

Descriptor Term: INVESTMENT EARNINGS

Descriptor Code: DFL

Rescinds: DFL

Board Approved: 11/16/2015

Previously Approved: 1/4/1988

(1) Whenever the Gulfport School District, or any county, on behalf of any other school district, has on hand any bond and interest funds, any funds derived from the sale of bonds, or any other funds in excess of the sums which will be required for payment of current obligations and expenses as they come due, and which are not needed or cannot by law be used for the payment of the current obligations or expenses of the District, the Board of Trustees of the District will have the power and authority to invest such excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, which such county or municipal bonds have been approved by a reputable bond attorney or have been validated by a decree of the chancery court; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds; or by depositing such funds in interest-bearing accounts with any financial institution approved for the deposit of municipal, county or state funds. In case of deposits in savings and loan institutions, the total of all such deposits will not exceed the amount insured by some agency of the United States government. The rate of interest on such time certificates of deposit and interest-bearing accounts will be negotiated, but such rate of interest will not be less than the rate of interest paid to the general public on passbook savings in accordance with the rules and regulations required under Section 81-5-69. In any event, the bonds or obligations in which such funds are invested shall mature or be redeemable prior to the time the funds so invested will be needed for expenditure. When bonds or other obligations have been so purchased, the same may be sold or surrendered for redemption at any time, except certificates of deposit which must mature, by order or resolution of the Board, and the president of the Board, when authorized by such order or resolution, will have the power and authority to execute all instruments and take such other action as may be necessary to effectuate the sale or redemption thereof.

(2) All earnings from funds other than bond funds or bond sinking funds in excess of One Hundred Dollars (\$100.00) in any fiscal year, invested according to the provisions of subsections (1) and (2) of this section shall be deposited in the district fund from which the investment was made. Earnings from such school district funds which are less than One Hundred Dollars (\$100.00) in any fiscal year may be deposited in the school district maintenance fund, or in the district fund from which the investment was made, in the discretion of the school board. Earnings from funds invested out of bond funds or bond sinking funds, together with the principal thereof, shall be deposited in the fund from which the investment was made.

(3) Nothing contained in this section shall be construed to prevent the payment of a portion of the earnings derived from the investment of bond proceeds or any other amounts in the bond fund or related reserve or sinking funds to the federal government to the extent required by the federal laws applicable to such bonds or the interest income thereon in order to maintain their tax exempt status.