

Infinity Charter School

SECTION: FINANCES

TITLE: INVESTMENT OF
DISTRICT FUNDS

APPROVED: December 17, 2006

REVISED:

609. INVESTMENT OF DISTRICT FUNDS

PURPOSE:

It shall be the policy of the Board to optimize its return through investment of cash balances in such a way as to minimize non-invested balances to maximize return on investments.

The primary objectives of investment activities, in priority order, shall be:

Legality – All investments shall be made in accordance with applicable laws of Pennsylvania.

Safety – Safety of principal shall be of highest priority. Preservation of capital in the portfolio of investments shall be ensured through the mitigation of credit risk and interest rate risk.

Liquidity – Investments shall remain sufficiently liquid to meet all operating requirements that are reasonable anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities concurrent with anticipated cash demands.

Yield – Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

AUTHORITY:

All investments of the school district made by an officer and/or employee of the district shall be made in accordance with this policy and a Board-approved investment program.

DEFINITIONS:

Short-term – any period twelve (12) months or less.

Long-term – any period exceeding forty-eight (48) months' duration

Mid-range – any period between short-term and long-term

Credit risk – the risk of loss of principal due to the failure of the security issue or backer of the issue.

Interest rate risk – the risk that the market value of securities will fall due to changes in general interest rates.

DELEGATION OF RESPONSIBILITY:

School district funds may be invested and managed by the Treasurer, CEO/Director or Business Manager or other Board designated individual.

The designated individual responsible for investments shall report monthly to the Board the following:

1. Amount of funds invested.
2. Interest earned and received.
3. Types and amounts of each investment and the interest rate on each.
4. Names of the institutions where investments are placed.
5. Current market value of the funds invested.
6. Other information required by the Board.

GUIDELINES:

Investments permitted by this policy are those defined in Section 440.1 of the School Code, as amended. Authorized types of investments are specified in Section 5.11 of the school's bylaws.

All securities shall be purchased in the name of the school district.

All investment advisors or bidders shall verify in writing that they have received a copy of this policy. Such written statement shall indicate that they have read and understand this policy and all applicable statutes related to school district investments, along with their intent to comply fully with these requirements.

The district shall require all investment advisors/bidders to submit annually any or all of the following as appropriate:

1. Audited financial statements.
2. Proof of National Association of Securities Dealers (NASD) certification.
3. Proof of state registration.

Disclosure

Designated officers and employees involved in the district's investment process shall disclose any personal business activity that could conflict with the proper execution and management of the investment program or could impair their ability to make impartial decisions.

Audit

The Board directs that all investment records be subject to annual audit by the district's independent auditors.

The audit shall include but not be limited to independent verification of amounts and record of all transactions, as deemed necessary by the independent auditors.

It shall be the responsibility of the investment advisor and/or bidder to maintain necessary documents to permit independent audit of the district's investments.