



Board of Education Policy Manual

6000 Series: Fiscal Management

Policy 6240

INVESTMENT OF SURPLUS CASH

The objectives of the district's investment policy are to safeguard district funds and to minimize risk, to ensure that investments mature when cash is required to finance operations and to ensure a competitive rate of return. To the extent feasible, investments and deposits shall be made in and through local or regional financial institutions. Concentration of investments in a single financial institution should be avoided. Diversification of investments and deposits is encouraged.

The Assistant Superintendent for Support Services shall be responsible for investing surplus cash of the district in a manner consistent with sections six and eleven of the General Municipal Law, Sections 1604a and 1723a of Education Law, regulations of the State Controller and local guidelines as follows:

1. Investment vehicles will be limited to obligations of the United States Government or investments fully collateralized by securities permitted under the General Municipal Law. Investments may include U.S. Treasury securities, Certificates of Deposit, Repurchase Agreements and Interest Bearing Bank Accounts. (There is no direct authorization in law to invest in repurchase agreements although state regulations interpret the law to permit such investments. As such, their use will be considered only as long as Audit and Control regulations remain unchanged in this respect.)
2. The Board of Education will designate participating institutions with which the district may invest its funds. Such institutions will be designated annually at the district's reorganization meeting or considered at other times during the year at the recommendation of the Superintendent of Schools. Each designated institution must be licensed to do business in New York State. The Board will consider commercial banks which come under direct or indirect supervision of the Federal Reserve Bank of New York and are members of the FDIC. The Board will also consider primary government securities dealers who are registered with the Federal Reserve Bank of New York and are members of the Securities Investors Protection Corporation (SIPC). (This includes most commercial banks and larger stock brokers.)
3. For investments other than treasury bills or those insured by the FDIC, collateral will be required. Collateral will be limited to obligations of the U.S. government, of the NYS government or of New York State political subdivisions (including school districts) as required by law. Securities will be solely pledged to the Burnt Hills-Ballston Lake School District and held by a bank approved by the school district in an account bearing the school district name. Such securities must be at least

equal in market value to the amount of the investment at the time the investment is made. Institutions will provide the District with a report describing for each District investment the securities pledged and the market value of each.

4. With the exception of treasury bills, investments with a single institution will not exceed 50% of the highest dollar value of the district investment portfolio in the previous fiscal year.
5. Each designated investment institution must agree in writing to conform to all applicable sections of Policy 6240.
6. The District Treasurer will, on a monthly basis, provide the Board with a statement of cash invested for each fund maintained by the District. This report will describe each investment vehicle (except checking account interest) by date of investment, date of maturity, type, interest rate, and dollar value of investment earnings at maturity.