

TOWN OF GRAFTON INVESTMENT/FINANCE POLICY

OBJECTIVE:

The primary objectives of the Town of Grafton investment/finance policy shall be: 1) security of principal, 2) liquidity as needed to meet projected expenditures, 3) return on investment, in that order of priority, and 4) to allow a method for obtaining funding for day to day operations as needed.

AUTHORITY:

The Treasurer for the Town of Grafton, in accordance with this policy, shall be authorized to invest and reinvest the funds of the Town of Grafton. The Treasurer for the Town of Grafton, upon Select board authorization, shall be authorized to seek financing for the purchase of equipment, real estate, and other assets of the Town.

AUTHORIZED FINANCIAL INSTITUTIONS:

The investment of all Town of Grafton funds shall be made with financial institution(s) that have offices in Vermont and are registered to do business in Vermont.

ACCEPTABLE INVESTMENTS:

The Treasurer is authorized to invest and deposit any Town funds as follows:

- Checking Accounts
- Certificates of Deposit
- Collateralized repurchase agreements
- Government-Sponsored Enterprise Notes (Fannie Mae, Freddie Mac)
- Money Market Accounts
- Municipal and State Bonds
- Obligations of U.S. Treasury (T. Bills, T. Notes, Bonds)
- Savings Accounts

To invest any Town funds in an option not listed above will require Selectboard approval and an amendment of this policy. The Treasurer of the Town of Grafton will make decisions regarding the types of collateralization of deposits when needed. The form of collateral may include, but not be limited to, securities of the United States of America. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

ACCEPTABLE FINANCING

The Treasurer, as authorized, may seek financing for day to day operations and/or for the purchase of equipment, as outlined in the section Authority, using one or more of the following methods:

- Lease financing
- Line of Credit
- Municipal and State Financing
- Tax Anticipation Borrowing
- Mortgages

STANDARDS OF PRUDENCE:

The standard to be used in making investments and by which investment decisions will be assessed shall be made with judgement and care under circumstances then prevailing. Investments will be made whereby the person(s) shall use discretion and intelligence to consider the probable safety of the capital as well as the probable income to be earned.

DIVERSIFICATION OF THE INVESTMENT PORTFOLIO:

The Treasurer shall maintain sufficient diversification of investments such that the ability of the Town of Grafton to continue to do business on an ongoing basis will not be impaired because of a liquidity crisis occurring in any one institution with which the Town of Barre has invested.

ETHICS AND CONFLICT OF INTEREST:

Officials who participate in the investment process shall act responsibly as custodians of the funds and shall avoid any transactions that might impair their ability to make impartial decisions or impair public confidence. Officials shall disclose any position held with a financial institution in which Town funds are invested.

REVIEW PROCESS:

The Treasurer will report investment activity quarterly to the Selectboard and annually in the Town Report. The report to the Selectboard shall include, as a minimum, portfolio composition, type of investment, earnings and rate of return for the reporting quarter.

Adopted by the Grafton Town Selectboard this 7 day of July 2014.

X L. Lisle
Chairperson

X [Signature]

X Joseph B. P...

X Monalee Hall

X [Signature]

GRAFTON TOWN SELECTBOARD

X Kimberly Record
Kimberly Record, Town Clerk/Treasurer.