

Series 800 – Business Procedures

Policy Title: INVESTMENTS

Policy Code No. 802.4

School district funds in excess of current needs shall be invested in compliance with this policy. The goals of the school district's investment portfolio in order of priority are:

- To provide safety of the principle;
- To maintain the necessary liquidity to match expected liabilities; and
- To obtain a reasonable rate of return.

In making investments, the school district shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

School district funds are monies of the school district, including operating funds. "Operating funds" of the school district are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt. When investing operating funds, the investments must mature within three hundred and ninety-seven days or less. When investing funds other than operating funds, the investments must mature according to the need for the funds.

The board authorizes the board secretary/treasurer to invest funds in excess of current needs in the following investments:

- Interest bearing savings, money market, and checking accounts at the school district's authorized depositories;
- Iowa Schools Joint Investment Trust Program (ISJIT);
- Obligations of the United States government, its agencies and instrumentalities;
- Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions;
- An open-end management investment company registered with the federal securities exchange commission and commonly referred to as a money market mutual fund. The money market mutual fund shall use only the investments individually authorized by law for school districts.

Series 800 – Business Procedures

It shall be the responsibility of the board secretary/treasurer to oversee the investment portfolio in compliance with this policy and the law.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds or acting in a fiduciary capacity for the Newton Community School District shall require the outside person to notify in writing the Newton Community School District within thirty days of receipt of all communication from the auditor of the outside person or any regulatory authority of the existence of a material weakness in the internal control structure of the outside person or regulatory orders or sanctions regarding the type of series being provided to the Newton Community School District by the outside person.

Contracts with outside persons shall not be based on the performance of the investment portfolio.

The board secretary/treasurer shall be responsible for reporting to and reviewing with the board at its regular meetings investment transaction activity and current investments including the percent of the investment portfolio by type of investment and by issuer and maturities. It shall also be the responsibility of the board secretary/treasurer to obtain the information necessary to ensure that the investments and the outside persons doing business with the school district meet the requirements outlined in this policy.

It shall be the responsibility of the board secretary/treasurer to deliver a copy of this policy to the school district's depositories and auditor as well as outside persons doing business with the school district.

It shall also be the responsibility of the board secretary/treasurer to develop a system of investment practices and internal controls over the investment practices. The investment practices shall be designed to prevent losses, to document the officers' and the employees' responsibilities for elements of the investment process and to address the capability of the management.

Date of Adoption 08/28/1989
Review Date 01/10/2011
Revision Date 07/12/2004

Legal Ref.: Iowa Code §§ 11.2, .6; 12.62; 12B; 12C; 22.1, .13; 28E.2; 257; 279.29; 283A; 285;
 502.701; 633.123.
 1992 Iowa Acts.

Cross Ref.: Board Policy
 202.4 Board Secretary/Treasurer
 802.1 Local, State, and Federal Revenue