

BUSINESS PROCEDURES

District Income

Investments

School district funds in excess of current needs shall be invested in compliance with this policy and law. The goals of the school district's investment portfolio in order of priority are:

- To provide safety of the principal;
- To maintain the necessary liquidity to match expected liabilities; and
- To obtain a reasonable rate of return

The responsibility for conducting investment transactions resides with the district's treasurer. Only the treasurer and those authorized by resolution may invest public funds. When investing or depositing public funds, the treasurer shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

School district funds are monies of the school district, including operating funds. "Operating funds" of the school district are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt. When investing operating funds, the investments must mature within three hundred and ninety-seven days or less. When investing funds other than operating funds, the investments must mature according to the need for the funds.

The board authorizes the treasurer to invest funds in excess of current needs in the following investments.

- Interest-bearing savings, money market, and checking accounts at the school district's authorized depositories;
- Iowa Schools Joint Investment Trust Program (ISJIT);
- Obligations of the United States government, its agencies and instrumentalities; and
- Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions.

It shall be the responsibility of the treasurer to oversee the investment portfolio in compliance with this policy and the law.

The records of investment transactions made by or on behalf of the district are public records and are the property of the district whether in the custody of the district or in the custody of a fiduciary or other third party.

It shall be the responsibility of the treasurer to bring any contract with any outside person to invest school district funds, to advise on investments, to direct investments, to act in a fiduciary capacity or to perform other services to the board for review and approval. The treasurer shall also provide the board with information about and verification of the outside person's fiduciary bond. Contracts with outside persons shall include a clause requiring the outside person to notify the school district within thirty days of any material weakness in internal structure or regulatory orders or sanctions against the outside person regarding the services being provided to the school district and to provide the documents necessary for the performance of the investment portion of the school district audit. The compensation of the outside persons shall not be based on the performance of the investment portfolio.

The treasurer shall be responsible for reporting to and reviewing with the board at its regular meetings the investment portfolio's performance, transaction activity and current investments including the percent of the investment portfolio by type of investment and by issuer and maturities. The report shall also include trend lines by month over the last year and year-to-year trend lines regarding the performance of the investment portfolio. It shall also be the responsibility of the treasurer to obtain the information necessary to ensure that the investments and the outside persons doing business with the school district meet the requirements outlined in this policy.

It shall be the responsibility of the superintendent to deliver a copy of this policy to the school district's depositories, auditor and outside parties assisting with or facilitating investment of the funds of the district.

It shall also be the responsibility of the superintendent, in conjunction with the treasurer, to develop a system of investment practices and internal controls over the investment practices. The investment practices shall be designed to prevent losses, to document the officer's and employees' responsibility for elements of the investment process and address the capability of the management.

Date of Adoption: 11-16-92

Date of Review: 12-20-93, 01-20-97, 03-20-00, 06-16-03, 05-21-07

LEGAL REF: 11.2, 11.6, 22.1, 279.29,
283A.3, 452.10, 452.11,
Code of Iowa Chapter 453