

SECTION I Governance

2. Investment Policies - GENERAL

Approved by Board of Trustees, 02/09/2010

General

The purpose of this policy is to outline general guidelines for the accomplishment of Library objectives while ensuring compliance with state and federal laws for the investment of funds dedicated to Tucker Free Library. This policy is also designed to outline internal controls over the safeguarding of fund assets. The investment policy retains management control of the Fund's investment portfolio in the Trustees, subject to the guidelines of this policy. The overall portfolio should be managed in accordance with the Prudent Investor Rule. The definition is based on RSA31:25-b.

“A prudent investment is one in which a prudent man would purchase for his own investment having primarily in view the preservation of the principal and the amount and regularity of the income to be derived there from.”

In carrying out these duties, the Trustees may retain an Investment Advisor to assist in managing the assets of the Fund. The Investment Advisor's role is to provide guidance to the Trustees on matters pertaining to the investment of Fund assets including investment policy, monitoring Fund performance, and compliance of the Investment Policy.

Objectives

The primary objective of the Library's investment activities is, in priority order:

1. To conform with all applicable federal, state and other legal requirements (legal).
2. To adequately safeguard principal (safety).
3. To provide sufficient liquidity to meet unanticipated needs.
4. To obtain a reasonable rate of return (yield).

Diversification

It is the policy of the Tucker Free Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

Trustee Responsibility

- Retain a qualified Investment Advisor to assist in the development and implementation of the investment policy.
- Establish the investment policy for the funds.
- Meet a minimum of twice per year to review investment performance and other issues that may arise.

Investment Advisor Responsibility

- Assist the Trustees of the Tucker Free Library in establishing the investment policy and guidelines contained in this policy.
- Meet with the Trustees on a semi-annual basis to review investment performance and certify compliance with the investment policy.