

September 1, 1999

## **INVESTMENT OF SCHOOL FUNDS**

The board of education believes that sound money management includes the proper investment of funds. The board shall set aside from the operating account to be deposited in an investment account.

The school district treasurer shall be required to satisfactorily complete an investment education program approved by the State Department of Education. Such program shall be designed to allow treasurers to make informed decisions regarding the safety, return, liquidity, costs and benefits of various investment options allowed by state law.

When making investments the district treasurer shall consider liquidity, diversification, safety of principal, yield, maturity, quality of the investment instrument, and capability of the investment management. The primary emphasis shall be on safety and liquidity of the investment funds.

The school district treasurer is directed to consider investment of such funds the best choice possible.

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the United States Government or State of Oklahoma is pledged.
2. Certificates of deposit of banks when such deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States government.
4. Repurchase agreements that has underlying collateral of the U.S. Government or the State of Oklahoma.
5. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied.
6. Money market mutual funds regulated by the Securities and Exchange Commission.
7. Warrants, bonds or judgments of the school district.

These funds are to be invested with a financial institution as defined in state school law. Competitive bidding shall be utilized in the investment of school funds.

Interest income received from investment of such monies may be placed in the General Fund to be used for general operations, the Sinking Fund or the Building Fund from which the investment was made. The income from such investments is to be placed in the funds as determined by the board of education.

At the discretion of the board a qualified pooled investment program that has been approved by the State Department of Education may be used for district investments.

**INVESTMENT OF SCHOOL FUNDS (Cont.)**

The board will review the investment performance of the district treasurer or the pooled program on a regular basis and no less than once each month.

An investment policy is required by HB 1251 (Section 5), 1999 Legislative Session.

References: 70 O.S. Sections 5-115

62 O.S. Section 348.1 (Sections 664 and 664.1, School Law Book, 1998)

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