6144 - INVESTMENT INCOME

The School Board authorizes the Superintendent to make investments of available monies from the several funds of the Corporation in:

A. bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State;
B. certificates of deposit issued by financial institutions organized and authorized to operate in this State;
C. Commercial paper rated prime 1 or prime 2 at the time of purchase and maturing not more than 270 days after the date of purchase.

The purpose of the investments is to maximize the returns on the Corporation's excess cash balances consistent with safety of those monies and with the desired liquidity of the investments.

The Superintendent is authorized to contract with a depository for the operation of a cash management system under the following conditions:

A. the contract is in writing
B. the contract provides for the investment of funds by the depository with the written approval of the Superintendent
C. the depository keeps all records concerning investment cash management
D. the investments are made in accordance with State law with maturities not to exceed two (2) years
E. the contract, which cannot exceed two (2) years, is awarded using the Corporation's bidding procedure

The Superintendent shall include in the monthly report to the Board all cash in all accounts on deposit as well as the investment assets of the Board.

The Board also requires the Superintendent to report to the Board annually:

A. The types and amounts of each investment and the interest earned on each;
B. The transactions occurring since the last report.

An obligation when received by the Superintendent shall be deposited with the bank or trust company having the deposit of the money of the particular fund from which the obligation was purchased.

Money in the several funds of the School Corporation may be commingled for the purpose of making an investment. The Treasurer may also join with other school treasurers, the regional service region, for the purpose of investing Corporation funds. S/He shall account for such investments separately.

The Board may authorize the Board's investing officer to invest in certificates of deposit from depositories that have been designated by the State Board of Finance as a depository for State funds under I.C. 5-13-9-5 but have not been designated by the Corporation's Board of Finance established by Board Bylaw 0151.1. This authorization shall be in the form of a resolution approved by the Board. Such resolution must provide that the authority to invest in these certificates of deposit granted by the resolution expires on a date that is not later than two (2) years after the date of the Board's vote adopting the resolution.

I.C. 5-13-9, 20-26-5-4
I.C. 5-13-9 –Deposit and investment of public funds
I.C. 5-13-9-5(a) – Authorization to invest in certificates of deposit
I.C. 20-26-5-4 – Specific powers
I.C. 36-1-2-10 – "Municipal corporation" defined to include "school corporation"
I.C. 36-1-2-13 – "Political subdivision" defined to include "municipal corporation"
State Board of Accounts Public Schools Manual Part 14

Revised 6/16/14

© Neola 2013