

## Lower Merion School District

Policy No.:	609
Section:	FINANCES
Title:	INVESTMENTS
Date Adopted:	1/16/84
Date Last Revised:	12/16/19; 8/27/07; 12/18/06

### 609 INVESTMENTS

#### Purpose

The Board shall invest District funds consistent with sound business practice. It shall further be the policy of the Board to optimize its return on funds available for investment through investment of cash balances in such a way as to minimize non-invested balances and to maximize return on investments

#### Delegation of Responsibility

The Board designates the Business Manager as the District's Investment Officer. As the District Investment Officer, the Business Manager shall have the authority to implement the District's investment program in accordance with this Policy and applicable law without further action of the Board, subject to the following condition: Board approval is required prior to the investment of District funds in investments permitted by Act 10 of 2016 that are not among the types of investments permitted under Section 440.1 of the Public School Code of 1949, as amended. The accompanying Administrative Regulation details the specific categories of investments that require prior Board approval, and those that do not. Any investments not specifically referenced in the accompanying Administrative Regulation shall require Board approval prior to the Investment Officer investing in such funds.

In addition to the Business Manager/District Investment Officer, the following individuals are authorized to invest District funds:

- a. Assistant Business Manager, and
- b. Executive Assistant to the Business Manager, as directed by the Business Manager/District Investment Officer.

#### Other Requirements

The Treasurer will submit detailed monthly reports sufficient to enable the Board to adequately monitor and review the District's investment activity. The reports should list the depository or depositories in which District funds are deposited, the types and amounts of investments made and the investment interest rates.

The District's independent auditors will perform an annual audit of the investments. The auditors will verify the value of any District pooled investments and confirm the value with the pool depository.

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Bond proceeds shall be invested in accordance with the Local Government Unit Debt Act and applicable federal and state laws.

District investments shall be made so as to limit the exposure to loss of principal due to market changes in interest rates.

District funds shall not be invested in foreign currency. To the extent other permissible investments are exposed to related foreign currency risk, they shall be disclosed as required by GASB Statement 40.

District investments in authorized instruments that are not backed by the “full faith and credit” of the federal or state government shall be limited to those with the highest credit rating available for such instruments issued by a recognized organization (i.e. Moody’s, Standard and Poor’s, etc.) If, after purchase, the rating of any instrument is reduced and is no longer in compliance with this policy, the Business Manager or District Investment Officer shall advise the Board at the earliest opportunity of such action and make recommendations for altering investments.

When District funds are invested in any one (1) issuer other than designated depository accounts, the amount of the investment shall be unlimited, but the Board shall be notified of such investment monthly.

For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on weighted average maturity.

Conflict of Interest Avoidance and Disclosure

The Business Manager/District Investment Officer and any other District employee performing functions related to the investment program shall disclose in writing to the Board any material conflict of interest or material potential conflict of interest which exists because of personal relationships or personal business activity between the Business Manager/District Investment Officer or other employees and any depository institution, broker, dealer, investment advisor, or other investment provider or professional serving the District. The Business Manager/District Investment Officer or other employees shall refrain from any personal business activity that could impair ability to make impartial decisions in managing the annual investment plan.

All depository institutions, repurchase agreement providers, brokers, and investment advisors and managers shall disclose in writing to the District: (1) any fees or other compensation paid to or received from a third party with respect to any District investment; and (2) any ownership of

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or by a parent corporation which owns any other depository institution, broker, dealer, investment advisor, or other investment provider or professional which does business with the District.

This Policy and the accompanying Administrative Regulation shall be available to all investment advisors, who are expected to comply with the applicable conflict of interest and disclosure obligations outlined herein.

**Reference:** Public School Code of 1949 (Revised) §440.1