



Nuts and Bolts of Being a Trustee of Trust Funds

Municipal Trustees Training Workshop

Natch Greyes, Municipal
Services Counsel

NHMA

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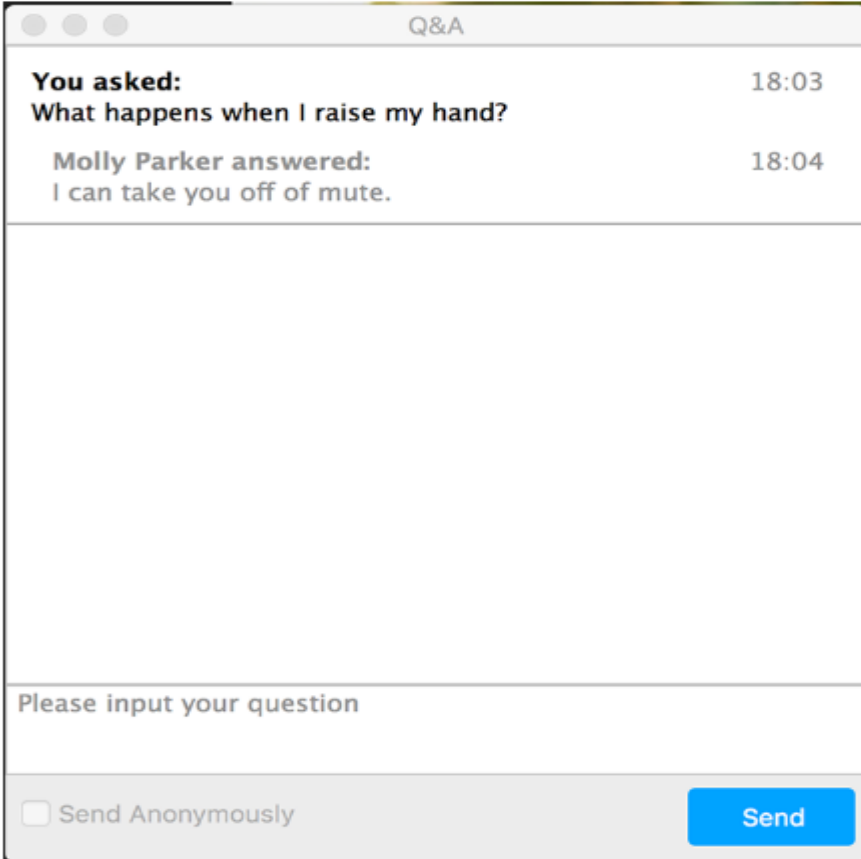
How Do I Ask a

To ask a question:

1. Type your question into the Q&A box. Click **Send**.

Note: Check **Send Anonymously** if you do not want your name attached to your question in the Q&A.

2. If the host replies via the Q&A, you will see a reply in the Q&A window.



The screenshot shows a window titled "Q&A" with a light gray background. At the top, there are three small circles (macOS window controls). Below the title bar, the text "You asked:" is followed by the question "What happens when I raise my hand?" and the time "18:03". Below this, "Molly Parker answered:" is followed by the answer "I can take you off of mute." and the time "18:04". A horizontal line separates the question and answer from the input area. The input area contains the placeholder text "Please input your question". At the bottom left, there is a checkbox labeled "Send Anonymously". At the bottom right, there is a blue button labeled "Send".

The chat function for this workshop has been disabled.

In order to ask a question of our host or a panelist, please refer to graphic.

Once your question has been answered, it will then appear under the *Answered* tab.



Trustees of Trust Funds



- ✓ Custodians of the town's perpetual care funds, charitable trusts, private donations, and capital reserve/expendable trust funds.
- ✓ Act in a fiduciary capacity and make the decisions regarding expenditure from these funds based on the wishes of the donor for privately donated funds.
- ✓ Release capital reserve funds and expendable trust funds to the appropriate government officials upon request.
- ✓ Make decisions on how these funds are to be invested, based upon the statutes and the investment policy adopted by the Trustees.

Election - Incompatibility



- ▶ 3 elected members of the Trustees of Trust Funds unless the town meeting elects to have 5 trustees.
- ▶ The term of each trustee shall be 3 years with terms staggered. In cities trustees are chosen and hold office for a term as provided by city ordinance.
- ▶ Vacancies are filled by the select board for the remainder of the unexpired term.
- ▶ Trustees may recommend the names of no more than 2 persons who may serve as alternate members on the board. The alternate members shall be appointed to one-year terms.

RSA 31:22

- ▶ No trustee of trust funds shall at the same time hold any of the following offices: selectman, treasurer, moderator, collector of taxes, auditor, head of the town's police department on full-time duty and highway agent.

RSA 669:7

Single Trustee & Investments

- ▶ In a town where the total book value of trust funds is less than \$15,000, the town meeting may vote that the board shall consist of one trustee only, chosen by ballot at the annual town meeting. [RSA 31:23](#)
- ▶ Funds managed by a single trustee of trust funds shall be invested in any federally or state-chartered bank or association authorized to engage in a banking business in this state, or in state, county, town, city, school district, water and sewer district bonds and the notes of towns or cities in this state and when so invested the trustee shall not be liable for the loss thereof; and in any common trust fund established by the New Hampshire Charitable Foundation in accordance with [RSA 292:23](#); or in obligations fully guaranteed as to principal and interest by the United States government.

Custody of Trust Funds

- ▶ Trustees shall have custody of all trust funds held by the municipality. [RSA 31:25](#)
- ▶ Trustees also have custody of trusts by gift, legacy or devise to a school district and village district. In case of districts embracing 2 or more towns by the trustees of trust funds of that town which the voters of said district may elect. [RSA 31:31](#)
- ▶ Trustees have custody of all city and town capital reserve funds. [RSA 34:6, 35:10](#)

Audit and Publication of Reports of Trustees



- ▶ The accounts of the trustees shall be audited annually by the auditor of the town, the securities shall be exhibited to the auditor, and he shall certify the facts found by his audit and the list of all securities held. The trustees shall submit to the auditor a detailed statement of the securities held by them and the particular trust to which they belong, and exhibit to him a statement of all receipts and expenditures with proper vouchers.
- ▶ The legislative body of a town may authorize the printing of the reports of the trustees and of the auditor in summary form rather than in full detail in the annual town report.
- ▶ In a year in which a town accepts gifts, legacies and devises for any trust created, the trustees and auditor shall print the names of the donors and the value of such gifts, legacies and devises at the time of donation in the annual town report.

[RSA 31:33](#)

Records & Expenditures

- ▶ Trustees shall require a voucher before making any disbursement of funds from said trusts.
- ▶ Trust funds, or the income thereof, to be expended, shall be paid to trustees or agents of the town established to carry out the objects designated by such trusts, and, if there be no such trustees or agents, then such expenditures shall be made by the full board of town trustees.
- ▶ The trustees shall keep a record of all trusts in a record book or maintained in electronic format, which shall be open to the inspection of all persons in their town.
- ▶ The bookkeeper of the trustees shall receive such compensation as the town meeting may determine.

Adoption of Investment Policies



- ▶ Trustees of Trust Funds and Library Trustees (those that hold the principal of their trust funds) must adopt an investment policy and review it annually pursuant to the applicable provisions of [RSA 31:25](#), [RSA 34:5](#) (cities), [RSA 35:9](#) (towns) RSA 202-A:23 (libraries). A copy of this policy must be filed with the Attorney General.

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Investment Policy

The choice of an investment objective for a particular fund and the eventual choice of the types of securities used to meet these objectives will be driven by:

- ▶ A need for safety of the funds,
- ▶ The ability to use the funds when needed (liquidity), and
- ▶ The return expected given the safety and liquidity of the investment.

Sample Investment Policies & from Around the State

- ▶ [Town of Swanzey Trustees of Trust Funds Investment Policy](#)
- ▶ [Town of Hanover Trustees of Trust Funds Investment Policy Statement](#)
- ▶ [Town of Hanover Trustees of Trust Funds Reference Manual](#)



Report to the Attorney General

- ▶ The trustees shall report annually to the attorney general any securities retained under the provisions of [RSA 31:25-a](#), which shall appear as an addendum to the annual report required to be filed under [RSA 31:38](#).

Professional Banking and Brokerage Assistance - RSA 31:38-a

- ▶ Trustees may hire the trust department bank or banks brokerage firm to assist in the management and investment of trust fund resources or to provide bookkeeping services.
- ▶ They may also place securities in the nominee name of a trust department or departments or a brokerage firm to facilitate transfers for such securities.
- ▶ Trust fund records maintained by any bank or brokerage firm must be available at all times for examination by local auditors, by independent accountants or auditors retained by a municipality, or by the auditors of the department of revenue administration.
- ▶ Such records shall be municipal records and property.
- ▶ Any professional banking and brokerage expenses incurred shall be charges against the trust funds involved and shall be identified and reported in the annual report of the trustee or trustees as expenditures out of trust funds.

Introduction to Professional Municipal Trust Services



Brief introductions from:

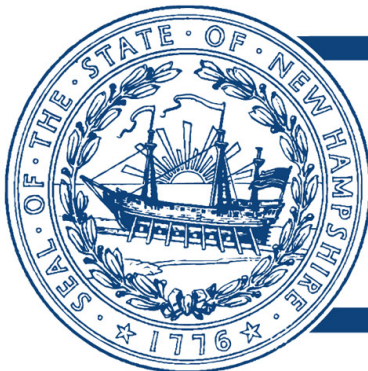
- ▶ TD Bank:
- ▶ NH Public Deposit Investment Pool/PFM:
- ▶ Three Bearings Fiduciary Advisors:



Questions/Answers



THREE BEARINGS
Fiduciary Advisors



**NEW HAMPSHIRE
Public Deposit
Investment Pool**

The New Hampshire Trustees of Trust Funds portal (<https://nhttf.org/>) allows trustees and their financial advisors to submit the Report of Trust Funds (MS-9) and the Report of Common Investments (MS-10) to the NH Department of Justice Charitable Trusts Unit. The entire process is online: the information is imported or entered into the portal, electronically signed for submission, and reviewed by the CTU. Users of the NH Department of Revenue Administration's Municipal Tax Rate Setting Portal (MTRSP) - financial administrators, town administrators, and DRA municipal advisors - have access to the submitted MS-9 and MS-10 through the MTRSP. Current trustees, select town employees, and authorized financial advisors are eligible for NHTTF credentials.

More information about the portal can be found at <https://help.nhttf.org/>

Charitable Trusts Unit Municipalities

For more information or for questions about the MS-9 and MS-10 filing process, please contact the NH DOJ Charitable Trusts Unit:

<https://www.doj.nh.gov/charitable-trusts/>
charitabletrusts2@doj.nh.gov
(603) 271-3591



If you need an account or if you'd like guidance on using the portal, please contact the support team at Axiomatic:

<https://support.axiomnh.com/>
support@axiomnh.com
(888) 508-8179
(603) 413-4978

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Safety. Liquidity. Yield.

Municipalities and governmental entities need investment options that focus on these objectives.

The New Hampshire Public Deposit Investment Pool (NH PDIP or the Pool) features:

- **Professional Management.** Investments in the Pool are managed by investment professionals who are experienced in managing local government investment pools, and follow both general economic and current market conditions affecting interest rates.
- **Convenience.** NH PDIP provides simple management solutions with 24/7 password-protected account access and a Client Services Group to provide additional support and assistance.



Helping you thrive in your role as a fiduciary

Investing & accounting services to let you focus on what matters most

Trustees of Trust Funds in New Hampshire now have access to a full range of investment management and administrative solutions through Three Bearings Fiduciary Advisors. We understand how difficult it can be to effectively manage your town or city's trust and capital reserve funds, particularly in today's low interest-rate environment.

As a Trustee, your search for higher returns can be overshadowed by the increased administrative burden of holding multiple accounts at different custodians and the difficulty of maintaining proper principal and income accounting for your trust funds.

Portfolios and services designed with you in mind

With your Investment Policy as a guide, we design and manage a portfolio to take advantage of all the opportunities available under the Prudent Investor Rule, ensuring your investments balance the need for income with the goal of long-term growth.

Our Investment Management Service Provides:

- Ongoing research and monitoring to ensure investment vehicles remain consistent with investment objectives
- Prudent risk management using state-of-the-art rebalancing tools

Bookkeeping Services

Accurate recordkeeping is ensured with our proprietary TrustTrak software, designed specifically to provide principal and income accounting for Trustees of Trust Funds. Our monthly reports allow you to better communicate with stakeholders. MS-9, MS-10 and Town Report pages are provided expeditiously at year-end.

Support When You Need It

Our service specialists are always ready to assist you with processing deposit and withdrawal requests. Your calls are always answered by a live person during business hours and email inquiries receive prompt replies.

Low Fees and Full Transparency

To help you keep more of what you earn, we charge a low annual fee of 0.5% of managed

Account Custody Provided by Fidelity Clearing & Custody Solutions®

Services LLC, member of NYSE and SIPC.

- Fidelity Clearing & Custody Solutions® is a service provider to Three Bearings Fiduciary Advisors.
- Fidelity Clearing & Custody Solutions® provides clearing, custody, or other brokerage services to Three Bearings Fiduciary Advisors through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC.
- Working with Fidelity Clearing & Custody Solutions® gives Three Bearings Fiduciary Advisors access to a wide range of products and services that can help us serve the needs of our clients.
- Through our relationship with Fidelity Clearing & Custody Solutions®, you will receive a simplified, consolidated statement each month reflecting all your investment positions and transactions in your Fidelity brokerage account.

Accounts are carried by National Financial Services LLC (NFS), a broker-dealer affiliate of Fidelity Investments® and are protected in accordance with the Securities Investor Protection Corporation (SIPC) up to \$500,000. The \$500,000 total amount of SIPC protection is inclusive of up to \$250,000 protection on claims for cash, subject to periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's board of directors. NFS also has arranged for coverage above these limits. Neither coverage protects against a decline in the market value of securities, nor does either coverage extend to certain securities that are considered ineligible for coverage. For more details about SIPC, or to request a SIPC brochure, visit www.sipc.org or call 202.371.8300.

"Excess of SIPC" Coverage

In addition to SIPC protection, NFS provides for brokerage accounts additional "excess of SIPC" coverage. The excess of SIPC coverage will be used only when SIPC coverage is exhausted. Like SIPC protection, excess of SIPC protection does not cover investment losses in customer accounts due to market fluctuation. It also does not cover other claims for losses incurred while broker-dealers remain in business. Total aggregate excess of SIPC coverage available through NFS's excess of SIPC policy is \$1 billion. Within NFS's excess of SIPC coverage, there is no per customer dollar limit on coverage of securities, but there is a per account limit of \$1.9 million on coverage of cash awaiting investment. This is the maximum excess of SIPC protection per customer limit currently available in the brokerage industry.

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Investment Management

Our fiduciary role ensures unbiased advice and management that has your best interests in mind.



Complete Bookkeeping

We ensure all the details are tracked and recorded, allowing you to focus on deposits, distributions and communications.



Superior Service

Tired of getting a recording? Your calls are answered by a live person, and emails are answered promptly.



THREE BEARINGS
Fiduciary Advisors

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NHMA'S MISSION

Through the collective power of cities and towns, NHMA promotes effective municipal government by providing education, training, advocacy and legal services.

