

INVESTING

All or part of the special reserve fund of the district, or any surplus monies not required for the immediate necessities of the district, may be invested as allowed by law for public funds. (Education Code 41015; Government Code 16430, 53601-53609, 53635)

The Board of Trustees authorizes the district's chief fiscal officer to invest and reinvest such funds on behalf of the district. He/she shall make quarterly reports of those transactions to the Board. The Board retains the right to revoke this authority at any time.

The Board recognizes that the district's chief fiscal officer has fiduciary responsibility for any funds invested outside the county treasury and is subject to prudent investor standards for investment decisions. As such, he/she shall act with care, skill, prudence and diligence under the prevailing circumstances, including but not limited to the general economic conditions and the anticipated needs of the district. The investment objectives shall be to first safeguard the principal of the funds, then to meet the district's liquidity needs and, third, to achieve a return on the funds. (Government Code 53600.3, 53600.5)

(cf. 9270 - Conflict of Interest)

In order to enhance investment return, the district's goal shall be to generate an investment yield that attains or exceeds a market-average rate of return through economic cycles.

The Board recognizes the importance of overseeing investments made with district funds, including investments by the county treasurer. The Superintendent or designee shall maintain ongoing communication with any county committee established for the purpose of overseeing county investments. In addition, the Superintendent or designee shall keep the Board informed about county policies that guide the investment of these funds.

Legal Reference: (see next page)

INVESTING (continued)

Legal Reference:

EDUCATION CODE

- 41001 *Deposit of money in county treasury*
- 41002 *General fund deposits and exceptions*
- 41002.5 *Deposit of certain funds in insured institutions*
- 41003 *Funds received from rental of real property*
- 41015 *Authorization of and limitation investment of district funds*
- 41017 *Deposit of miscellaneous receipts*
- 41018 *Disposition of money received*
- 42840-42843 *Special reserve fund*

GOVERNMENT CODE

- 16430 *Eligible securities for investment of surplus money*
- 17581.5 *Mandates contingent upon state funding*
- 27000.3 *Fiduciary for deposits in county treasury*
- 27130-27137 *County treasury oversight committees*
- 53600-53609 *Investment of surplus*
- 53630-53686 *Deposit of funds, especially:*
 - 53635 *Local agency funds; deposit or investment*
 - 53646 *Treasurer reports and statements of investment policy*
 - 53852.5 *Investment term for funds designated for repayment of notes*
 - 53859.02 *Borrowing by local agency*

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2005

School Finance CD-ROM, 2005

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION PUBLICATIONS

Local Agency Investment Guidelines, 2002, rev. 2004

WEB SITES

California State Treasurer's Office, California Debt and Investment Advisory Commission:

<http://www.treasurer.ca.gov/cdiac>