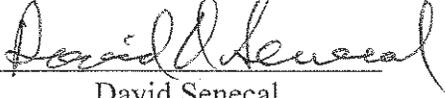
IX APPROVAL OF WOLFEBORO'S INVESTMENT POLICY

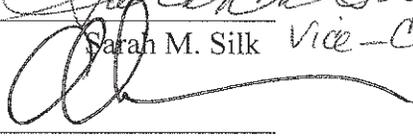
This policy shall be reviewed and approved by the Board of Selectmen annually.

Approved this 15th day of August, 2012


Linda T Murray - Chairman


Sarah M. Silk vice-chair


David Senecal


David Bowers


Charles Storm