

INVESTING

All or part of the special reserve fund of the district, or any surplus monies not required for the immediate necessities of the district, may be invested as allowed by law for public funds. (Education Code 41015; Government Code 16430, 53601-53609, 53635)

The Governing Board authorizes the district's chief fiscal officer to invest and reinvest such funds on behalf of the district. He/she shall make monthly reports of those transactions to the Board. The Board retains the right to revoke this authority at any time.

The Board recognizes that the district's chief fiscal officer has fiduciary responsibility for any funds invested outside the county treasury and is subject to prudent investor standards for investment decisions. As such, he/she shall act with care, skill, prudence, and diligence under the prevailing circumstances, including but not limited to the general economic conditions and the anticipated needs of the district. The investment objectives shall be to first safeguard the principal of the funds, then to meet the district's liquidity needs and, third, to achieve a return on the funds. (Government Code 53600.3, 53600.5)

In order to enhance investment return, the district's goal 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 Superintendent and/or designee shall maintain ongoing communication with any county committees established for the purpose of overseeing county investments. In addition, the Superintendent and/or designee shall keep the Board informed about county policies that guide the investment of these funds.

Annual Statement of Investment Policy

The district's chief fiscal officer shall annually provide to the Board and any district investment oversight committee a statement of the district's investment policy or, if all district surplus funds are invested with the county treasurer, the county's investment policy.

The annual investment report shall be submitted no later than the end of the first quarter of the year to which it applies.

At a public meeting, the Board shall review this policy and discuss any changes to be made. (Government Code 53646)

Quarterly Investments

The chief fiscal officer of the district shall provide the Board, Superintendent, and internal auditor with quarterly reports of district investments in individual accounts that are \$25,000 or more.

(cf. 3460 – Financial Reports and Accountability)

BUSINESS AND NONINSTRUCTIONAL OPERATIONS - BP 3430 (Continued)

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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 Money
17581.5	Mandates Contingent Upon State Funding
27000.3	Fiduciary for Deposits in County Treasury
27130-27137	County Treasury Oversight Committees
53600-53609	Investment of Surplus
53630-53686	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

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2005

School Finance CD-ROM, 2005

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION PUBLICATIONS

Local Agency Investment Guidelines, 2002, rev. 2004

WEB SITES

California State Treasurer's Office, California Debt and Investment Advisory Commission:

<http://www.treasurer.ca.gov/cdiac>

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