

INVESTMENT OF DISTRICT FUNDS; REVENUES FROM INVESTMENTS

District funds in excess of those maintained in demand deposits or savings accounts for near-term operating purposes shall be properly and prudently invested in accordance with provisions of this policy and as authorized by law.

The primary objectives of the District's standard investment activities, in priority order, shall be:

1. Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to preserve the amount of principal within the District's overall investment portfolio.
2. Liquidity – The District's investment portfolio shall remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.
3. Return on Investments – The District's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary cycles, to an extent commensurate with the District's investment risk constraints and the cash flow characteristics of its portfolio.

Subject to any limitations imposed by law with respect to particular funds, the Board of Education authorizes the following investment vehicles for any District funds that are determined to be in excess of those needed to meet near-term operating needs:

1. Time deposits in the District's Board of Education-designated official public depositories or through a Board of Education-approved redepositing plan.
 - a. Unless otherwise approved by the Board of Education, the invested funds shall be protected under the limits established by applicable state or federal insurance/coverage programs or under bonding or other security that may be given by a financial institution for particular deposits.
 - b. No time deposit having a time to maturity in excess of three (3) years shall be made without specific Board of Education approval.
2. Deposits into the local government pooled-investment fund, provided that the Board of Education has given any additional approvals (if any) that the pooled-investment fund rules may require for specific deposits.

Investments of District funds in excess of those needed to meet near-term operating needs may be made in other vehicles (1) pursuant to a documented investment plan that has been presented to and approved by the Board of Education and that remains operative, or (2) as otherwise approved by the Board of Education.

The Board of Education may also (1) separately approve and establish a trust for one or more lawful purposes and establish standards for the investment and reinvestment of the funds held in such a

trust; and (2) receive and accept gifts and grants, and in the absence of any limiting restrictions placed by the donor or grantor, invest or direct the investment of the same in accordance with the law applicable to trust investments until the gift or grant is otherwise used.

The Director of Finance and Operations has primary administrative responsibility for the management and monitoring of this District's investments under and in compliance with this policy. The Director of Finance and Operations, in periodic consultation with any Board of Education-approved professional financial advisor(s) that have been contracted by the District, shall monitor the status of the District's investment portfolio on a regular basis, periodically provide status updates to the Board of Education, and submit any recommendations for modifications to the District's investment practices to the Board of Education in a timely manner.

Nothing in this policy is intended to diminish the Board of Education's authority and discretion to formally delegate investment authority to certain third parties in compliance with the delegation requirements established under state law.

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