



Lee Public Library

Investment Policy

SCOPE

This investment policy applies to all financial assets of the Lee Public Library. These funds are accounted for in the Town's annual financial report and currently include the following accounts:

- Non-lapsing
- Operating
- Savings (Special Projects, Gifts, Bequests and Devises)

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 Board shall be the "prudent person rule" and shall be applied in the context of managing an overall portfolio and avoiding speculative investments. The Treasurer and the Board as a whole, 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, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The overall portfolio will be managed in accordance with the Prudent Man or Prudent Person 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 Trustees of the Lee Public Library. This Investment Policy will be reviewed at least 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 trustee's emphasis on current income and desire for modest growth of principal from appreciation. The objective dictates an asset allocation utilizing a combination of a savings, checking and Certificates of Deposit fund. The Board shall act responsibly as custodians of the public trust. They shall avoid any transaction that might impair public confidence in the Board's ability to administer the funds effectively.

STATUTORY AUTHORITY

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



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Management responsibility for the investment program is hereby delegated to the Treasurer and/or the Chair of the Board, who shall make deposits in accordance with this investment policy. Trustees shall establish such procedures necessary to implement this policy which shall be implemented by the Treasurer or Chair, if the Treasurer is unavailable. No person may engage in an investment transaction except the Treasurer or Chair.

AUTHORIZED INVESTMENTS

The trustees recognize that the operating account may yield nominal returns. The non-lapsing account 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 six month 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 or when a significant gift (\$500.00 or more) is accepted by the Trustees.

REPORTING

The Treasurer shall submit monthly to the Board of Trustees a report that summarizes the library accounts. The Treasurer shall prepare 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.

CAPITAL GAINS, DIVIDENDS AND INTEREST

Both short and long term capital gains or losses shall be accounted for as increases or decreases, respectively, of the principal of the trusts and shall be distributed to the individual trust at least quarterly, prorated based on the beginning principal position of the trusts.

All dividends and interest shall be considered an increase to the accumulated income of the trusts and shall be distributed to the individual trusts at least quarterly, prorated based on the beginning principal and accumulated interest position of the trusts.