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Policy

INVESTMENTS AND INVESTMENT INCOME
[ISBA Code: 6020]

The Board of School Trustees for the Lafayette School Corporation supports and authorizes a safe and sound investment program. Such a program is viewed as an important ingredient of sound fiscal management, the purpose of which is to secure a maximum yield of interest revenues to supplement other corporation revenues for the support of the educational program of the corporation.

The investing officer for the Lafayette School Corporation is the Chief Financial Officer. The investing officer will manage the various funds of the school corporation. This includes the funds to which local and state tax dollars are received, as well as federal and community grant funds.

The objectives, in priority order, of the investment program are:

1. the safety of principal and funds,
2. the liquidity of the portfolio sufficient to enable the corporation to meet all cash flow and other operational requirements, and
3. the attainment of the highest rate of return through fiscal and economic cycles, within the boundaries of statutory constraints, cash flow requirements, and the primary objects of safety and liquidity.

Whenever there occurs a cash balance in any active fund which, though allocated to a specific use, is temporarily not needed, the balance will be invested temporarily to the best advantage of the corporation in such securities as are permitted by law.

INVESTMENT GUIDELINES

The investing officer shall approve investing available school funds in the following accounts and within the following parameters. These investments must comply with the requirements of state law.

A. Deposit Accounts
    a. The treasurer may deposit funds only with the financial institutions designated by the state Board of Finance as depositories and by the local board of finance.
B. Certificate of Deposits
    a. Investments of this type will be made based on quotes obtained from depositories designated for the corporation's geographical area.
C. Maturity
    a. Investments must have a stated maturity of at least two (2) years and not more than five (5) years.
D. Repurchase Agreements

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a. The treasurer is permitted to enter into repurchase agreements with designated depositories. In general, the collateral securities are restricted to interest bearing obligations issued or fully insured or guaranteed by the United States.

E. Portfolio Limitations

a. The school corporation's portfolio investment in the above accounts may not exceed twenty-five (25%) of the total portfolio investments. Transaction accounts are to be included in the twenty-five (25%) restriction.

Interest derived from an investment shall be deposited in the fund from which the investment was made except as otherwise permitted by law and directed by the Board.

The treasurer shall prepare and submit to the Board a monthly report summarizing the financial activities occurring during the previous month.

This policy is effective until four (4) years from the date it is adopted by the school board.

Legal Reference: IC 5-13-8-1 et seq.
IC 5-13-9-1 et seq.
IC 5-13-9-5.7

Board Adopted: DATE

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