

Town of Barrington, NH
INVESTMENT POLICY

The Investment Policy of the Town of Barrington, NH shall be that of the "prudent man". The intent of which is to invest primarily to preserve the principal and the amount and regularity of income from interest.

I GENERAL AUTHORITY

The investment program shall be operated in conformance with federal, state and other legal requirements.

II SCOPE

This policy applies to all funds received and in custody of the Treasurer.

III GENERAL OBJECTIVES

The primary objective, in order of investment activities shall be safety, liquidity and yield.

1. **SAFETY** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.
2. **LIQUIDITY** Funds invested other than general checking shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. **YIELD** Return of investment is of secondary importance compared to safety and liquidity needs. Yield shall be controlled by contact with bank representatives to get current rates.
4. **LOCAL CONSIDERATIONS**
Because banks will aggressively seek to be the bank of deposit for the Town's revenues, the town's investment officials are in a position to negotiate for competitive interest rates, and should do so.
Bank selection:
 - a) Safety
 - b) Convenience
 - c) Service
 - d) Yield

IV STANDARDS OF CARE

1. PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy 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 the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under 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 probable safety of their capital as well as the probable income to be derived."

2. **ETHICS AND CONFLICTS OF INTEREST**

Officers 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. Employees and investment officials shall disclose any material interests in 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 officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Town of Barrington.

3. **DELEGATION OF AUTHORITY**

Authority to manage the investment program is granted to Treasurer, [hereinafter referred to as Investment Officer]. Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall set in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

V AUTHORIZED FINANCIAL INSTITUTIONS

Only those banks on the attached Schedule A, and the NHPDIP.

VI CONTROLS - REPORTS

Internal controls of this policy shall not require any new or additional reports beyond those currently in use.

VII COLLATERALIZATION

Full collateralization will be required by all banks. A letter of agreement will be kept on file with other town legal documents.

VIII APPROVAL OF INVESTMENT POLICY

This investment policy shall be formally approved by the governing body of the Town of Barrington, NH and shall be reviewed annually.

Policy approved on February 18, 2013 by the Barrington Board of Selectmen

Michael Clark, Chairman

Keith Pratt, Selectman

Dennis Malloy, Selectman

Dawn Hatch, Selectman

Susan Gaudiello, Selectman