

# **Collateralization Requirements Defined by NH Statute by Political Subdivisions**

## **State Treasurer**

### **Section 6:7**

**6:7 Bank Deposits.** – The treasurer may deposit any portion of public moneys, in the treasurer's possession, in federally insured banks chartered under the laws of New Hampshire or the federal government, with a branch within the state. At the discretion of the treasurer, balances may be collateralized if those balances are deemed to be significant in relation to the equity position of the federally insured bank. Other conditions being equal, those federally insured banks shall receive preference which allow interest on balances. As used in this section the term "public moneys" shall include the general funds of the state and any funds of which the state treasurer acts as custodian or agent.

**Source.** 1903, 125:1. 1905, 68:1. PL 15:6. 1927, 3:1. 1937, 104:1. RL 22:6. RSA 6:7. 1955, 248:1. 1977, 90:1. 1986, 204:3. 1987, 49:1. 1997, 208:2. 2008, 120:2, eff. Aug. 2, 2008.

### **Section 6:8**

#### **6:8 Investment of Funds.** –

I. All funds over which the state has exclusive control, aside from such sums of money as the treasurer may deem necessary to hold or deposit for meeting current expenses, shall be invested by the treasurer, with the approval of the governor and council, in obligations of the United States government, in obligations of any county government, municipal government, or district or division thereof within the state of New Hampshire, in obligations which are legal investments for savings banks pursuant to RSA 387, in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state.

II. The treasurer may also invest public funds in interest-bearing deposits which meet all of the following conditions:

(a) The funds are initially invested through a federally insured bank chartered under the laws of New Hampshire or the federal government with a branch within the state, selected by the treasurer.

(b) The selected bank arranges for the redeposit of funds which exceed the federal deposit insurance limitation of the selected bank in deposits in one or more federally insured financial institutions located in the United States, for the account of the treasurer.

(c) The full amount of principal and any accrued interest of each such deposit is covered by federal deposit insurance.

(d) The selected bank acts as custodian with respect to each such deposit for the account of the treasurer.

(e) On the same date that the funds are redeposited by the selected bank, the selected bank receives an amount of deposits from customers of other federally insured financial institutions equal to or greater than the amount of the funds initially invested through the selected bank by the treasurer.

**Source.** 1903, 125:2. PL 15:7. RL 22:7. RSA 6:8. 1969, 245:1. 1973, 224:1. 1991, 268:3. 1999, 1:3. 2001, 2:1. 2008, 120:3. 2010, 7:1, eff. July 3, 2010. 2013, 97:1, eff. Aug. 19, 2013.

## **COUNTY TREASURERS AND COUNTY TAXES**

### **Section 29:1**

#### **29:1 Duties. –**

I. The county treasurer shall have custody of all moneys belonging to the county, and shall pay out the same only upon orders of the commissioners. The county treasurer shall deposit the same in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank collateral security for such deposits of the following types:

- (a) United States government obligations,
- (b) United States government agency obligations; or
- (c) Obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case.

II. The amount of collected funds on deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus.

III. The county treasurer shall keep in suitable books provided for the purpose a fair and correct account of all sums received into and paid from the county treasury, and of all notes given by the county, with the particulars thereof. At the close of each fiscal year, the county treasurer shall make a report to the county, giving a particular account of all the treasurer's financial transactions during the year. The treasurer shall furnish to the commissioners statements from the books, and submit the books and vouchers to them and to the county auditors for examination, whenever so requested.

IV. 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 commissioners, invest the same in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of the state of New Hampshire or the federal government with a branch within the state. Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment, an option to have such funds secured by collateral having a value at least

equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the county. Only securities defined by the bank commissioner in rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral. At least yearly, the county treasurer, with the approval of the county commissioners, shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes.

V. As an alternative to the option of collateralization for excess funds provided in paragraph IV, the county treasurer may also invest public funds in interest-bearing deposits which meet all of the following conditions:

(a) The funds are initially invested through a federally insured bank chartered under the laws of New Hampshire or the federal government with a branch within the state, selected by the treasurer.

(b) The selected bank arranges for the redeposit of funds which exceed the federal deposit insurance limitation of the selected bank in deposits in one or more federally insured financial institutions located in the United States, for the account of the treasurer.

(c) The full amount of principal and any accrued interest of each such deposit is covered by federal deposit insurance.

(d) The selected bank acts as custodian with respect to each such deposit for the account of the treasurer.

(e) On the same date that the funds are redeposited by the selected bank, the selected bank receives an amount of deposits from customers of other federally insured financial institutions equal to or greater than the amount of the funds initially invested through the selected bank by the treasurer.

**Source.** RS 21:3. CS 22:3. GS 25:2. GL 26:2. PS 28:1. PL 39:1. RL 48:1. RSA 29:1. 1973, 490:3. 1991, 268:4, eff. Aug. 9, 1991; 383:1, eff. Aug. 31, 1991. 1996, 209:2, eff. Aug. 9, 1996. 1997, 208:7, eff. Aug. 17, 1997. 1998, 40:1, eff. July 4, 1998. 2008, 120:19, eff. Aug. 2, 2008. 2010, 7:2, eff. July 3, 2010. 2013, 97:2, eff. Aug. 19, 2013.

## **Section 29:2**

**29:2 Bank Deposits.** – The treasurer shall deposit all public funds in the treasurer's custody in banks within the state pursuant to RSA 29:1 but the amount of collected funds on deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus.

**Source.** 1915, 153:1. PL 39:2. 1929, 92:1. 1931, 177:1. 1939, 170:1. RL 48:2. RSA 29:2. 1959, 197:1, eff. Sept. 20, 1959. 2008, 120:20, eff. Aug. 2, 2008.

## **Section 29:3**

**29:3 Excess Funds.** – Whenever the county treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure the county treasurer may, with the approval of the county commissioners and county executive committee and upon such terms as shall be approved by the county commissioners, invest the same in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in units of pooled money

market mutual funds which invest solely in obligations of the United States Treasury, or in obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations. Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment, an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the county. Only securities defined by the bank commissioner in rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral. At least yearly, the county treasurer, with the approval of the county commissioners, shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes.

**Source.** 1915, 153:2. PL 39:3. RL 48:3. RSA 29:3. 1959, 197:1. 1991, 268:5, eff. Aug. 9, 1991; 383:2, eff. Aug. 31, 1991. 1996, 209:3, eff. Aug. 9, 1996. 2007, 347:1, eff. Sept. 14, 2007. 2011, 71:1, eff. July 15, 2011.

## **Town Treasurer**

### **Section 41:29**

#### **41:29 Duties of Elected and Appointed Town Treasurers. –**

I. The town treasurer shall have custody of all moneys belonging to the town, and shall pay out the same only as follows:

- (a) Upon orders of the selectmen in a public meeting or by a noncontemporaneously signed manifest signed by a majority of the board; or,
- (b) In the case of a conservation fund established pursuant to RSA 36-A:5, upon the order of the conservation commission; or
- (c) In the case of a heritage fund established pursuant to RSA 674:44-d upon the order of the heritage commission; or
- (d) In the case of fees held pursuant to RSA 673:16, II, upon the order of the local land use board or its designated agent; or
- (e) In the case of a recreation revolving fund established pursuant to RSA 35-B:2, upon the order of the recreation or park commission; or
- (f) In the case of fees deposited by the town clerk pursuant to RSA 41:25, upon the invoice of the town clerk, or other board or body designated by the town to expend such a fund.

II. The treasurer shall deposit all such moneys in participation units in the public deposit investment pool established pursuant to RSA 383:22 or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks

pledge and deliver to a third party custodial bank or the federal reserve bank collateral security for such deposits of the following types:

- (a) United States government obligations;
- (b) United States government agency obligations; or
- (c) Obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case.

III. The town treasurer shall keep in suitable books provided for the purpose a fair and correct account of all sums received into and paid from town treasury, and of all notes given by the town, with the particulars thereof. At the close of each fiscal year, the treasurer shall make a report to the town and to the department of revenue administration, giving a particular account of all his or her financial transactions during the year and account balances at year end. The treasurer shall furnish to the selectmen statements from the treasurer's books, and submit the books and vouchers to them and to the town auditors for examination, whenever so requested.

IV. Whenever the town treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the town treasurer shall invest the same in accordance with the investment policy adopted by the selectmen under RSA 41:9, VII. The treasurer may invest in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations.

V. (a) The treasurer shall insure that prior to acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

(b) As an alternative to the option of collateralization for excess funds provided in subparagraph (a), the town treasurer may also invest public funds in interest-bearing deposits which meet all of the following conditions:

(1) The funds are initially invested through a federally insured bank chartered under the laws of New Hampshire or the federal government with a branch within the state, selected by the treasurer.

(2) The selected bank arranges for the redeposit of funds which exceed the federal deposit insurance limitation of the selected bank in deposits in one or more federally insured financial institutions located in the United States, for the account of the treasurer.

(3) The full amount of principal and any accrued interest of each such deposit is covered by federal deposit insurance.

(4) The selected bank acts as custodian with respect to each such deposit for the account of the treasurer.

(5) On the same date that the funds are redeposited by the selected bank, the selected bank receives an amount of deposits from customers of other federally insured financial institutions

equal to or greater than the amount of the funds initially invested through the selected bank by the treasurer.

VI. The treasurer may delegate deposit, investment, recordkeeping, or reconciliation functions to other town officials or employees provided such delegation is in writing and includes written procedures acceptable to the selectmen, or in the case of a town operating under RSA 37, to the town manager, and is agreeable to all parties involved. However any such delegation shall only be made to a town official or employee bonded in accordance with RSA 41:6 and rules adopted by the commissioner of revenue administration under RSA 541-A. Such delegation shall not eliminate the responsibility of the treasurer to comply with all statutory duties required by law.

VII. The treasurer shall ensure that all moneys remitted shall be deposited at least on a weekly basis, or daily whenever funds remitted from all departments collectively totals \$1,500 or more. Such deposit function may be delegated pursuant to paragraph VI. However, failure to ensure that funds are being deposited on a timely basis as required by this paragraph shall be cause for immediate removal from office pursuant to RSA 41:26-d. In any municipality where there is either no bank or other depository institution within the municipality the treasurer shall make deposits consisting of funds remitted from all departments and collectively totaling \$1,500 or more on a weekly basis or more frequently as directed by the board of selectpersons in the investment policy adopted pursuant to RSA 41:9, VII.

**Source.** 1869, 26:2-4. GL 40:8. 1883, 111:1. PS 43:20. PL 47:24. 1931, 177:3. 1939, 170:2. RL 59:24. RSA 41:29. 1959, 197:3. 1971, 158:1. 1973, 490:1. 1977, 139:1. 1987, 318:3. 1991, 268:8; 377:6; 383:9. 1992, 64:3. 1993, 161:2. 1996, 209:10. 1997, 208:8. 1998, 40:2. 2003, 100:2. 2007, 35:6; 246:3, 4. 2008, 120:25; 174:5. 2009, 14:1. 2010, 7:3, eff. July 3, 2010. 2013, 97:3, eff. Aug. 19, 2013; 124:1, eff. Aug. 24, 2013.

## City Treasurer

### Section 48:16

#### **48:16 City Treasurer; Duties. –**

I. The city treasurer shall have custody of all moneys belonging to the city. The treasurer shall deposit the same in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank collateral security for such deposits of the following types:

- (a) United States government obligations;
- (b) United States government agency obligations; or
- (c) Obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case.

II. The city treasurer shall keep in suitable books provided for the purpose a fair and correct account of all sums received into and paid from the city treasury, and of all notes given by the city, with the particulars thereof. At the close of each fiscal year, the treasurer shall make a report

to the city giving a particular account of all his or her financial transactions during the year and account balances at year end. The treasurer shall furnish to the mayor and council statements from the treasurer's books, and submit the books and vouchers to them and to the city auditors for examination, whenever so requested.

III. Whenever the city treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the city treasurer shall invest the same in accordance with the investment policy adopted by the mayor and board of aldermen or city council under RSA 47:6, II. The treasurer may invest in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations.

IV. The city treasurer shall pay out fees held pursuant to RSA 673:16, II upon the order of the local land use board or its designated agent or in the case of moneys held pursuant to RSA 674:44-d upon order of the heritage commission.

V. The treasurer shall insure that prior to acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the city. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

VI. As an alternative to the option of collateralization for excess funds provided in paragraph V, the treasurer may also invest public funds in interest-bearing deposits which meet all of the following conditions:

(a) The funds are initially invested through a federally insured bank chartered under the laws of New Hampshire or the federal government with a branch within the state, selected by the treasurer.

(b) The selected bank arranges for the redeposit of funds which exceed the federal deposit insurance limitation of the selected bank in deposits in one or more federally insured financial institutions located in the United States, for the account of the treasurer.

(c) The full amount of principal and any accrued interest of each such deposit is covered by federal deposit insurance.

(d) The selected bank acts as custodian with respect to each such deposit for the account of the treasurer.

(e) On the same date that the funds are redeposited by the selected bank, the selected bank receives an amount of deposits from customers of other federally insured financial institutions equal to or greater than the amount of the funds initially invested through the selected bank by the treasurer.

**Source.** 1939, 170:2. RL 65:15. 1949, 207:1. RSA 48:16. 1959, 197:2. 1973, 490:2. 1991, 268:9; 377:7; 383:10. 1992, 64:4. 1996, 209:11. 1997, 208:9. 1998, 40:3. 2007, 246:7. 2008, 120:26. 2010, 7:4, eff. July 3, 2010. 2013, 97:4, eff. Aug. 19, 2013.

## **VILLAGE DISTRICTS**

### **Section 52:8**

**52:8 Duties.** – The moderator, clerk, treasurer and commissioners shall severally qualify and possess the same powers and perform the same duties in respect to the district's meetings and business affairs that the moderator, clerk, treasurer and selectmen of towns respectively possess and perform in respect to like matters in towns.

**Source.** 1849, 852:5, 6. CS 116:5, 6. GS 97:3. GL 107:3. PS 53:7. 1905, 99:1. PL 57:8. RL 70:8.

## **SCHOOL MEETINGS AND OFFICERS**

### **District Officers**

#### **Section 197:23-a**

##### **197:23-a Treasurer's Duties. –**

I. The treasurer shall have custody of all moneys belonging to the district and shall pay out the same only upon orders of the school board or upon orders of the 2 or more members of the school board empowered by the school board as a whole to authorize payments. The treasurer shall deposit the moneys in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in banks outside the state if such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank collateral security for such deposits of the following types:

- (a) United States government obligations,
- (b) United States government agency obligations; or
- (c) Obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case.

II. The amount of collected funds on deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus.

III. The treasurer shall keep in suitable books provided for the purpose a fair and correct account of all sums received into and paid from the district treasury, and of all notes given by the

district, with the particulars thereof. At the close of each fiscal year, the treasurer shall make a report to the district, giving a particular account of all of the treasurer's financial transactions during the year. The treasurer shall furnish to the school board statements from the books, and submit the books and vouchers to them and to the auditors for examination, whenever so requested.

IV. Whenever the 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 school board, invest the same in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks incorporated under the laws of the state of New Hampshire or the federal government with a branch within the state and in obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations. Any person who directly or indirectly receives any such funds for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the district. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral. At least yearly, the school board shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes.

V. As an alternative to the option of collateralization for excess funds provided in paragraph IV, the treasurer may also invest public funds in interest-bearing deposits which meet all of the following conditions:

(a) The funds are initially invested through a federally insured bank chartered under the laws of New Hampshire or the federal government with a branch within the state selected by the treasurer.

(b) The selected bank arranges for the redeposit of funds which exceed the federal deposit insurance limitation of the selected bank in deposits in one or more federally insured financial institutions located in the United States, for the account of the treasurer.

(c) The full amount of principal and any accrued interest of each such deposit is covered by federal deposit insurance.

(d) The selected bank acts as custodian with respect to each such deposit for the account of the treasurer.

(e) On the same date that the funds are redeposited by the selected bank, the selected bank receives an amount of deposits from customers of other federally insured financial institutions equal to or greater than the amount of the funds initially invested through the selected bank by the treasurer.

**Source.** 1887, 105:8. PS 90:21. 1921, 85, V:22. PL 120:20. RL 139:22. RSA 197:23. 1963, 87:1. 1973, 490:4. 1979, 161:1. 1991, 268:12; 383:7. 1996, 209:12. 1997, 208:13; 319:10. 1998, 40:4. 2007, 347:4, eff. Sept. 14, 2007. 2008, 120:21, eff. Aug. 2, 2008. 2010, 7:5, eff. July 3, 2010. 2013, 97:5, eff. Aug. 19, 2013.