

INVESTING

The Superintendent or designee may invest as permitted by law all or part of the special reserve fund of the District or any surplus monies not required for immediate District operations. Such investments shall be limited to securities specified in Government Code 16430, 53601 and 53635.

The Board of Trustees recognizes that the Superintendent or designee has fiduciary responsibility and is subject to prudent investor standards for all investment decisions. As such, District investments must be made with skill, prudence and diligence, with the primary objective of safeguarding the principal of the funds and with the secondary objective of meeting the District's liquidity needs. In order to enhance investment return, the District's third investment objective shall be to generate an investment yield that attains or exceeds a market-average rate of return through economic cycles.

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 committees established for the purpose of overseeing county investments. In addition, the Superintendent or designee shall keep the Board informed about policies that guide the investment of these funds.

The Superintendent or designee 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. At a public meeting, the Board shall review this policy and discuss any changes to be made. If the Board decides not to invest surplus funds in the county treasury, the Superintendent or designee also shall provide the Board quarterly reports with specified components, including a statement of how the District portfolio compares with the District's investment policy. (Government Code 53646)

(cf. 3020 - Fiscal Policy Team)

(cf. 3460 - Financial Reports and Accountability)

(cf. 9270 - Conflict of Interest)

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 moneys*
- 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*