INVESTING

As a matter of good fiscal practice the governing board authorizes the Superintendent or the superintendent’s designee to invest all or part of the special reserve fund of the district or any surplus monies not required for the immediate district operations. Such investments shall be limited to securities specified in Government Code 16430, 53601 and 53635.

The Governing Board recognizes that the Superintendent or designee has fiduciary responsibility and is subject to prudent investor standards for all investment decisions. As such, district investments must be made with skill, prudence and diligence, with the primary objective of safeguarding the principal of the funds and with the secondary objective of meeting the district’s liquidity needs. In order to enhance investment return, district’s third investment objective shall be to generate an investment yield that attains or exceeds a market-average rate of return through economic cycles.

The Board recognizes the importance of overseeing investments made with district funds, including investments by the county treasurer. The Board president shall participate with Board presidents of all school districts in the county to select a representative to the county treasury oversight committee. The Superintendent or designee shall maintain ongoing communication with this representative and shall keep the Board well informed about the policies that guide the investment of these funds.

The Superintendent or designee shall annually provide to the Board and any oversight committee a statement of the district’s investment policy. At a public meeting, the Board shall review this policy and discuss any changes to be made. In accordance with law and administrative regulations, the Superintendent or designee shall also provide the Board quarterly reports with specified components, including a statement of how the district portfolio compares with the district’s investment policy.

Interest earned on funds representing the proceeds of bonds of the district shall be placed in the interest and sinking fund of the district to meet the principal and interest falling due on such bonds. Interest earned or proceeds from the sale of bonds, notes, bills or certificates, debentures or other obligations shall be reinvested or placed in the county treasury for credit to the fund(s) of the district from which they were purchased except as noted.
Legal Reference:

EDUCATION CODE
41001 Deposit of money in county treasury
41002 General fund deposits and exceptions
41002.5 Deposit of certain funds in insured institutions
41003 Funds received from rental of real property
41015 Authorization of and limitation investment of district funds
41017 Deposit of miscellaneous receipts
41018 Disposition of money received
42840-42843 Special reserve fund

GOVERNMENT CODE
16430 Eligible securities for investment of surplus moneys
27130-27137 County treasury oversight committees
53600-53609 Investment of surplus
53630-53684 Deposit of funds, especially
53635 Local agency funds; deposit or investment
53646 Treasurer reports and statements of investment policy
53852.5 Investment term for funds designated for repayment of notes
53859.02 Borrowing by local agency

CIVIL CODE
2261-2262 Obligations of trustees; investments

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