

INVESTMENT OF SCHOOL DISTRICT FUNDS

Background

Under Section 440.1 of the Public School Code of 1949, as amended, the Board of School Directors is directed to invest District funds consistent with the School Code and sound business practices and to provide for an investment program for said funds.

Objective

The objective of this policy is to carry out the direction of the School Code and to provide for a sound and lawful investment program.

Policy

It shall be the policy of the Board to invest District funds in investments authorized by Section 440.1 or under any other applicable statutes in accord with the following investment program:

1. Each year during the development of the budget an annual investment plan will be developed by the Superintendent.
2. Each month during the school year the regular treasurer's report shall contain an update on the progress of this plan.
3. When funds are available for investment, the treasurer may be authorized by the Superintendent or designee to make lawful investments under the following limitations.
 - a. The Director of Business may authorize investments on any single occasion up to four million dollars.
 - b. The Superintendent may authorize investments on any single occasion in excess of four million dollars.
 - c. All investments must be secured by pledged collateral in compliance with all applicable laws.
4. When funds are available for investments, the Superintendent or designee shall investigate rates that may be obtained on:
 - a. United States Treasury bills.

- b. Short-term obligations of the United States Government or its agencies or instrumentalities.
 - c. Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefor shall be pledged by the depository.
 - d. Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
 - e. Deposits in the Pennsylvania School District Liquid Asset Fund; the Pennsylvania Local Government Investment Trust; or other similar lawful trusts or funds as authorized by Section 440.1 of the Public School Code of 1949, as amended, and as approved by specific resolution of the Board.
 - f. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.): Provided, That the following are met:
 - (1) Only investments of that company are in the authorized investments for school district funds listed in clause (a) through (d), and repurchase agreements fully collateralized by such investments.
 - (2) The investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds).
 - (3) The investment company is rated in the highest category by a nationally recognized rating agency.
5. In making investments of funds, the Board shall have authority:
- a. To permit assets pledged as collateral under subsection (c)(iii), to be pooled in accordance with the act of August 6, 1971 (P.L. 281, No. 72), relating to pledges of assets to secure deposits of public funds..

- b. To combine moneys from more than one fund under School District control for the purchase of a single investment, provided that each of the funds combined for the purpose shall be accounted for separately in all respects and that the earnings from the investment are separately and individually computed and recorded, and credited to the accounts from which the investment was purchased.
6. When identical advantageous rates are available from financial institutions, the Superintendent or designee may recommend such investments to the treasurer for any of the financial institutions making such identical quotations keeping in mind the services the financial institutions may have performed or are performing for the District.

Treasurer's Authorization

The treasurer is authorized to make investments in accord with this policy upon direction of the Superintendent, Assistant Superintendent or Director of Business.

Administrative Responsibility

It shall be the responsibility of the Administration to implement and enforce this policy, and to develop Administrative Procedures for implementation and enforcement where necessary.

Communication

This policy shall be communicated to:

1. All District Staff
2. The Mt. Lebanon Community

Replacement policy adopted November 16, 1981
Revised June 16, 1986
Revised July 20, 1992
Revised August 19, 1996
Revised April 17, 2006