

## **2326 Investment Policy 2326**

The School Board authorizes the School District Treasurer, working in conjunction with the Superintendent/designee and pursuant to RSA 197:23, to invest the funds of the District subject to the following objectives and standards of care.

### **OBJECTIVES:**

The three objectives of investment activities shall be safety, liquidity, and yield.

1. Safety of principal is the foremost objective in this policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital by mitigating credit and interest rate risk. This will be accomplished by limiting the type of the investments and institutions to those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to applicable law.
2. Liquidity of the investment portfolio shall remain sufficient to meet all operating requirements that may be reasonably anticipated.
3. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

### **STANDARDS OF CARE:**

1. Prudence. The standard of prudence to be used by the District Treasurer and Superintendent/designee involved in the investment process, shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. They are directed to use the Government Finance Officer Association's Recommended Practices and Policy Statements Related to Treasury and Investment Management, as a guide to the prudent investment of public funds.
2. Conflict of Interest. Officials involved in the investment process shall not engage in or have a financial interest in any activity or investment that could conflict with or could create the appearance of conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials, Auditors and School Board Members shall disclose to the School Board any material, personal, business-related, or financial interests in financial institutions that conduct business with the district, and they shall further disclose any material financial relationships or business responsibilities that could be related to the impartial management of the District's

financial assets. Where conflicts of interest or the appearance of conflict of interest cannot be avoided through policies or procedures approved by the School Board, affected official(s) shall recuse themselves from subject decisions.

3. Internal Controls. The District Treasurer and Superintendent/designee shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed periodically by the School Board and an independent auditor.

The investment of funds is delegated by the School Board to the District Treasurer.

The Board will, at least annually, review and adopt the investment policy.

Reference: RSA 197:23-a, Treasurer's Duties  
RSA 383:22, Public Deposit Investment Pool  
RSA 386:57 Collateralization of Funds

Adopted: 6/2009