

**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 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)*

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.

**Annual Statement of Investment Policy**

The district's chief fiscal officer shall annually provide to the Board and any district investment oversight committee a statement of the district's investment policy or, if all district surplus funds are invested with the county treasurer, the county's investment policy.

The annual investment report shall be submitted no later than the end of the first quarter of the year to which it applies.

At a public meeting, the Board shall review this policy and discuss any changes to be made. (Government Code 53646)

**Quarterly Investment Reports**

The chief fiscal officer of the district shall provide the Board, Superintendent and internal auditor with quarterly reports of district investments in individual accounts that are \$25,000 or more.

*(cf. 3460 - Financial Reports and Accountability)*

*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>