



COUNTY OF CARROLL

OFFICE OF THE TREASURER

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Policy Title:	Investment Policy
Effective Date:	May 5, 2023
Reference(s):	NH RSA 29:1; NH RSA 29:3; NH RSA 383:22

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, with the approval of the Board of Commissioners 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 assets

SCOPE

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

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.

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 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, as authorized by State statute, shall have custody of all moneys belonging to the County and 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 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 invests 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.

The County may participate in the New Hampshire Public Deposit Investment Pool established in accordance with NH RSA 383:22-24 when liquidity is of prime importance.

MATURITIES

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

DIVERSIFICATION

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

INTERNAL CONTROL

~~The County Administrator or Finance Director~~ **The Chief Financial Officer or head of the Finance Department** shall be responsible for establishing and maintain an internal control structure designed to ensure that the assets of Carroll County 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, 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 and County Commissioners will review this policy annually

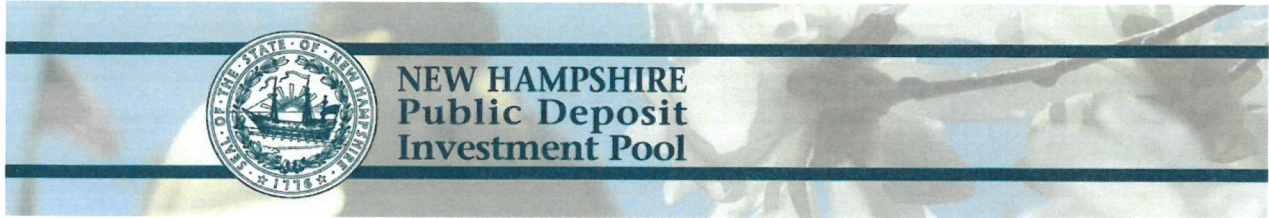
Joseph Costello, Treasurer

Terry McCarthy, Chairman

Matthew Plache, Vice-Chairman

Kimberly Tessari, Clerk

Approved Date: May 5, 2023



Current Rate

Name	Date	Current Seven-Day Yield
New Hampshire PDIP	5/2/2023	4.88%

A summary of the Pool characteristics as of the most recent month end is available upon request by calling NH PDIP at 844-464-7347 or under the [Investor Resources](#) Section on this website.

Current Annualized Yield

Past performance is not indicative of future results and yields may vary. The "current annualized yield" (also known as current seven-day yield) of the Pool may, from time to time, be quoted in reports, literature and advertisements published by the Pool. Current annualized yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields shown above may reflect fee waivers by the Pool's current or prior service providers. When such waivers occur, they reduce the total operating expenses of the Pool, and the Pool's yields would have been lower if there were no such waivers. Refer to the Pool's Information Statement for further information on the expense of the Pool and fees of its service providers.

*This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Pool's investment objectives, risks, charges and expenses before investing in the Pool. This and other information about the Pool is available in the Pool's current Information Statement, which should be read carefully before investing. A copy of the Pool's Information Statement may be obtained by calling 1-844-464-7347 or is available on the NH PDIP website at www.nhpdip.com. While the Pool seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Pool are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is an affiliate of PFM Asset Management LLC.*



About The Program

NH PDIP is designed to meet the short-term investment needs of New Hampshire public entities and seeks to provide the following features:

- **Preservation of Principal** - Investments in the Pool are made only in securities approved by the New Hampshire Bank Commissioner with the assistance of the Advisory Committee, and in accordance with policies designed to preserve capital. While the Pool seeks to maintain a stable NAV of \$1.00 per Share, it is possible to lose money investing in the Pool. **An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.**
- **Liquidity** - Investments in the Pool may be made, and Investors may withdraw funds from the Pool on any Business Day.
- **Income** - The Pool seeks to earn a competitive rate of income consistent with preserving principal and maintaining liquidity.
- **Convenience** - The Pool offers the option of investing by electronic funds transfer or check. Investors that invest the proceeds of debt issues in the Pool do not have to schedule investment maturities to meet project draw schedules. Investors can use Connect to check account balances and activity, and to initiate transactions.
- **Professional Management** - Investments in the Pool are managed by investment professionals who are experienced in managing local government investment pools who follow both general economic and current market conditions affecting interest rates.
- **Diversification** - The Shares of the Pool represent beneficial interests in a diversified portfolio of high-quality instruments approved for investment by the New Hampshire Bank Commissioner with the assistance of the Advisory Committee.
- **Accounting, Safekeeping and Separate Accounts** - The Pool accounts for each Investor's funds in compliance with governmental accounting and auditing requirements, and does all of the bookkeeping and safekeeping associated with the ownership of securities.

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