

SAU 24

REVENUES FROM INVESTMENTS

The School Board authorizes the School District Treasurer working in conjunction with the Superintendent and his/her designee and pursuant to RSA 197:23-a to invest funds of the District subject to the following objectives and standards of care.

1. Objectives

The objectives of investment activities, in priority order, shall be safety, liquidity, and yield.

- A. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital by mitigating credit and interest risk. Institutions used and investments made shall be those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to RSA 366:57.
- B. Liquidity of the investment portfolio shall remain sufficient to meet all operating requirements that may be reasonably anticipated.
- C. The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles. Return on investment is secondary in importance to the safety and liquidity objectives described above.

2. Standards of Care

A. Prudence

The standard of prudence to be used by the District Treasurer and Superintendent or his/her designee involved in the investment process shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Government Finance Officers Association (GFOA) Recommended Practices and Policy statements Related to Cash Management shall be used as a guide to the prudent investment of public funds.

B. Ethics and Conflicts of Interest

The School District Treasurer and Superintendent or his/her designee involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall subordinate their personal investment transactions to those of the School District, particularly with regard to the timing of purchases and sales.

C. Internal Controls

The District Treasurer and Superintendent or his/her designee shall establish internal controls, which shall be documented in writing and designed to ensure that the assets of the School District are protected from loss, theft or misuse. The internal controls shall be reviewed by the School Board and an independent auditor.

Adopted: 11/29/2010

2nd Revised Reading: 11/29/2010

1st Revised Reading: 10/25/2010

Re: Adopt: 11/10/2005

Adopted: 10/28/2004

2nd Reading: 10/28/2004

Posted to SAU Website 10/7/2004

This investment policy shall be reviewed annually by the School Board.

D. Investment Parameters

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The School District Treasurer shall hold the authority to deposit funds, invest funds, complete wire transfers, and authorize collateral agreements on behalf of the School District. A copy of such investment instruments and collateral agreements shall be maintained on file at the Superintendent's Office with the original maintained in the records of the School District Treasurer.

The investments shall be diversified by: limiting investments to avoid over concentration in securities from a specific issue or business sector (excluding US Treasury Securities), and limiting investment in securities, which have higher credit risks. Investment shall be made in securities with varying available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

To the extent possible, the District shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than thirty (30) days from the date of purchase, unless the investment instrument carries a no-penalty provision for the withdrawal of any portion or total of the investment together with interest earned, or in accordance with state and local statutes and ordinances.

A report shall be presented to the School Board annually summarizing the investment portfolio of the prior year and outlining current investments. Whenever possible, a projection of the investments for the year shall be provided with such understanding that actual investments may differ from the projections. The School Board shall review the report to ascertain whether investment activities during the reporting periods conform with the investment policy adopted by the Board.

E. Policy Considerations

This policy shall be reviewed on an annual basis and the Superintendent shall publish to the Board any recommended changes. However, policy changes shall only be adopted through a majority vote of the School Board.

Legal References:

RSA 197:22 TreasurersBond

RSA 197:23-a, Treasurer's Duties

RSA 383:22, Public Deposit Investment Pool

Adopted: 11/29/2010

2nd Revised Reading: 11/29/2010

1st Revised Reading: 10/25/2010

Re: Adopt: 11/10/2005

Adopted: 10/28/2004

2nd Reading: 10/28/2004

Posted to SAU Website 10/7/2004