

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 hereby authorizes the Superintendent and/or School Business Official to invest such funds in accordance with all applicable laws and regulations and in conformity with the guidelines established by this policy.

Objectives

The primary objectives of the District's investment activities are, in priority order:

- a) To conform with all applicable federal, State and other legal requirements (legality);
- b) To adequately safeguard principal (safety);
- c) To provide sufficient liquidity to meet all operating requirements (liquidity); and
- d) To obtain a reasonable rate of return (yield).

Authorization

The authority to deposit and invest funds is delegated to the Superintendent and/or School Business Official. 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.

These officials may invest 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) Time Deposit Accounts placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law. (Banking Law Section 237(2) prohibits a savings bank from accepting a deposit from a local government. This also applies to savings and loan associations.)
- d) Transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law.
- e) Certificates of Deposits placed in a commercial bank authorized to do business in the State of New York providing the Certificates are collateralized as required by law.
 1. Deposits in excess of the amount insured by the Federal Deposit Insurance Corporation will be secured in accordance with subdivision 3 of the General Municipal Law Section 10.

SUBJECT: DISTRICT INVESTMENTS (Cont'd.)

2. The District may, in its discretion, authorize the bank designated for the deposit of District funds to arrange for the redeposit of such funds in one (1) or more banking institutions, for the account of the District, through a deposit placement that meets the conditions set forth in General Municipal Law Section 10(2)(a)(ii).
- f) Securities purchased pursuant to a Repurchase Agreement whereby one party purchases securities from a second party and the second party agrees to repurchase those same securities on a specific future date at an agreed rate of return (the interest rate).

Implementation

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

- a) Procedures for monitoring, controlling, depositing, and retaining investments and collateral;
- b) Standards for security agreements and custodial agreements with banks or trust companies authorized to do business in the State of New York, pursuant to which obligations and collateral are held;
- c) Standards for diversification of investments, including diversification with respect to type of investments and firms with which to transact business;
- d) Standards for qualification of firms with which the School District transacts business, such as criteria covering creditworthiness, experience, capitalization, size, and any other factors that make a firm capable and qualified to transact business with the District;
- e) Standards for written agreements pursuant to which investments are made, and;
- f) Procedures and provisions to secure in a satisfactory manner the District's financial interest in investments.

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.