

TRUSTEE OF PUBLIC FUNDS

Roles and Responsibilities

Trustees of public funds shall be elected from among the legal voters at the annual meeting if the town so directs. 17 V.S.A. 2646(12). The duty of the three trustees is to manage real or personal property held by the town in trust for any purpose. 24 V.S.A. § 2431. Note that this excludes “United States public money,” for which a separate trustee of public money must be elected. (This requirement only applies to towns which “retain possession of a portion of the surplus funds of the United States received under the Act of 1836.” 17 VSA § 2646(13). Practically speaking, it is questionable whether any town still has any of this federal surplus “public money,” and thus requires a trustee of public money.)

Twenty four V.S.A. § 2431 specifically grants the trustees of public funds responsibility for cemetery trust funds. This creates some overlap of responsibility for cemetery funds among trustees, cemetery commissioners and town treasurers. 18 V.S.A. Chapter 121, subchapter 2. It appears that if trustees of public funds are elected, they have primary responsibility for the investment of the cemetery funds and for the annual reporting on them. How this is practically worked out amongst the cemetery trustees, treasurer and trustees of public funds is probably the result of each town’s unique arrangements.

The trustees have the duty and authority to manage public funds, including the authority to:

- Apply the income to its designated purpose.
- Create deeds and contracts.
- Lease, sell or convey real estate and invest the proceeds.
- Lend money and hold deeds and mortgages.
- Invest in certain bonds and shares.
- Hold, purchase, sell, assign, transfer and dispose of securities and investments and the proceeds of investments.

18 V.S.A. § 5384(b); 24 V.S.A. § 2432.

Each year, the trustees shall report to the town or, in the case of school money, to the state Board of Education, the results of their handling of investments and the use of the income from public funds. 24 V.S.A. § 2434. Trustees must be bonded to the satisfaction of the selectboard, and in some investments they are subject to certain federal and state banking and insurance guidelines. Finally, they may prosecute and defend in legal actions involving public funds. 24 V.S.A. § 2433.