

Friends of the Narragansett Library

Investment Policy

1. Purpose

The purpose of this Investment Policy is to provide guidance for the safe and responsible management of the financial assets of the Friends of the Narragansett Library. The organization's funds exist to support its charitable mission, and investments must protect principal while ensuring funds are available when needed.

2. Scope

This policy applies to all cash reserves and temporarily unused funds of the organization that are not needed for immediate operating expenses.

3. Investment Objectives

The primary objectives of the organization's investment activities are:

- **Safety of principal** – preservation of funds is the highest priority
- **Liquidity** – funds must be available to meet operating needs
- **Modest return** – to offset inflation when possible, without taking risk

4. Permitted investments

To limit risk and administrative complexity, the organization may invest funds only in the following:

- Bank savings accounts
- Bank money market accounts
- Certificates of Deposits (CDs)

All accounts and CDs must be held at:

- U.S. financial institutions
- FDIC-insured institutions
- Institutions with deposits kept within FDIC Insurance limits, when practical

The organization will not invest in stocks, bonds, mutual funds, cryptocurrencies, or other market-based investments.

5. Certificate of Deposit Guidelines

- CD maturities should generally not exceed 24 months
- CD maturities should be staggered when possible to ensure access to cash
- Early withdrawal penalties should be considered before purchase

6. Brokerage Account for Donated Securities

- The organization may maintain a brokerage account only to accept gifts of publicly traded stock or similar securities.
- Donated securities shall be liquidated as soon as practicable.
- The organization will not hold securities for investment purposes and will not engage in trading, speculation, or market timing.
- Proceeds from liquidated securities must be transferred promptly into approved bank accounts or CDs in accordance with this policy.

7. Responsibility and Oversight

- The Executive Committee has ultimate responsibility for oversight of investments.
- The Executive Committee may authorize a Treasurer to manage accounts in accordance with this policy.
- No individual may invest funds outside the limits of this policy.

8. Review and Reporting

- Investment balances and maturities should be reported to the Executive Committee at least annually.
- This policy is administered by the Executive Committee and will be reviewed periodically or sooner if financial conditions change.

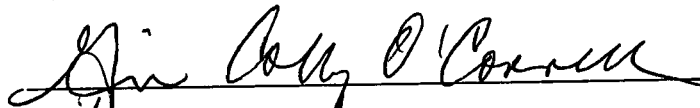
9. Ethics and Conflicts of Interest

All individuals involved in financial decisions must follow the organization's Conflict of Interest Policy and may not receive personal benefit from investment decisions.

10. Adoption

Adopted by the Executive Committee of the Friends of the Narragansett Library on January 21, 2026.

Signed:

 President

 Secretary