

MANAGEMENT AND INVESTMENT OF FUNDS

The Perry Board of Education believes that sound money management includes the proper investment of funds permitted by law. This investment policy is adopted in accordance with the provisions of applicable law by the Perry Board of Education. This policy sets forth the investment policy for the management of the public funds of the district. The policy is designed to ensure prudent management of public funds, the availability of funds when needed, and reasonable investment returns. The school district treasurer shall satisfactorily complete an investment education program approved by the State Board of Education and the State Board of Career and Technology Education. Such programs will be designed to allow treasurers to make informed decisions of public funds regarding liquidity, diversification, safety of principal, yield, maturity, quality of the investment instrument, and capability of the investment management.

The district treasurer shall perform cash-flow analysis to determine the time frame and amounts of funds available for investment. When funds are determined to be available for investment, competitive quotes shall be solicited from interested financial institutions. Funds shall be invested according to state school law. Allowable investments as defined by state law include the following:

1. Direct obligations of the United States government to the payment of which the full faith and credit of the Government of the United States is pledged; provided, a treasurer of a school district who has completed the appropriate training offered by the State Department of Education may invest funds in the investment account in other obligations of the United States Government, its agencies or instrumentalities;
2. Obligations to the payment of which the full faith and credit of this state is pledged;
3. Certificates of deposit of banks when such certificates of deposit are secured by acceptable collateral;
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation;
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 including obligations of the United States, its agencies and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes;
6. County, municipal, or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof;
7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items and those restrictions specified in paragraphs 1 through 6;
8. Warrants, bonds, or judgments of the school district; or

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9. Qualified pooled investment programs, the investment of which consist of those items specified in paragraphs 1 through 8 as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for school funds must be governed through an interlocal cooperative agreement formed pursuant to 70 O.S. § 5-117b and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the board of education.

Any interest received from investments shall be placed in the fund from which the investment was made as approved by the board of education at a lawfully convened board meeting.

The treasurer shall place primary emphasis on safety and liquidity in the investment of funds. Taking into account the need to use sound investment judgment, prior to purchasing direct obligations of the United States Government or other obligations of the United States Government, its agencies or instrumentalities, the school district shall utilize competitive bids, to the extent practicable. All investments shall be designed to maximize yield within the class of investment instrument, consistent with the safety of the funds invested.

To determine that school funds are properly secured, the treasurer shall, on a monthly basis, obtain from each bank where funds are deposited a listing of collateral pledged, setting forth the par value and market value of such collateral. The board shall utilize said documents in reviewing the investment performance of the treasurer.

The board of education shall review the investment performance of the treasurer each month at its regularly scheduled board meeting. Such review shall include, but is not limited to, a determination of whether the treasurer is making informed investment decisions regarding the safety, return, liquidity, costs, and benefits of various investment options in selecting investments for the school district.

**REFERENCE: 62 O.S. §471
70 O.S. §5-115**