



81st Annual Conference
November 16–17, 2022

Municipal Trustees: Meet the Charitable Trusts Unit

Diane M. Quinlan, Esq., Director of Charitable Trusts

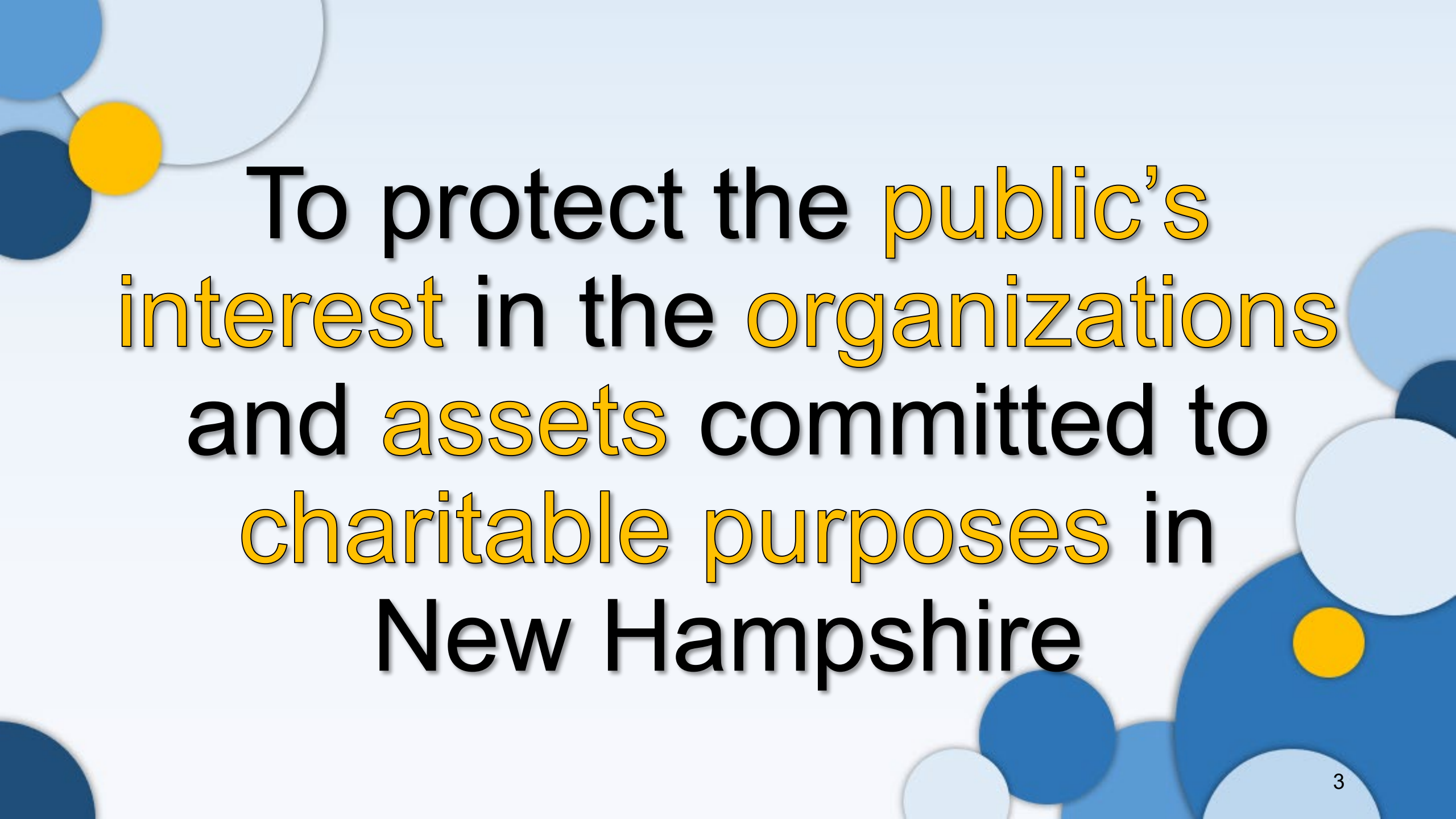
Michael R. Haley, Esq. Assistant Director of Charitable Trusts

Amy J. Nichols, CPA, Financial Analyst

New Hampshire Department of Justice

Our Role





To protect the public's
interest in the organizations
and assets committed to
charitable purposes in
New Hampshire

Education



Registration



Enforcement



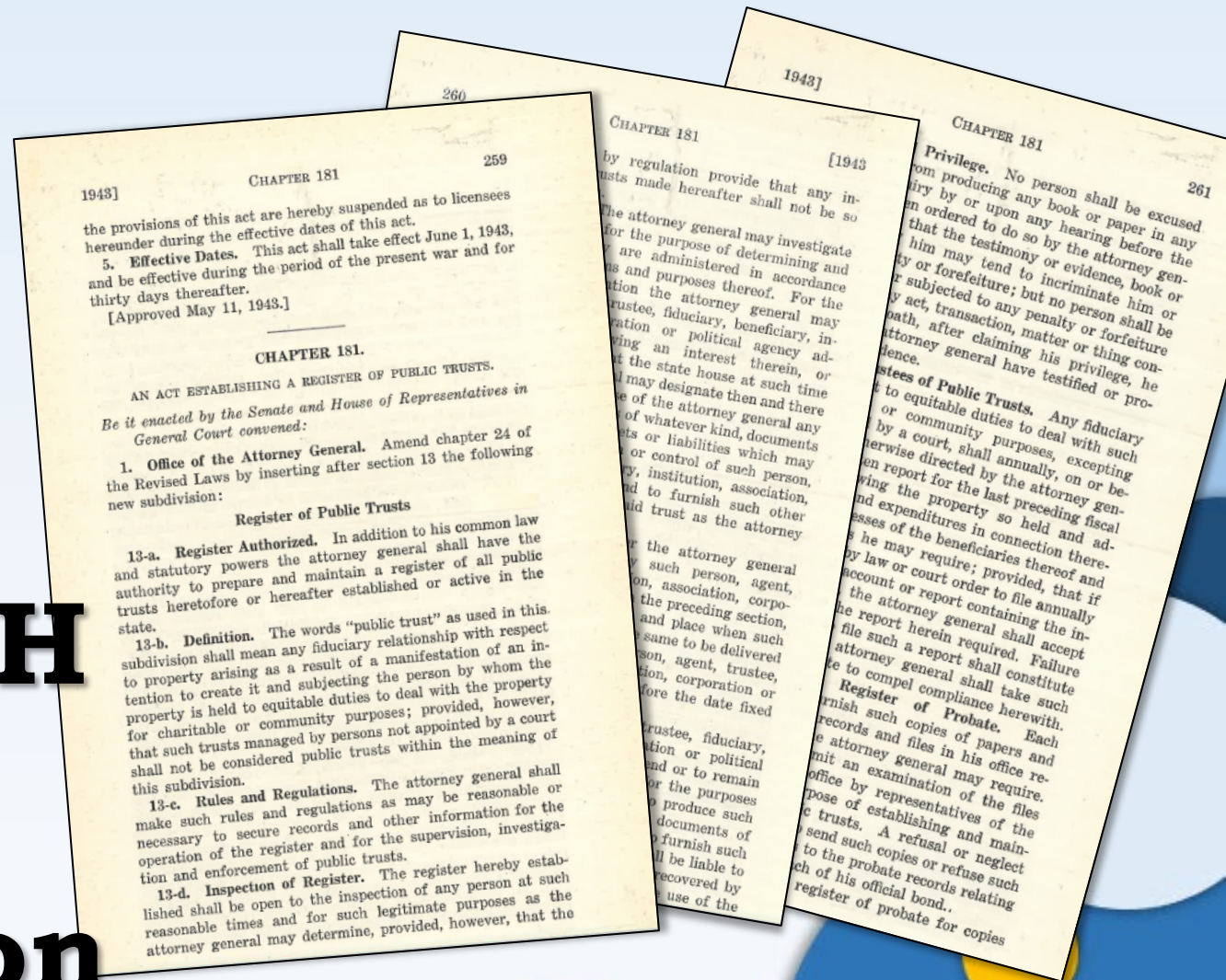
We protect donor intent

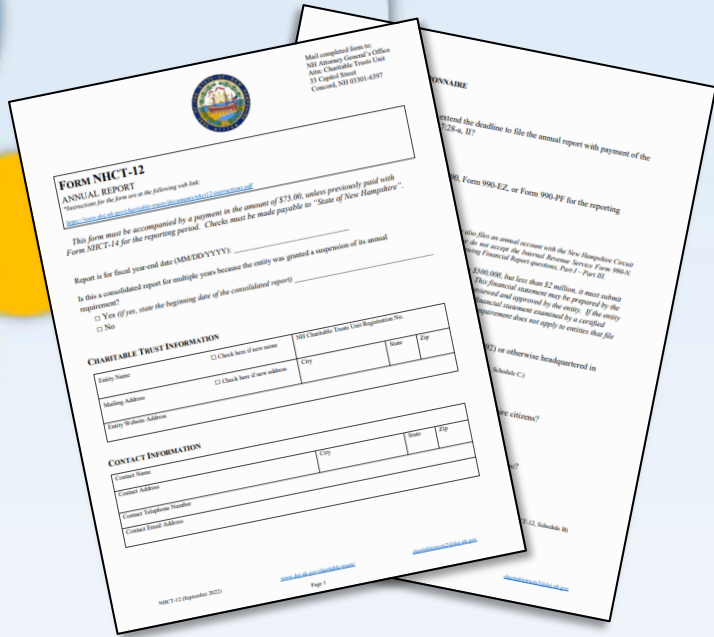


**Common law
authority**

**Established by NH
statute in 1943**

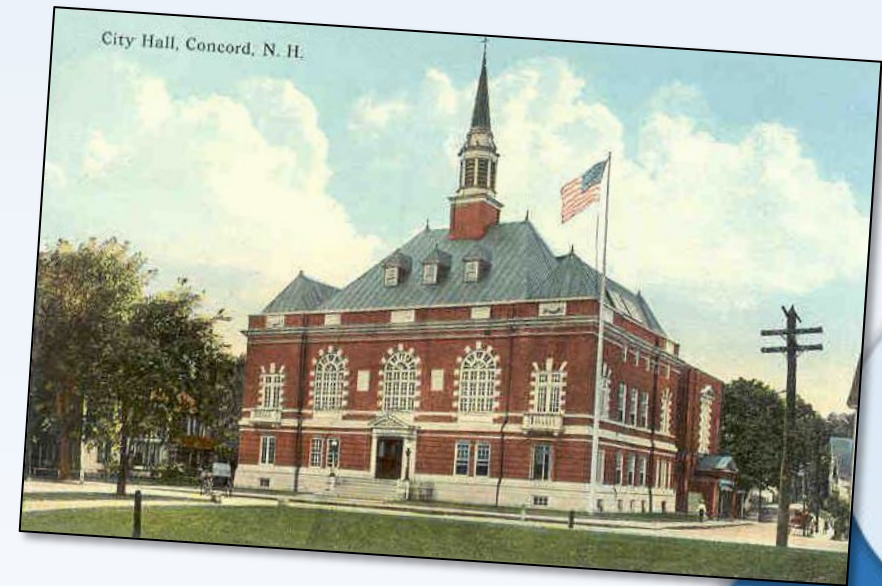
First in the nation





About **12,000** annual reports from registered charitable organizations and trusts

About **255** MS-9 and MS-10 annual reports from municipalities



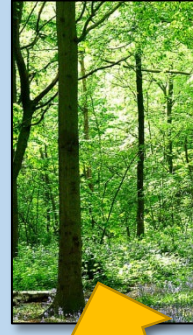
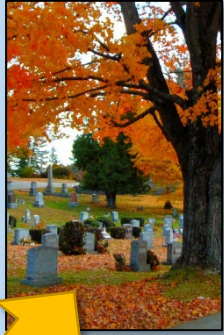
About **65** annual financial reports from municipal libraries



Roles of Municipal Trustees

The background features a collection of overlapping circles in various shades of blue, from light to dark, and a few yellow circles. The circles are scattered across the page, with some appearing as solid shapes and others as outlines or semi-transparent layers, creating a modern, abstract design.

Acceptance of Gifts



General

Perpetual
Care Funds

Gifts to
library

School/village
district gifts

Conservation
Commissions

Heritage
Commissions

Paths to Acceptance of Gifts



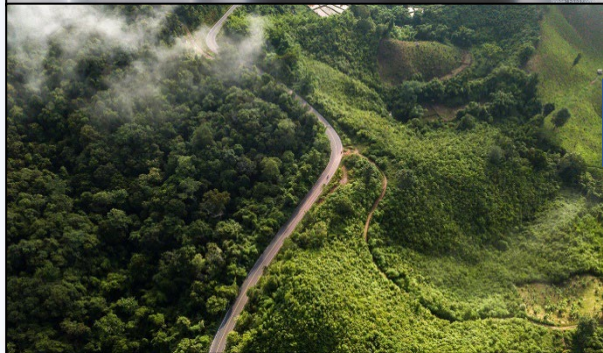
Vote at annual town meeting

RSA 31:19



Authorize governing body to accept trust

RSA 31:19, II
& III



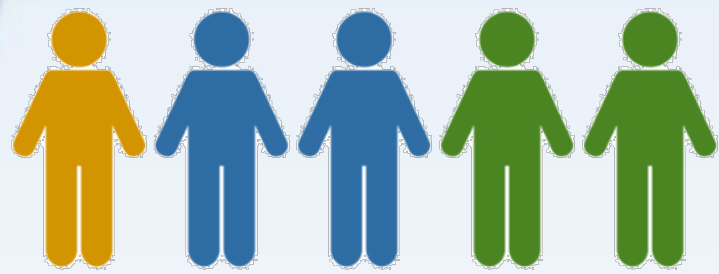
Authorize governing body to accept real estate

RSA 41:14-a
& 41:14-c



Unanticipated funds

Trustees of Trust Funds



1 bookkeeper elected by trustees

3 trustees, unless increased to 5 or reduced to 1 by town vote in accordance with RSA 31:22 and 31:21.

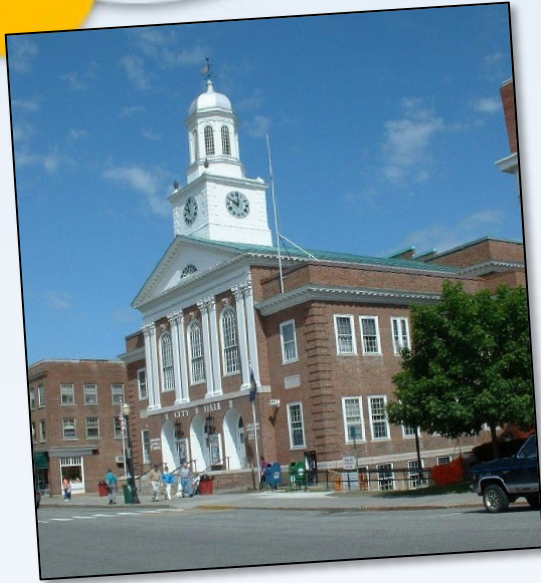
Expenses included in municipal budget, not taken from trust funds

Records open to the public and retained in accordance with RSA 33-a:3-a, CXXXVIII

Balance Sheet		ABC Company			
	12/31/2021	12/31/2020	Increase (Decrease)	Effect on Cash	
Current Assets					
Cash	300,000	250,000	50,000		
Accounts receivable	250,000	250,000	0		
Inventory	400,000	250,000	150,000	(10,000)	
Prepaid expenses	4,000	15,000	(11,000)		
Total Current Assets	1,004,000	865,000	139,000		
Fixed Assets					
Cost of Plant and Equipment	1,500,000	1,250,000	250,000	(250,000)	
Less: Accumulated depreciation	(800,000)	(550,000)	(250,000)		
Net Fixed Assets	700,000	700,000	0		
Total Assets	2,004,000	1,740,000	264,000		
Current Liabilities					
Notes payable - current	50,000	60,000	(10,000)	(10,000)	
Accounts payable	450,000	400,000	50,000	20,000	
Accrued expenses	25,000	25,000	0		
Total Current Liabilities	525,000	485,000	40,000	10,000	
Long-Term Liabilities					
Long-term debt	450,000	500,000	(50,000)		
Total Liabilities	975,000	985,000	(10,000)		
Equity					
Common stock	10,000	10,000	0		
Retained earnings	190,000	80,000	110,000	60,000	
Total Equity	200,000	760,000	130,000		
Total Liabilities and Equity	2,004,000	1,740,000	264,000		
					Net Change in Cash
					50,000

Custody

Town trust funds



Library funds



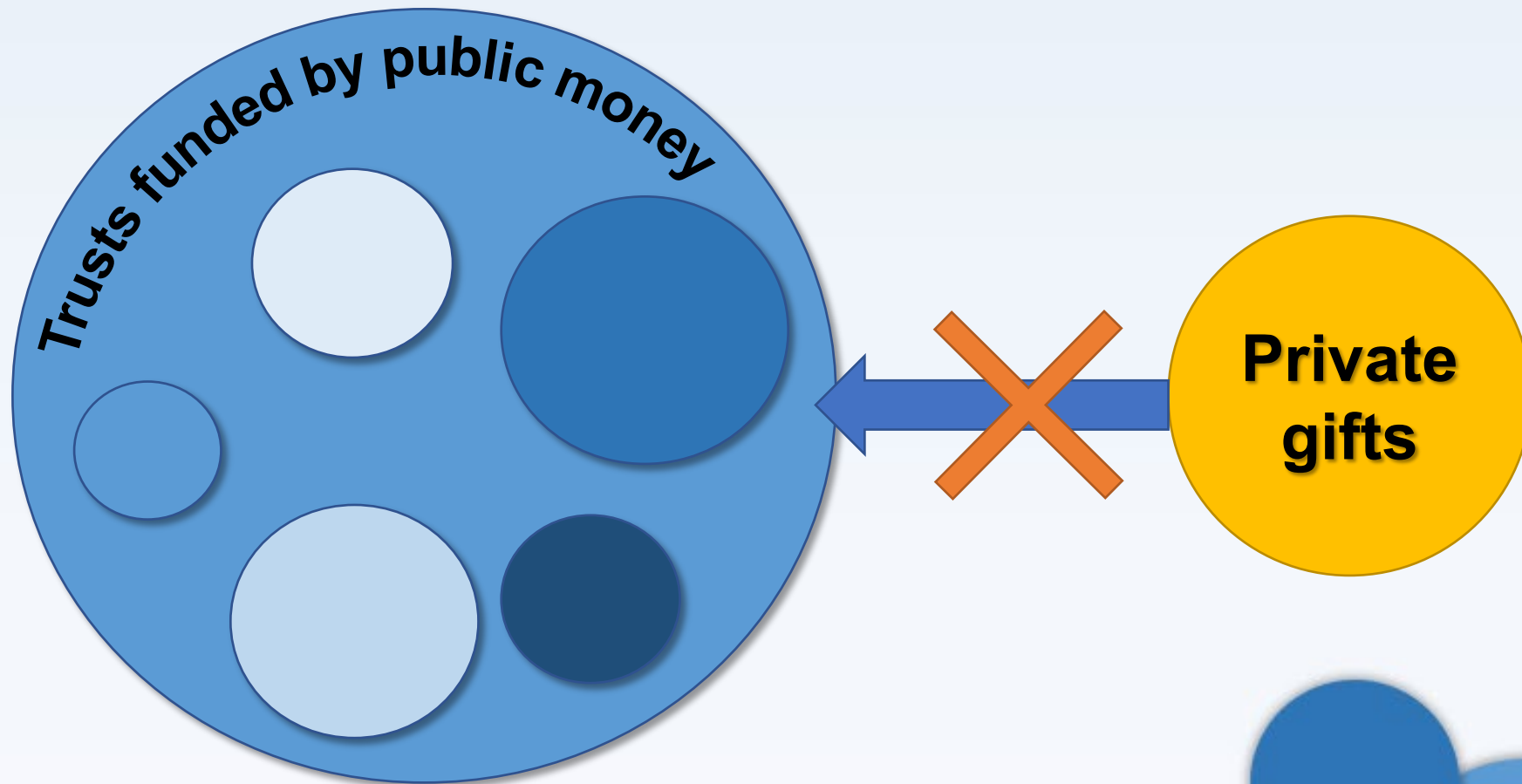
School district funds



Trust Fund and Taxpayer Fund Investment



Comingling Funds





Distributions



Library Trustees



Cemetery Trustees



Fiduciary Duties of Municipal Trustees



Duty of
Loyalty

Duty of
Care

Duty of
Obedience

Duty of Loyalty





Duty of Care



Duty of Obedience

Donor Restrictions

I leave the rest and
residue of my estate
to the town of Troy.

Unrestricted

Donor Restrictions

I give, devise, and bequeath
to the Town of Merrimack
the sum of \$50,000 to be
used for the benefit of the
Fire Department.

**Purpose
restriction**

Donor Restrictions

I give the to the Town of
Antrim \$100,000, the
income only to be used for
whatever purpose the
Selectmen deem
appropriate.

**Time
restriction**

Donor Restrictions

I give \$50,000 to the City
of Manchester, the
income to be expended
for the maintenance of
Victory Park.

**Time
restriction**

**Purpose
restriction**



Changing a Restriction

Doctrine of *cy pres*

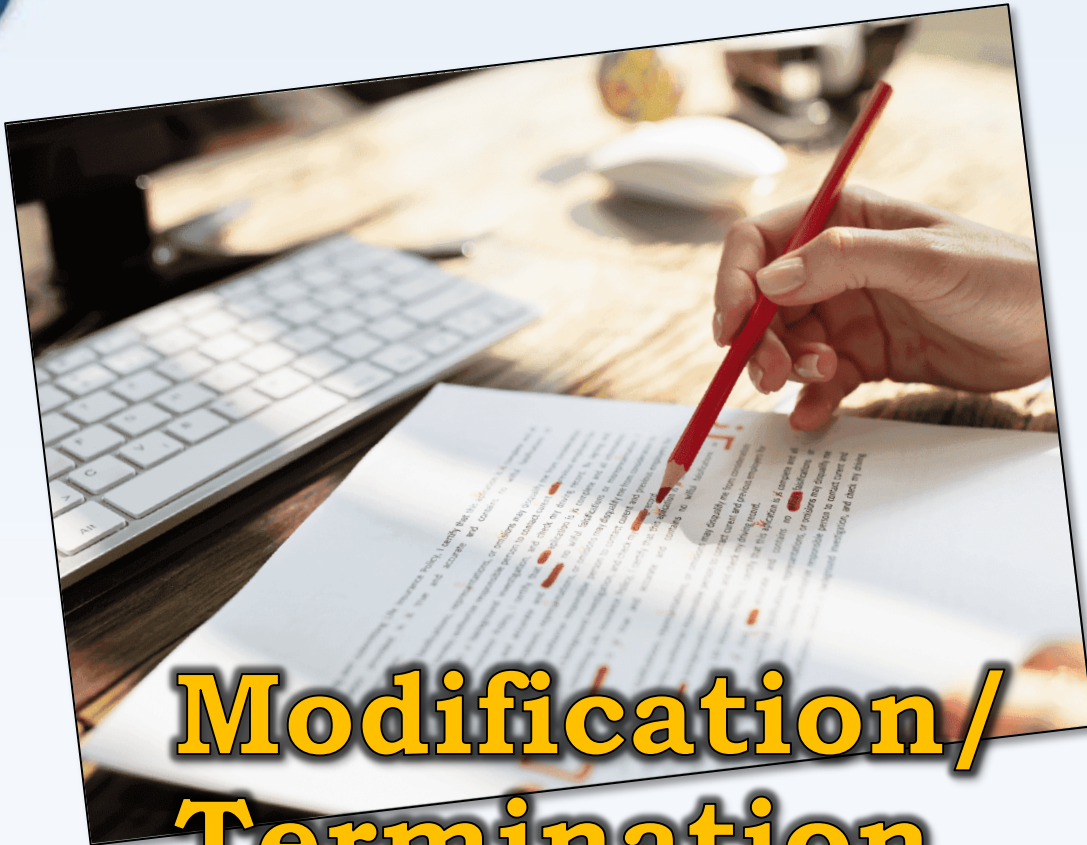


...a scholarship fund for ~~Protestant boy~~ students...

Doctrine of Deviation



Other Changes



**Modification/
Termination**



**Nonjudicial
Settlement
Agreement**

MS-9 and MS10 Forms



MS9 - Report of Trust Funds

Trust | JONES, EBEN W | Library \$268,833.70

[Instruments](#)

Principal

BOY Principal Balance

\$515,755.92

New Funds (+)

\$0.00

Unrealized Gains (+)

\$0.00

Realized Gains (+)

\$32,561.06

Cap Gains Distributions (+)

\$0.00

Principal Withdrawals (-)

\$280,000.00

EOY Fair Value (=)

\$268,316.98

Income

BOY Income Balance

\$805.33

Income Earned (+)

\$6,460.76

Income Expended (-)

\$6,749.37

EOY Income Balance (=)

\$516.72

Principal

BOY Principal Balance

\$260.92

New Funds (+)

\$0.00

Realized Gains (+)

\$5.42

Cap Gains Distributions (+)

\$2.26

Principal Withdrawals (-)

\$0.00

EOY Principal Balance (=)

\$268.60Income

BOY Income Balance

\$86.76

Income Earned (+)

\$10.77

Income Expended (-)

\$0.00

EOY Income Balance (=)

\$97.53

New MS9 Report of Trust Funds

Market

EOY Principal Balance

\$268.60

EOY Income Balance

\$97.53

Cost Basis

\$366.13

EOY Market Value

\$363.95

Unrealized Gains

(\$2.18)

MS10 - Report of Common Investments

Bank of America Corp Floating 4% (Library) Bond 200.00	\$4,367.34
Bank of Nova Scotia/The 1.35% 24 Jun 2026 (Common Funds) Bond 30,000.00	\$29,784.00
Bank of NY Mellon Corp 3.00% 2/24/25 (i) (Common Funds) Bond 50,000.00	\$49,748.00
Bar Harbor Bank & Trust Inst Money Market (Common Funds) Money Market 318,776.94	\$318,776.94
Berkshire Hathaway Inc (Common Funds) Stock 112.00	\$24,542.16
Berkshire Hathaway Inc (Library) Stock 24.00	\$5,259.04
Blackrock Inc (Common Funds) Stock 0.00	\$0.00
Booking Holdings Inc (Common Funds) Stock 9.00	\$21,405.37
Booking Holdings Inc (Library) Stock 1.00	\$2,378.38
Caterpillar Financial Services Corp 2.15% 08 Nov 2024 (Common Funds) Bond 50,000.00	\$50,066.98
Ledger Total: \$4,953,619.8	

MS10 - Report of Common Investments

CN - Bristol Myers Squibb Co - (Income) | Stock | 655.00

\$33,886.50

Principal

BOY Balance

\$36,353.30

Purchases

\$0.00

Cash Capital Gains

\$0.00

Sale Proceeds

(\$2,692.78)

Sale Gain/Loss

\$225.98

EOY Balance

\$33,886.50

Income

BOY Balance

\$0.00

Income

\$1,368.90

Expended

\$1,368.90

EOY Balance

\$0.00

Principal Only

BOY Fair Value

\$46,439.90

Unrealized Gains

\$3,995.10

EOY Fair Value

\$50,435.00

FAQs



Resources

www.doj.nh.gov/charitable-trusts/municipalities.htm

www.nhmunicipal.org/events-training

www.revenue.nh.gov/mun-prop/municipal

www.nhcemetery.org

www.nhlta.com

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