

Investment of Active and Interim Monies

In accordance with the requirements of the Ohio Revised Code, the Treasurer is authorized to invest any local funds in his custody, other than those already authorized, or required by statute, and may credit the earnings made on the investment of the principal of the monies to the fund from which the earnings arose. Special attention shall be paid to the capital improvement funds (building funds, and permanent improvement funds), the replacement fund, trust funds, and student activity funds. Such investments shall be reported to the Board at its next regularly scheduled meeting after the investment is made.

The purpose of the investment activities is to maximize the returns on the district's excess cash balances consistent with complete safety of the portfolio's principal value and the liquidity desired.

All investment activities will be undertaken by the Treasurer or those other persons assigned thereby to engage in investment activities. The Treasurer or assigns must have completed the required additional training for making the type of investments authorized by Section 135.142, Ohio Revised Code, as approved by the Auditor of State.

Those authorized by this policy will be permitted to invest in any security specifically authorized by the Ohio Revised Code. For purposes of this policy, repurchase agreements are defined as securities.

Investments in U.S. Treasury securities and those instruments completely guaranteed by the U.S. Treasury as to payment of principal and interest may be made in any dollar amount.

Investments in agency securities may be made up to a total of fifty (50) percent of the total current portfolio, at the time of purchase, in any agency name.

Investments in 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.

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Investments in repurchase agreements and certificates of deposit made in compliance with the Ohio Revised Code will not exceed fifty (50) percent of the total portfolio at the time of purchase in any one institution.

Investments in repurchase agreements shall be transacted only through bank branches and/or through "primary securities dealers" branches located within the school district who have a signed Board of Education master repurchase agreement as required in Chapter 135 O.R.C.

Investments in certificates of deposit shall be transacted through commercial banks or savings and loans with FDIC coverage which have branches within the school district.

Investments in commercial paper or bankers acceptances issued by either state or regional banks may be made up to a total of twenty five (25) percent of the total portfolio.

Under the guidelines of the Ohio revised code, no security will be purchased that has a remaining term to final maturity of more than two (2) years.

Investment in eligible securities may be made in either coupon or discount instruments. Coupon securities would normally not be purchased with a premium or discount exceeding two (2) percent of par value, excluding accrued interest.

Portfolio liquidity is defined as the ability to sell a security on short notice near the par value of the security. To help retain desired liquidity, no issue shall be purchased that is likely to have few market makers or poor market bids.

Additionally, total portfolio liquidity shall be assured by keeping an adequate amount of short term (usually 30 days or less) investments in the portfolio to accommodate unexpected cash needs of the district.

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To maintain the portfolio's current characteristics and/or to enhance its yield, swapping (the simultaneous selling of one security and buying of another) will be permitted. When selling at less than book value, this increment must be recovered by the increase in yield of the new security in no more than one-half of the current remaining time to maturity.

Gains on portfolio securities may be taken at the direction of the Treasurer, consistent with the current market outlook. Sales of securities at less than cost may also be made but not in excess of the gains on sales already transacted for the quarter.

All portfolio transactions will be performed on a competitive basis. Each bid or offer will be simultaneously received from three providers, when practical. Each price will be recorded and the best price selected for execution. In the case of a tie (matching prices), the tie will be broken by the Treasurer or assigns.

The Treasurer is authorized to expend the necessary funds for fees and commissions related to the investment activities.

All of the above requirements are to be maintained in compliance with the Ohio Revised Code, as amended, and sound investment practices.

At no time will safety of the portfolio's principal investment be impaired or jeopardized. Safety is herein defined as the certainty of receiving full par value plus accrued interest, at the security's legal final maturity.

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Adopted: 9/9/96  
Rescinded: 9/13/07  
Reinstated: 11/7/07