

DISTRICT INVESTMENTS

Philosophy:

The Board of Education considers an investment program to be a critical ingredient of sound fiscal management. The Board authorizes an investment program for the purpose of securing a maximum yield of interest revenues to supplement other revenues for the support of the District's educational program.

The objectives of the District's investment policy are to:

- a. Safeguard funds and minimize risk;
- b. Ensure that such investments mature when cash is required to finance operations;
- c. Ensure a competitive rate of return; and
- d. Assure compliance with appropriate and applicable laws.

Policy:

It is the policy of the Board of Education that the School District Treasurer is hereby authorized to invest those funds that exceed the funds necessary to meet current expenses in the following types of investment instruments:

- a. Certificate of Deposit issued by a bank or trust company authorized to do business in New York State;
- b. Time Deposit Accounts in a bank or trust company authorized to do business in New York State;
- c. Obligations of the United States of America;
- d. Obligations of agencies of the federal government, if principal and interest is guaranteed by the United States of America;
- e. In Repurchase Agreements involving the purchase and resale of obligations of the United States of America or obligations of agencies of the federal government, if principal and interest is guaranteed by the United States of America.

All investments shall be fully secured by insurance of the Federal Deposit Insurance Corporation, or by obligations of New York State, obligations of the United States, obligations of federal agencies, the principal and interest of which are guaranteed by the United States, or obligations of New York State local government (collateralization).

Policy:

All institutions using school district funds must provide a statement to the district of their collateral in the form of a list of the securities pledged at market value.

Collateral shall be monitored on a periodic basis to ensure adequate coverage with emphasis placed on periods of substantial revenue receipt.

The District encourages the purchase and sale of securities through a competitive process involving telephone solicitation of at least three quotations.

The District shall maintain documentation of the telephone quotations, including the name and telephone number of the quoter, date and time of quotation, and interest rate quoted.

The treasurer will maintain an up-to-date schedule of investments by type, rate of interest, bank name, and date of maturity. Such list will be presented to the Board periodically or as requested.

A yearly cash flow chart will be maintained to provide data to assist proper planning and decision making regarding amount, duration and type of investments for the school district. Such a cash flow chart shall be updated monthly to reflect any change in revenues and/or expenditures affecting the overall program.

To the extent feasible, investments and deposits shall be made in and through regional financial institutions. Diversification of investments and deposits is encouraged. Only Board authorized financial institutions may be used for deposits and/or investments.

All School District investments will be in compliance with Sections 160(a), 1723(a), and 2131 of the Education Law.

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Harpursville Central School to govern effectively. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculations, but for investment, considering the safety of the principal as well as the probable income to be derived.

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