

Annual Review of Investment Policy (CDA Local)

Summary of Policy

Baird ISD's investment policy designates the Superintendent (or a Board-appointed officer) as the District's investment officer, responsible for managing District funds in compliance with the Public Funds Investment Act (PFIA) and the Board's directives.

The policy emphasizes:

- Safety, liquidity, and yield as the primary objectives of all investments.
- Permitted instruments limited to those authorized under Texas Government Code Chapter 2256, including U.S. government obligations, CDs, repurchase agreements, commercial paper, money market funds, investment pools, and others specifically listed.
- Maturity limits (generally not exceeding one year unless authorized by the Board; shorter limits for pooled funds).
- Diversification across instruments, maturities, and institutions to limit risk.
- Ongoing monitoring of market conditions, ratings, and portfolio values, with quarterly reporting to the Board.
- Specific strategies for operating, custodial, debt service, and capital project funds, each designed to meet liquidity and cash-flow requirements.
- Requirements for broker/dealer registration, safekeeping, solicitation of bids, and internal controls to safeguard District assets.
- Independent audit review of investment controls.

Legal Requirement

Under Texas Government Code §2256.005(e) (Public Funds Investment Act), the Board of Trustees must review the District's investment policy and investment strategies at least annually. The Board must document the review in writing, including noting whether changes were made. Baird ISD's CDA(LOCAL) incorporates this requirement, and compliance is achieved by formal Board action and inclusion in the meeting minutes.