

Tyrone Area School District

TITLE: INVESTMENT OF DISTRICT
FUNDS

ADOPTED: NOVEMBER 11, 2003

REVISED:

609. INVESTMENT OF DISTRICT FUNDS	
1. Purpose	<p>It shall be the policy of the Board to optimize its return through investment of cash balances in such a way as to minimize non-invested balances and to maximize return on investments.</p> <p>The primary objectives of investment activities, in priority order, shall be:</p> <p style="padding-left: 40px;">Safety – Safety of principal shall be of highest priority. Preservation of capital in the portfolio of investments shall be ensured through the mitigation of credit risk and interest rate risk.</p> <p style="padding-left: 40px;">Liquidity – Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities concurrent with anticipated cash demands.</p> <p style="padding-left: 40px;">Yield – Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.</p>
2. Authority SC 440.1, 621, 622, 623	<p>All investments of the school district made by an officer and/or employee of the district shall be made in accordance with this policy and shall require Board approval.</p>
3. Responsibility SC 440.1	<p>Responsibility for the operation of the investment program shall be in accordance with Board approved written procedures for the operation of the investment program. Authority to manage the investment program is granted to the Business Administrator.</p> <p>An annual investment plan shall be prepared by the Business Administrator, based upon the anticipated cash flow of all district funds; i.e., general, capital reserve, bond proceeds, etc. The investment plan shall be submitted to the Board not later than sixty (60) days after adoption of the annual budget.</p>
SC 440.1	<p>The Business Administrator shall report monthly to the Board the following:</p>

1. Amount of funds invested.
2. Interest earned and received to date.
3. Types and amounts of each investment and the interest rate on each.
4. Names of the institutions where investments are placed.
5. Current market value of the funds invested.

The Board directs the Superintendent to have developed a written set of guidelines which will ensure compliance with the intent of this policy. The guidelines shall include a disclosure form for individuals involved in the investment process. Such written procedures shall be submitted to the Board for approval.

4. Guidelines
SC 440.1

Investments permitted by this policy are those defined in PA School Code §440.1, as amended from time to time. All securities shall be purchased in the name of the school district.

Full collateralization, at a minimum of 102% of market value, shall be required on the principal amounts of all deposits (and all repurchase agreements) in excess of the FDIC Insurance Limits.

The district may participate in investment pools that have been organized in accordance with the provision of Section 3 of the Pennsylvania Intergovernmental Cooperation Act No. 180 of the 1972 General Assembly and Section 521 of Article V of the Act No. 14 of the 1949 Session of the General Assembly of the Commonwealth of Pennsylvania, as amended (the “School Code”).

SC 440.1

All investment advisors or bidders shall verify in writing that they have received a copy of this policy. Such written statement shall indicate that they have read and understand this policy and all applicable statutes related to school district investments, along with their intent to comply fully with these requirements.

The district shall require all investment advisors/bidders to submit annually any or all of the following, as appropriate:

1. Audited financial statements.
2. Proof of National Association of Securities Dealers (NASD) certification.

3. Proof of State registration.

Disclosure

Designated officers and employees involved in the district's investment process shall refrain from any 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.

The officers and employees of the district involved with the investment process shall provide a financial disclosure statement indicating their personal representatives and investment institutions. Such disclosure shall be reviewed annually by the district's independent auditors. Such disclosure in all other respects shall become part of the individual's personnel file.

Audit

The Board directs that all investment records be subject to annual review by the district's independent auditors.

The audit shall include but not be limited to independent verification of amounts of records of all transactions, as deemed necessary by the independent auditors.

It shall be incumbent upon investment advisors and/or bidders to maintain necessary documents to permit an independent audit of the district's investments.

Bond Proceeds

Bond proceeds shall be invested in accordance with the Local Government Unit debt Act and applicable federal and state laws, subject to approval by the solicitor and/or bond counsel and the School Board.

Investment transactions arising from bond proceeds shall be reported monthly to the Board, in accordance with this policy.

65 P.S.
401 et al

53 PA
CSA
Sec. 8001
Et seq
Sec. 8224