

# Town of Amherst



## Investment Policy

Revised: July 14, 2009  
Revised: January 22, 2024

Town of Amherst

- A security with declining credit may be sold early to minimize loss of principle.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

#### 4. DEFINITIONS

- *Board* - Means the Board of Selectmen for the Town of Amherst
- *Collateral* - Underlying securities that are pledged to secure deposit of public funds.
- *Market-average Rate of Return* - The amount of income received from an investment, expressed as a percentage (also referred to as investment yield), that an investor can expect to receive in the current interest-rate environment.
- *Repurchase Agreement* - A transaction in which a holder of securities sells those securities to an investor with an agreement to repurchase those securities for a fixed price at an agreed-upon date.
- *Safekeeping* - A procedure where securities are held by a third party acting as custodian.
- *School District* - Amherst, Souhegan School District
- *State Law* - Refers to various Revised Statutes Annotated (RSA's) of the State of New Hampshire, as amended, as referenced throughout the policy.
- *Town* - Town of Amherst, New Hampshire

#### 5. SCOPE

The investment policy applies to all public funds held in the custody of the Town Treasurer. This does not include funds held by the School District, Library Trustees or Trustees of the Trust Funds. The funds held by the Treasurer are accounted for in the Town's annual audited financial reports and include the following:

- General Fund
- Special Revenue Funds – which include funds overseen by the Conservation Commission
- Agency Funds – which include escrow fee funds
- Capital Projects Funds
- Any new funds created by the Town, unless specifically exempted by the governing body, in accordance with law.

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

This policy does not apply to funds held in escrow for performance bonds, which are held in an interest-bearing deposit account at an approved banking institution.

#### 6. DELEGATION OF AUTHORITY

The investment policy delegation of authority is stated below:

- a. The failure of officers covered to faithfully perform their duties or to account properly for all moneys or property received by virtue of their positions, or
  - b. Fraudulent or dishonest acts committed by the covered officers.
- The Treasurer, or a person delegated with this responsibility, conducts investment transactions via written instructions to the banking institution(s) and reviews the bank statements to ensure that the appropriate transactions were made per the instructions. The Finance Director, on a monthly basis, reviews and reconciles all bank account activity and records the investment transactions in the general ledger.

### *INVESTMENT INSTRUMENTS*

In accordance with RSA 41:29 II and IV, funds of the Town of Amherst may be invested in any of the following:

- Deposits, including money market accounts or certificates of deposit, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state or funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third-party custodial bank or federal reserve bank collateral security for such deposits of the following types:
  - a. United State government obligations.
  - b. United States government agency obligations; or
  - c. Obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case.
- New Hampshire Public Deposit Investment Pool (NHPDIP) established pursuant to RSA 383:22 (Appendix D)
- Obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U. S.C. section 80a-1 et seq. if the portfolio investment company or investment trust is limited to such obligations.
- Other instruments as may be specifically authorized by amendments to the State Law.

### *DIVERSIFICATION*

It is the policy of the Town to diversify its investment portfolio. Investment of assets held in the common cash fund and any other investments 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 Finance Director and reviewed by the Board of Selectmen; provided however, that investments of the Town shall be limited to instruments maturing within one (1) year at the time of purchase. Deposits placed in the NH Deposit Investment Pool (NHDIP) shall by definition meet this

routine reports/documentation to enable an accurate evaluation to be made as to the results of the Town's investment program as it relates to the Town's stated objectives, guidelines and policies, and to assist in the revealing areas for potential improvement.

## 9. AMENDMENTS

This Policy may, from time to time, be amended by a majority vote of the Board, at a regularly scheduled Board meeting. It will, at a minimum be reviewed and adopted annually by the Board of Selectmen.

## 10. EFFECTIVE DATE

This policy, and any amendments made shall take effect immediately following a majority vote of the Board at a regularly scheduled Board meeting and being recorded with the Town Clerk.

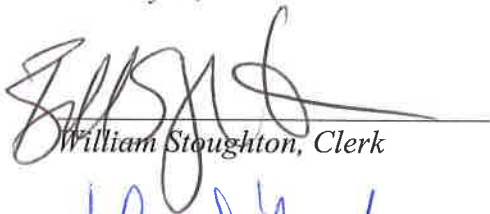
*The Board of Selectmen voted unanimously to adopt the Updated Town Investment Policy at their meeting on January 22, 2024.*



Peter Lyon, Chair



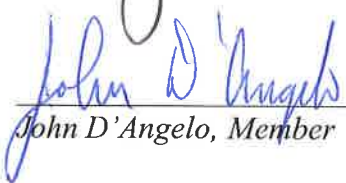
Danielle Pray, Vice-Chair



William Stoughton, Clerk

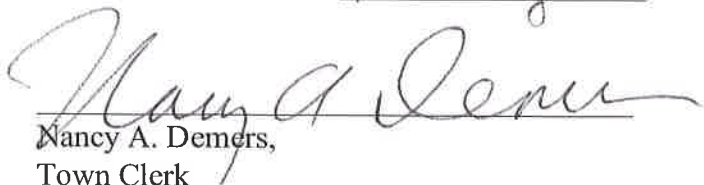


Thomas Grella, Member



John D'Angelo, Member

Received and recorded February 27, 2024



Nancy A. Demers,  
Town Clerk