

INVESTMENTS

The District investment program is authorized by the Board of Education. It is viewed as a critical aspect of sound fiscal management, the purpose of which is to secure a maximum yield of interest revenues to supplement other District revenues for the support of the educational program of the school system.

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. In accordance with this policy, the Assistant Superintendent for Management Services & Strategic Planning, or designee, is authorized to invest and/or deposit all funds, including proceeds of obligations and reserve funds, in time-deposit accounts, certificates of deposit, short-term government securities, (U.S. Treasury bills, notes and repurchase agreements), or other investment instruments permitted by law, subject to the investment regulations approved by the Board.

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 shall be avoided. Diversification of investments and deposits is encouraged.

Reference: Education Law §§ 1604-a; 1709(8); 1723; 3651; 3652
Local Finance Law §165
General Municipal Law §§ 6-j; 6-m; 6-n

Approved: November 20, 2001

Revised: December 5, 2017; May 24, 2011; July 22, 2008

INVESTMENTS REGULATION

Authorized Investments

- A. The Assistant Superintendent for Management Services & Strategic Planning and the District Treasurer are authorized to invest all available District funds, including proceeds of obligations and reserve funds, in the following types of investment instruments:
- Savings accounts, checking accounts or Money Market accounts of designated banks.
 - Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State.
 - Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State.
 - Obligations of New York State.
 - Obligations of the United States Government (U.S. Treasury Bills and Notes).
 - Repurchase Agreements involving the purchase and sale of direct obligations of the United States.
- B. All funds may be invested in Revenue Anticipation Notes or Tax Anticipation Notes of other school districts and municipalities with the approval of the State Comptroller.

Conditions

All investments made pursuant to this investment policy will comply with the following conditions:

A. Collateral

1. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation (FDIC) or by obligations of New York State, the United States, New York State school districts and federal agencies whose principal and interest are guaranteed by the United States.

The market value of collateral will at all times exceed the principal amount of the certificate of deposit. Collateral will be monitored by the financial institution no less frequently than on a weekly basis, with monthly reports to the District.

2. Collateral will not be required with respect to the direct purchase of obligations of New York State, the United States and federal agencies, the principal and interest of which are guaranteed by the United States Government.

B. Delivery of Securities

1. Payment of funds may only be made upon receipt of collateral or other acceptable form of security, or upon the delivery of government obligations whether such obligations are purchased outright, or pursuant to a repurchase agreement. Written confirmation of delivery shall be obtained from the custodial bank.
2. Every repurchase agreement will make payment to the seller contingent upon the seller's delivery of obligations of the United States to the custodial bank designated by the school district, which shall not be the re-purchaser, or in the case of a book-entry transaction, when the obligations of the United States are credited to the custodian's Federal Reserve account. The seller will not be entitled to substitute securities. Repurchase agreements shall be for periods of thirty (30) days or less. The custodial bank shall confirm all transactions in writing to ensure that the school District's ownership of the securities is properly reflected in the records of the custodial bank.

C. Written Contracts

1. Written contracts are required for custodial undertakings and repurchase agreements. With respect to the purchase of direct obligations of the United States, New York State or other governmental entities, etc., in which monies may be invested, the interests of the District will be adequately protected by conditioning payment on the physical delivery of purchased securities to the District or custodian, or in the case of book-entry transactions, on the crediting of purchased securities to the custodian's Federal Reserve System account. All purchases will be confirmed promptly in writing to the District.
2. Confirmation of the purchase of all certificates of deposit will be given in writing by the financial institution.
3. A written contract will be required with the custodial bank(s).
4. Written contracts shall be required for all repurchase agreements. Only credit worthy banks and primary reporting dealers shall be qualified to enter into a repurchase agreement with the school district. The written contract will stipulate that only obligations of the United States may be purchased and that the school district shall make payment upon delivery of the securities or the appropriate book-entry of the purchased securities. No specific repurchase agreement will be entered into unless a master repurchase agreement has been executed between the school district and the trading partners. While the term of the master repurchase agreement may be for a reasonable length of time, a specific repurchase agreement will not exceed thirty (30) days.

D. Designation of Custodial Banks

1. The Board will designate a commercial bank or trust company authorized to do business in the State of New York to act as custodial bank of the District's investments. However, securities may not be purchased through a repurchase agreement with the custodial bank.
2. When purchasing eligible securities, the seller will be required to transfer the securities to the District's custodial bank.

E. Selection of Financial Institutions

1. The Treasurer will periodically monitor, to the extent practical but not less than annually, the financial strength and credit worthiness of all institutions and trading partners through which the District's investments are made.
2. Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

F. Operations, Audit, and Reporting

1. The Treasurer, or designee, will authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the District. Oral directions concerning the purchase or sale of securities will be confirmed in writing.
2. The District will monitor the purchase and sale of securities to ensure the District is obtaining a competitive rate in the marketplace.
3. The independent auditors will audit the investments proceeds of the District for compliance with the provisions of the District investment policy.
4. An investment report, reflecting all quotations and the bid award shall be furnished to the Assistant Superintendent for Management Services & Strategic Planning for each sale of securities.

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