

CCSD Administrative Procedures Regarding Investments

Pursuant to the School Board's Cash Management and Investments Policy (DFA), these administrative guidelines are to be utilized by CCSD staff in policy application:

Investments

Board Policy, Cash Management and Investments, Descriptor code: DFA, Effective 07.19.18, will be the governing authority.

The Cherokee County Board of Education invests public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the school district and conforming to all state and local statutes governing investment of public funds.

Safety of principal is the foremost investment objective of the portfolio. The investment portfolio will attain a market-average rate of return throughout the budgetary and economic cycles, taking into account the investment risk and cash flow requirements.

The Chief Financial Officer, as the Superintendent of School's designee, will invest funds in the following instruments, as authorized under Georgia law (O.C.G.A. 36-83-4):

- Obligations issued by the State of Georgia or by other states;
- Obligations issued by the United States government;
- Obligations fully insured or guaranteed by the United States government or a United States government agency;
- Obligations of any corporation of the United States;
- Prime banker's acceptances;
- The local government investment pool established by O.C.G.A. 36-83-8;
- Repurchase Agreements;
- Obligations of other political subdivisions of the State of Georgia; and/or
- Certificates of Deposit

Funds to be Invested

The Superintendent may authorize the investment of idle surplus funds (Fund Balances), operating funds on-hand but not immediately needed for operations (excess tax revenue) and proceeds derived from the sale of general obligation bonds.

How Funds May be Invested

Proceeds from the sale of general obligation bonds may be invested in any of the instruments authorized by Georgia law, listed above.

Idle surplus funds may be deposited in an institution selected through the competitive procurement process, which includes a formal request issued every three to five years.

Investments of all operating funds will be made in maturities of 12 months or less in order to assure liquidity within the fiscal year, unless a temporary extension of maturities is approved by the School Board.

All funds will be held in third-party safekeeping by an institution designated as primary agent, selected through a competitive procurement process and secured by surety bond, by guarantee of insurance or by collateral in an amount of not less than 110 percent of the public funds being secured.

The State of Georgia Local Government Investment Pool (LGIP) will be used any time this investment tool is deemed to be in the best interest of the school district.

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Investment Decisions

The Chief Financial Officer (CFO) is designated by the Superintendent as the authorized individual responsible for investment decisions and activities. The CFO appoints an Investment Committee consisting of the following individuals to assist with making investment decisions:

- Director, Financial Management
- Supervisor, Accounting and Budgets
- Independent Financial Consultant

All investment decisions will be prudent and made with judgement and care, under circumstances prevailing and consistent with all investment policies of the School Board.

Ethics and Conflict of Interest

Officials involved with the investment process will refrain from personal business activity that could conflict with the proper execution of the Board's investment program or which would impair their ability to make impartial investment decisions. Any material financial interests held by officials involved with the investment process in financial institutions that conduct business with the School District will be disclosed to the Superintendent. Additionally, any large financial/investment positions that could be related to the performance of the School District's portfolio must be disclosed to the Superintendent. At the Superintendent's discretion, the disclosures may preclude an individual from participating in the investment process.

Internal Controls

A system of internal control structure is established and maintained to ensure assets of the School Board are protected from fraud, employee error, misrepresentations by third parties, unanticipated changes in financial markets or imprudent actions by employees.

Internal controls are reviewed annually by an external independent auditor to assure compliance with generally accepted accounting procedures as well as policies and procedures. Internal controls are designed to address the following points, at a minimum:

- Collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Clear delegation of authority to staff members
- Written confirmation of transactions for investments and wire transfer of funds
- Written agreements with investment entities and third-parties, as needed.

Annual Investment Report

The Chief Financial Officer will submit to the Superintendent an annual investment report that includes, at a minimum:

- Summary of recent market conditions;
- Economic developments occurring since the last report to the School Board;
- Anticipated investment conditions over the next year;
- Activity of transactions;
- Outstanding investment on the last day of the fiscal year;
- Average rates of returns for each investment;
- Comparison with applicable indices; and,
- Average percentage of cash invested.

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The annual report will be provided after the completion of the independent audit of financial statements for the previous fiscal year.