

Culver School District 4J

Code: **DFA**
Adopted: 12/02/03
Readopted: 04/18/06

Investment of Funds

Purpose:

The purpose of this investment policy is to assist the Board of Directors and the administration of the district in carrying out their joint responsibilities as stewards of the district's cash resources.

Scope and Size

This policy applies to activities of the district with respect to investing the temporary surplus of cash of all district funds, including the following:

Government Funds

General Funds
Special Revenue Funds
Debt Service Funds
Capital Project Funds

Propriety Funds

Enterprise Funds
Internal Services Funds

Fiduciary Funds

Trust v. Agency Funds
Account Groups
General Fixed Assets
General Long Term Debt

Funds of the district will be invested in compliance with the provisions, but not necessarily limited to, ORS 294.035 through 294.048; ORS 294.125 through 294.155, and ORS 294.810.

Investments will be made in accordance with this policy and written administrative procedures. Investment of any tax-exempt borrowing proceeds and of any debt service funds will comply with the arbitrage restrictions in all applicable Internal Revenue Codes.

The size of the portfolio will range from approximately \$1 million to approximately \$24 million.

Objective

Investment objectives are:

1. Preservation of capital and the protection of principal.
2. Conformance with federal, state and other legal requirements.
3. Maintenance of sufficient liquidity to meet operating requirements.
4. Avoidance of imprudent credit, market, or speculative risk.
5. Attainment of a market rate of return throughout all economic and fiscal cycles.

Delegation of Authority

The business manager is the designated investment officer of the district, under the direction of the Superintendent. The Superintendent shall develop and maintain written administrative procedures for the operation of the investment program, consistent with these policies.

Standard of Prudence

The investment officer shall make investments under the prudent investor rule, which states: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probably safety of their capital as well as the probable income to be derived.”

The investment officer and staff, acting in accordance with this investment policy and exercising due diligence, shall not be held personally responsible for a specific security’s credit risk or market price changes, provided that any unfavorable developments are reported as soon as practical and that appropriate action is taken to control further adverse developments.

Depository of Funds

The district shall general invest for maximum return with selection of investment type and institution to be made accordingly. All revenues received by the district shall be deposited in the official depository banks, the state investment pool, or invested in other Oregon state approved investments, which shall be approved annually.

Monitoring and Adjusting the Portfolio

The investment officer and Jefferson County Treasurer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

Internal Controls

The Superintendent shall maintain a system of written internal controls, which will be reviewed and tested by the independent auditor annually.

Short Term versus Long Term Portfolio

Limitations in instruments, diversification and maturity scheduling shall depend upon whether the funds being invested are considered short term or long-term funds.

All funds shall be considered short term except those reserved for capital projects (i.e., bond sale proceeds) and special assessment prepayments being held for debt retirement.

Short/Long Term Portfolio Diversification

Both short-term and long-term funds may be invested in the following instruments up to the percentages indicated. All listed investments comply with Oregon Revised Statutes.

US Treasury Obligations (Bills, Notes, Bonds)	100 Percent
US Government Agencies/Government Sponsored Corporations	100 Percent
Local Government Investment Pool	100 Percent
Banker’s Acceptances	50 Percent
Commercial Paper (ORS 294.035 P 12, 13)	25 Percent
Certificates of Deposit – Commercial Banks	25 Percent
Certificates of Deposit – Savings/Loans	10 Percent

Competitive Selection of Investment Instruments

Before investing funds with institutions other than the state pool, the investment officer shall solicit quotes for a specific maturity date from at least two qualified financial institutions.

Qualified Institutions

The district shall maintain a listing of financial institutions, which are approved for investment purposes. The district shall request annually and keep on file the consolidated report of financial condition of any institution in which the district has invested funds.

END OF POLICY

Legal Reference(s):

[ORS 294.033](#)

[ORS 294.035](#)

[ORS 294.135\(1\)\(a\)](#)

[ORS 294.155](#)