

The School Board authorizes the School District Treasurer working in conjunction with the Superintendent and his/her designee and pursuant to RSA 197:23-a to invest the funds of the district subject to the following objectives, investment parameters and standards of care.

### **Objectives**

The three objectives of investment activities shall be safety, liquidity, and yield:

1. Safety of principal is the foremost objective in this policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital by mitigating credit and interest rate risk. This will be accomplished by limiting the type of the investments and institutions to those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to applicable laws.
2. Liquidity of the investment portfolio shall remain sufficient to meet all operating requirements that may be reasonably anticipated.
3. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

### **Investment Parameters**

Funds shall be invested and collateralized in accord with the standards set forth in RSA 197:23-a. Investments shall be made in units 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 incorporated under the laws of the state of New Hampshire or the federal government with a branch within the state and in obligations fully guaranteed as to principal and interest by the United States government. To the extent possible, the District shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than thirty (30) days from the date of purchase, unless the investment instrument carries a no-penalty provision for the withdrawal of any portion or total of the investment together with interest earned.

### **Standards of Care**

The standard of prudence to be used by the District Treasurer and Superintendent or his/her designee involved in the investment process shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. They are directed to use the GFOA Recommended Practices and Policy Statements Related to Cash Management as a guide to the prudent investment of public funds.

The School District Treasurer and Superintendent or his/her designee 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. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment

portfolio. Employees and officials shall subordinate their personal investment transactions to those of the School District particularly with regard to the timing of purchases and sales.

This investment policy shall be reviewed annually by the School Board.

It is the intent of the Board to limit spending to the amount specified in each line item for the budget. However, the Superintendent is authorized to transfer funds between line items subject to procedures defined by the School Board when necessary to achieve Board policy goals, except that excess funds may not be transferred from the Unemployment Compensation line item. Any amount appropriated at an annual meeting under a special warrant article may be used only for the purpose specified in that article and shall not be transferred.

**Legal References:**

*RSA 197:23-a, Treasurer's Duties*

*RSA 383:22, Public Deposit Investment Pool*

*RSA 32:10, Transfer of Appropriations*

*RSA 282-A:71, III, Unemployment Compensation*