School Administrative Unit # 77
Monroe School District
School Board Policy

DFA

FIRST READING: 03/18/2009	**ADOPTED: 06/10/2009**	**REAFFIRM: 05/02/2022**

INVESTMENT

The School Board authorizes the School District Treasurer, working in conjunction with the District Administrator and designee and pursuant to RSA 197:23-a, to invest the funds of the District subject to the following objectives and standards of care.

OBJECTIVES

The three objectives of investment activities shall be safety, liquidity and yield.

1. Safety of principal is the foremost objective in this policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital by mitigating credit and interest rate risk. This will be accomplished by limiting the type of investments and institutions to those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to applicable law.
2. Liquidity of the investment portfolio will remain sufficient to meet all operating requirements that may be reasonably anticipated.
3. Yield. The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

STANDARDS OF CARE

1. Prudence. The standard of prudence to be used by the District Treasurer and District Administrator or designee involved in the investment process will be the “prudent person” standard and will be applied in the context of managing an overall portfolio. They are directed to use the GFOA (Government Finance Officers Association) Recommended Practices and Policy Statements Related to Cash Management as a guide to the prudent investment of public funds.

2. Ethics and conflicts of interest. The School District Treasurer and District Administrator or designee involved in the investment process will refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials will disclose any material interests in financial institutions with which they conduct business.

   They will further disclose any personal financial institutions with which they conduct business. They will also disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials will subordinate their personal investment transactions to those of the School District, particularly with regard to the timing of purchases and sales. Internal Controls. The District Treasurer and District Administrator or designee will establish a system of internal controls which will be documented in writing.

3. The internal controls will be reviewed periodically by the School Board and an independent auditor.

The Board will periodically review the investment policy.

Legal References:

RSA 197:23-a, Treasurer's Duties
RSA 383:22, Public Deposit Investment Pool