

MANAGEMENT AND INVESTMENT OF FUNDS

It is the policy of the Varnum Board of Education that all general fund receipts shall be transmitted to the treasurer of the board of education. A receipt shall be issued by the person receiving the funds to the person depositing the funds, and a copy of the receipt shall be forwarded to the treasurer in the form of legal warrants, bonds, or interest coupons.

The treasurer shall invest school funds in direct obligations of the United States government, in certificates of deposits of banks secured by acceptable collateral, or in saving accounts or savings certificates of savings and loan associations. All deposits shall be insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation (FSLIC), or the National Credit Union Administration (NCUA):

1. Reserve funds from the general fund.
2. Funds from the building fund.
3. Reserve funds in the sinking fund.
4. The treasurer shall determine that school funds are properly secured by collateral sufficient to insure funds on deposit at each bank where funds are deposited.

Said funds are to be invested monthly in accordance with all applicable state and school laws.

The board of education, at its regularly scheduled meeting, shall set aside funds to an operating account and to an investment account. The board may direct the treasurer to satisfactorily complete an investment education program approved by the State Board of Education and the State Board of Career and Technology Education. The treasurer shall invest the full amount of the investment account in:

1. Direct obligations of the United States government to the payment of which the full faith and credit of the Government of the United States is pledged; provided, a treasurer of a school district who has completed the appropriate training offered by the State Department of Education may invest funds in the investment account in other obligations of the United States Government, its agencies or instrumentalities;
2. Obligations to the payment of which the full faith and credit of this state is pledged;
3. Certificates of deposit of banks when such certificates of deposit are secured by acceptable collateral;
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation;
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 including obligations of the United States, its agencies and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes;
6. County, municipal, or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof;

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7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items and those restrictions specified in paragraphs 1 through 6;
8. Warrants, bonds, or judgments of the school district; or
9. Qualified pooled investment programs, the investment of which consist of those items specified in paragraphs 1 through 8 as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for school funds must be governed through an interlocal cooperative agreement formed pursuant to 70 O.S. § 5-117b and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the board of education.

Any interest received from investments shall be placed in the fund from which the investment was made as approved by the board of education at a lawfully convened board meeting.

The treasurer shall place primary emphasis on safety and liquidity in the investment of funds. Taking into account the need to use sound investment judgment, prior to purchasing direct obligations of the United States Government or other obligations of the United States Government, its agencies or instrumentalities, the school district shall utilize competitive bids, to the extent practicable. All investments shall be designed to maximize yield within the class of investment instrument, consistent with the safety of the funds invested.

To determine that school funds are properly secured, the treasurer shall, on a monthly basis, obtain from each bank where funds are deposited a listing of collateral pledged, setting forth the par value and market value of such collateral. The board shall utilize said documents in reviewing the investment performance of the treasurer.

The board of education shall review the investment performance of the treasurer each month at its regularly scheduled board meeting. Such review shall include, but is not limited to, a determination of whether the treasurer is making informed investment decisions regarding the safety, return, liquidity, costs, and benefits of various investment options in selecting investments for the school district.

REFERENCE: 62 O.S. §471
70 O.S. §5-115

THIS POLICY REQUIRED BY LAW.