

Policy 704.3: Investments

Status: ADOPTED

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

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

In making investments, the school will exercise the care, skill, prudence, and diligence under the circumstances 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 funds are monies of the school, including operating funds. "Operating funds" of the school are funds that 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. If, during the current budget year an amount of public funds will exceed operating funds by at least thirty-three percent, the amount of public funds that exceed operating funds by greater than thirty-three percent may be invested in certificates of deposit at federally insured depository institutions which mature within sixty-three months or less, in accordance with state and federal laws. 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); and,
- Certificates of deposit and other evidence of deposit at federally insured Iowa depository institutions.

It is the responsibility of the Chief Executive Officer (CEO) to oversee the investment portfolio in compliance with this policy and the law.

The CEO is responsible for reporting to and reviewing with the board at its regular meetings the investment portfolio's performance, transaction activity, and current investments.

It is the responsibility of the CEO to deliver a copy of this policy to the school district's depositories, auditor, and outside persons doing investment business with the school district.

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

Legal Reference: Iowa Code §§ 11.2, .6; 12.62; 12B.10; 10A; 12C; 22.1, .14; 28E.2; 257; 279.29; 283A; 285; 502.701; 633.123.

Cross Reference: