

SUBJECT: DISTRICT INVESTMENTS

Whenever the District has funds (including operating funds, reserve funds and proceeds of obligations) that exceed those necessary to meet current expenses, the Board of Education shall authorize the Business Manager to invest such funds in accordance with all applicable laws and regulations and in conformity with the guidelines established by this policy.

Objectives

The objectives of this investment policy are four-fold:

- a) Investments shall be made in a manner so as to safeguard the funds of the School District; and
- b) Bank deposits shall be made in a manner so as to safeguard the funds of the School District.
- c) Investments shall be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of the School District.
- d) Funds shall be invested in such a way as to earn the maximum yield possible given the first three (3) investment objectives.

Authorization

The authority to deposit and invest funds is delegated to the Business Manager. These functions shall be performed in accordance with the applicable sections of the General Municipal Law and the Local Finance Law of the State of New York.

The Business Manager may invest funds in the following eligible investments:

- a) Obligations of the State of New York.
- b) Obligations of the United States Government, or any obligations for which principal and interest are fully guaranteed by the United States Government.
- c) Special time deposit accounts in, or certificates of deposits issued by, a bank or trust company located in the State of New York;
- d) In accordance with all of the following conditions:
 - 1) The moneys are invested through a bank or trust company located and authorized to do business in the State of New York
 - 2) The bank or trust company arranges for the deposit of the moneys in certifications of deposit in one or more banking institutions, as defined in section 9-r of the banking law, for the account of the local government;

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- 3) The full amount of principal and accrued interest of each such certificate of deposit must be insured by the federal deposit insurance corporations (FDIC);
- 4) The bank or trust company acts as custodian for the local government with respect to such certificate of deposit issued for the local government's account; and
- 5) At the same time the local government's moneys are deposited and the certificates of deposits are issued for the account of the local government, the bank or trust company receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of the moneys invested by the local government through the bank or trust company.

Implementation

Using the policy as a framework, regulations and procedures shall be developed which reflect:

- a) A list of authorized investments;
- b) Procedures including a signed agreement to insure the School District's financial interest in investments;
- c) Standards for written agreements consistent with legal requirements;
- d) Procedures for the monitoring, control, deposit and retention of investments and collateral which shall be done at least once a month;
- e) Standards for security agreements and custodial agreements consistent with legal requirements;
- f) Standards for diversification of investments including diversification as to type of investments, and firms and banks with whom the School District transacts business; and
- g) Standards for qualification of investment agents which transact business with the School District including, at minimum, the Annual Report of the Trading Partner.

This policy shall be reviewed and re-adopted at least annually or whenever new investment legislation becomes law, as staff capabilities change, or whenever external or internal issues warrant modification.

General Municipal Law Section 39
Education Law Sections 1604-a and 1723(a)
Local Finance Law Section 165

Adopted: 5/11/04