

INVESTMENT POLICY

This policy is designed to cover all monies under the control of the District Treasurer. In addition to the policies detailed below, all relevant sections of Chapter 135 of the Ohio Revised Code will be adhered to at all times. This policy automatically incorporates any and all changes in Chapter 135 of the Ohio Revised Code affecting School District investments as they occur from time to time.

OBJECTIVES

The following objectives will apply to the management of District funds:

1. The primary objective shall be the preservation of capital and protection of principal while earning investment interest.
2. Investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.
3. Investment of District monies shall be made in order to seek preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities, whether by default or erosion of market value, do not exceed the income generated from the remainder of the portfolio.
4. The District's portfolio will remain sufficiently liquid to enable the District to meet reasonably anticipated operational requirements.
5. The portfolio will be managed in such a way as to exceed, or at least equal, the market average rate of return over the course of budgetary and economic cycles, taking into account state law (which restricts the type of investment), safety considerations, and cash flow requirements.
6. Bank account relationships will be managed in order to secure adequate services while minimizing costs.
7. All District deposits will be concentrated in one account, except where audit control considerations dictate otherwise.

AUTHORIZED INVESTMENTS

The investing authority may invest on behalf of and in the name of the District in those instruments and other relevant sections of Chapter 135 of the Ohio Revised Code, at a price not exceeding their fair market value.

INTEREST ON INVESTMENTS

The District follows state statute to allocate interest. Interest is allocated to the general fund and the classroom facilities capital project fund based upon month end fund balances.

MATURITY

Market conditions and cash flow requirements are considered in determining the term of an investment. Provided cash flow requirements have been satisfied, maturity length will be determined by market conditions and interest rate forecasts, with the goal being to buy where relative value exists along the maturing spectrum.

DIVERSIFICATION

Investments of the District shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue, or a specific class of securities. Strategies to achieve this shall be determined and revised periodically.

COLLATERAL

All investments and deposits shall be collateralized pursuant to the O.R.C. Sections 135, 134.14, 135.42, and other relevant sections of the Ohio Revised Code, as required. Reporting is required weekly from institutions with which the District has deemed deposit accounts, and monthly for institutions with which the District has Certificates of Deposit.

COMPETITIVE BIDS

All sales and purchases of securities may be bid competitively, and to the extent practical will be placed with the institution yielding the highest return. The right is reserved to reject the bid yielding the highest return on any investment if inconsistent with the investment strategy, i.e., maturity, risk, liquidity, etc. Consideration is given to those institutions and subdivisions thereof, where the District has executed a depository agreement.

INTERNAL CONTROLS

The investing authority shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed periodically by an independent auditor. The

controls shall be designed to prevent loss of public funds due to fraud, employee error, and imprudent actions by employees and officers of the District.

PUBLIC TRUST

All participants in the investment process shall seek to act responsibly as custodians of public trust. Investment officials shall avoid any transactions that might impair confidence in the government of the District. The Board of Education, however, recognizes that, in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return.

INVESTING AUTHORITY

The investing authority resides with the District Treasurer. Such authority shall allow for the explicit delegation of authority to persons responsible for investment transactions.

AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

U.S. Treasury and Agency securities and instrumentalities purchased outright shall be purchased through financial institutions located within the State of Ohio, or through "primary securities dealers" located in the State of Ohio, as designated by the Federal Reserve Board, whenever possible. Changing portfolio needs may dictate the use of "primary securities dealers" outside of the State of Ohio. First consideration will be given to state institutions.

Repurchase agreements shall be transacted only through bank branches and/or through "primary securities dealers" located within the State of Ohio with which the District has a signed Master Repurchase Agreement as required in O.R.C. Chapter 135.

Certificates of Deposit shall be transacted through commercial banks or savings and loans with either FDIC or FOLIC coverage that have branches within the District.

A list of these authorized institutions and dealers shall be maintained with the investing authority. Additions and deletions to this list shall be made when deemed in the best interest of the District.

REPORTING

The investing authority shall submit monthly an investment report that summarizes recent market conditions, economic developments, and anticipated investment conditions. The report shall describe the portfolio in terms of security type, maturity, and other features. The report shall contain all transactions executed that month. The report shall also explain the month's total investment return.

PERFORMANCE EVALUATION

The monthly investment reports shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

LEGAL REFS.: Intergovernmental Cooperation Act
O.R.C. §§135.01 – 135-21; 3313.51

Adopted: August 12, 2014