



COUNTY OF CARROLL
County and Trustees of Trust Funds
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Policy Title:	Investment Policy
Effective Date:	May 29, 2024
Reference(s):	NH RSA 29:1; NH RSA 29:3; NH RSA 23:13-14; 23:16-21

POLICY

In compliance with RSA 29:3 and associated fiduciary obligations with regard to management of the assets held by Carroll County, the County Treasurer and County Trustees of Trust Funds, with the approval of the Board of Commissioners and Board of Trustees, has adopted this investment policy:

- a) To formulate investment objectives consistent with State law; and
- b) To communicate these objectives to those responsible for managing the County's and Trustee's assets.

SCOPE

This investment policy applies to all the financial assets and activities of Carroll County, inclusive of Trustee assets and activity, with regard to investing the financial assets of all accounting funds maintained. These funds are accounted for in the financial statements of Carroll County General and Trustee funds.

OBJECTIVES

Safety of principal is the primary investment objective. Each investment transaction shall seek to first ensure that losses are avoided. Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury issues.

- RSA 29:1 – Duties – (1) Safeguarding of all funds, (2) Releasing funds upon orders of Commissioners and Board of Trustees and (3) Depositing funds in federally insured banks or in participation units of the public deposit investment pool.
- RSA 29:3 – Excess Funds – Custody of excess funds not needed immediately for the purpose of expenditures may, with the approval of the Commissioners and Trustees, invest as noted in (2) above definition within RSA 29:1.
- RSA 23:13-14 and 23:16-21 – Directives regarding the Board of Trustees members, definitions of trusts, custody of funds, expenditures, audit and reporting requirements.

CONFLICTS 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 of the county; or which could impair their ability to make impartial investment decisions. Employees and officers shall disclose

to the County Commissioners and Board of Trustees any material financial interest or activity that could be related to the County's investment performance.

PRUDENCE AND INDEMNIFICATION

The standard of prudence to be used by persons making investment decisions shall be the "prudent person" standard which requires that investments shall be made with judgement and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of capital, liquidity of capital, as well as the probable income.

Persons making investment decisions for Carroll County officials and employees, acting in accordance with this policy, acting in good faith and exercising due diligence for investment decisions shall be relieved of personal responsibility for an individual security's risk or change in market value provided that the unexpected changes are reported in a timely fashion.

To protect against potential fraud and embezzlement, investment officials and employees are bonded or insured to protect the public against possible fraud and malfeasance. Safekeeping procedures are reviewed on an annual basis by the county's independent auditors.

CUSTODY OF FUNDS AND INVESTMENT INSTRUMENTS

The County Treasurer and Board of Trustees, as authorized by State statute, shall have custody of all moneys belonging to the County and as capacity as fiduciaries, shall deposit the moneys in participation units in the New Hampshire Public Deposit Investment Pool (NHPDIP), in solvent banks within the State of New Hampshire, or in banks outside New Hampshire if such banks pledge and deliver to the state treasurer as collateral security for such deposits, United States government obligations, United States government agency obligations, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Whenever the County Treasurer or Board of Trustees has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the Treasurer, shall, with the approval of the County Commissioners, invest the same in obligations of the United States government agency obligations, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Before the County or Trustees invest any excess funds, a competitive bidding process may be conducted. If a specific maturity date is required, either for cash flow purposes or for compliance with maturity guidelines, bids will be requested for instruments which meet the maturity requirements.

MATURITIES

For the general fund, maturities shall not exceed one year from the date of purchase. For capital and non-capital reserve funds and unincorporated places funds, maturities may exceed one year with the approval of the County Commissioners and Board of Trustees.

DIVERSIFICATION

A variety of maturities will be selected to ensure that sufficient liquidity is maintained to meet demands upon the County and Trustee's funds without incurring penalties or market risk.

INTERNAL CONTROL

The Chief Financial Officer shall be responsible for establishing and maintaining an internal control structure designed to ensure that the assets of Carroll County and the Board of Trustees are protected from loss, theft or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgements by management.

Internal controls will address the following points:

1. **Control of Collusion** – Collusion is a situation where two or more employees are working in conjunction to defraud the County
2. **Separation of Transaction Authority from Accounting and Record Keeping** – By separating the person who authorizes or performs the transaction from the ones who record or otherwise account for the transaction, a separation of duties is achieved
3. **Custodial Safekeeping** – Securities purchased from any bank or dealer including appropriate collateral shall be placed with an independent third-party safekeeping by an institution designated as a primary agent. The primary agent shall issue a safekeeping receipt to the County listing the specific instrument, rate, maturity and other pertinent information.
4. **Avoidance of Physical Delivery** – Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities and are therefore, not encouraged.

YIELD

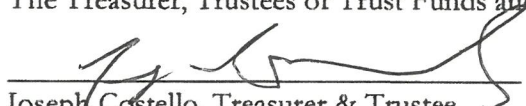
Yield of the investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles taking into account safety and liquidity first.


REPORTING/AUDITING


The County Treasurer, Board of Trustees or designee, shall report annually to the County Commissioners on the results of investment of the County's funds and whenever there are unusual or unanticipated developments. The County's independent auditors will include investment activities as part of the County's annual independent audit.

POLICY REVIEW


The Treasurer, Trustees of Trust Funds and County Commissioners will review this policy annually


Joseph Costello, Treasurer & Trustee


Terry McCarthy, Chairman


Chuck McGee, Vice-Chairman
And Trustee


Bill Nelson, Clerk


Representative Buco, Trustee

Approved Date: June 6, 2024