

## **Business and Non-Instructional Operations**

### **MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS**

**BP 3430(a)**

#### **A. SCOPE**

This investment policy applies to the activities of the NORTH SLOPE BOROUGH SCHOOL DISTRICT with regard to investing the short-term financial assets of the District. All investments shall be in compliance with this policy unless otherwise specifically authorized by the Board.

#### **B. OBJECTIVES**

The District's primary investment objective is preservation of principle in the process of managing the short-term investment portfolio to provide for financial stability. It is the objective of this policy to assist in accomplishing the following:

- Maximize earnings on District funds invested in high-quality, low risk securities with the overall prudent management of funds to maximize overall earnings at acceptable levels of overall risk.
- Investment of funds in securities with return of principal in a time frame consistent with the anticipated funding needs of the District, thereby reducing the risk of loss of principal due to market changes or untimely security sales.
- Ensure necessary liquidity of District funds for cash flow purposes.

#### **C. DELEGATION OF AUTHORITY**

The Superintendent or his/her designee shall conduct transactions, manage the District's investments program, and operate the investment program consistent with this policy.

The Chief School Administrator and Director of Finance, in conjunction with the School Board, shall review this policy at least annually to ensure its consistency with the objectives of income, growth and safety, and changes in applicable laws and financial trends. Any proposed amendments to the Investment Policy will be first presented to the Finance Committee and require approval by the Board of Education.

#### **D. PRUDENT INVESTMENT APPROACH**

Investments shall be made exercising the judgement and care under the circumstances then prevailing that a prudent investor of ordinary professional prudence, discretion, and intelligence exercises in managing investments with consideration for the investment objectives and the probable safety of the capital as well as the probable investment returns.

#### **E. ETHICS AND CONFLICTS OF INTEREST**

Employees involved in the investment process shall refrain from personal business activity that could conflict with execution of the investment program or which could impair their ability to make impartial investment decisions.

#### **F. REPORTS**

The Superintendent or his/her designee will routinely monitor market conditions, the portfolio contents, the relative value of competing instruments and actual investments returns. Performance review of investments shall be conducted on a quarterly basis.

## **Business and Non-Instructional Operations**

### **MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (CONTINUED)**

**BP 3430(b)**

Performance Review. The review of each investment will address.

- Actual income and cash generated by the investment.
- Rate of Return

#### **G. INSTRUMENTS**

District short-term funds may be invested in the following categories:

1. United States government obligations
2. Direct obligations of an agency or instrumentality of the United States of America, and obligations on which the timely payment of principal and interest is fully guaranteed by any such agency or instrumentality.
3. Repurchase agreements secured by obligations of the United States government, or an agency or instrumentality of the United States government.
4. Negotiable certificates of deposit issued by a bank receiving the highest short term credit rating from two Nationally Recognized Statistical Rating Organizations.
5. Shares of a money market mutual fund or other collective investments fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933.
6. The maximum maturity of any single security shall not exceed five years. The weighted average maturity of the portfolio shall not exceed 2.5 years. The average weighted quality of the portfolio must be at least AA/AA2.

#### **I. CONCENTRATION LIMITS**

The following limitations shall be observed in the investment of funds:

Instrument Category Maximum, Maximum per Single Issuer

U.S. Government obligations 100% 100%

Repurchase Agreements 100% 100%

U.S. Agency obligations 100% 50%

Bank Certificates of Deposit 50% 10%

Money Market Mutual Funds 100% 100%

*cf. 3400 - Management of District Assets/Accounts*

*cf. 3450 - Money in School Buildings*

Legal Reference:

ALASKA STATUTES

14.14.060 Relationship between borough school district and borough

14.17.505 Fund balance in school operating fund

ALASKA ADMINISTRATIVE CODE

## **Business and Non-Instructional Operations**

### **MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (CONTINUED)**

**BP 3430(c)**

- 4 AAC 06.120 Accounting and audit manuals, charts of accounts, code descriptions
- 4 AAC 06.121 Annual financial reporting requirements
- 4 AAC 09.130 School district audit
- 4 AAC 09.160 Fund balance

Adopted: 09/10

Revised: 10/20

Revised: \_\_/22