

<p>4. Delegation of Responsibility SC 440.1</p> <p>SC 440.1</p>	<p>Concentration of credit risk - the risk associated with the consolidation of investments in a single pool, institution, or instrument.</p> <p>Credit risk - the risk of loss of principal due to the failure of the security issue or backer of the issue.</p> <p>Custodial credit risk - the risk of loss associated with consolidation of investments with a single institution where the district may rely on the institution to hold investments on behalf of the district or through collateral action when the instruments are not in the district name.</p> <p>Foreign currency risk - the risk associated with investment in foreign currency that is subject to market fluctuation and associated currency conversion.</p> <p>Interest rate risk - the risk that the market value of securities will fall due to changes in general interest rates.</p> <p>Investment program - the specifically enumerated and Board-approved investment strategy.</p> <p>The Board shall delegate to a designated individual the responsibility to manage the district's investment program, in accordance with written, Board-approved procedures for operation of the investment program.</p> <p>An annual review of the investment program shall be prepared by the designated individual, based upon the anticipated cash flow of all district funds, i.e. general, capital reserve, bond, etc. The investment program shall be submitted to the Board no later than sixty (60) days after adoption of the annual budget.</p> <p>The designated individual responsible for investments shall report in writing monthly to the Board the following:</p> <ol style="list-style-type: none"> 1. Amount of funds invested. 2. Interest earned and received to date. 3. Types and amounts of each investment and the interest rate on each. 4. Names of the institutions where investments are placed. 5. Current market value of the funds invested. 6. Collateralization of deposits exceeding insurance limits. 7. Other information required by the Board.
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<p>5. Guidelines SC 440.1</p> <p>17 CFR 270</p> <p>SC 440.1</p>	<p>Investments permitted by this policy are those defined in Section 440.1 of the School Code, as amended, which are collateralized in accordance with applicable laws.</p> <p>All securities shall be purchased in the name of the school district, and custody of the securities shall be specified within the district's investment program.</p> <p>An exception to purchases in the name of the school district is permitted for the purchase of shares of an investment company that is or conducts business voluntarily in compliance with SEC section 2a7.</p> <p>All investment advisors or bidders shall verify in writing that they have received a copy of this policy. Such written statement shall indicate that they have read and understand this policy and all applicable statutes related to school district investments, along with their intent to comply fully with these requirements.</p> <p>The district shall require all investment advisors/bidders to submit annually any or all of the following, as appropriate:</p> <ol style="list-style-type: none"> 1. Audited financial statements. 2. Proof of National Association of Securities Dealers (NASD) certification. 3. Proof of state registration. 4. Provide annually the rating from a recognized rating agency. 5. Proof of applicable liability or professional liability insurance. <p><u>Disclosure</u></p>
<p>65 P.S. 1101 et seq</p>	<p>Designated officers and employees involved in the district's investment process shall disclose any personal business activity that could conflict with the proper execution and management of the investment program or could impair their ability to make impartial decisions.</p> <p><u>Audit</u></p> <p>The Board directs that all investment records be subject to annual audit by the district's independent auditors.</p> <p>The audit shall include but not be limited to independent verification of amounts and records of all transactions, as deemed necessary by the independent auditors.</p>

<p>SC 440.1 72 P.S. Sec. 3836 et seq</p>	<p><u>Protection of Bank Balances In Excess of FDIC Limits</u></p> <p>When district cash is deposited in an authorized depository, and the cash balance exceeds the insurance limits, district funds shall be collateralized pursuant to law.</p> <p>The collateral shall be limited to investments authorized by law. It shall be the responsibility of the Business Manager to verify with the depository the value of the instrument(s) based on the instrument being “marked to market.”</p> <p>Verification of the value of the collateral instrument(s) shall occur monthly.</p> <p>Following a review of valuation, the Business Manager may request an additional review by the district’s investment advisors or financial consultant, and shall require additional collateral if the existing collateral has declined in value and exposes the district to potential loss of principal. The Board shall be advised of the status of the valuation review and any additional collateral at the first meeting following the review.</p> <p>References:</p> <p>School Code – 24 P.S. Sec. 218, 440.1, 621, 622, 623</p> <p>Ethics Standards And Financial Disclosure – 65 P.S. 1101 et seq</p> <p>Title 17, Code of Federal Regulations – 17 CFR 270</p> <p>Security of Public Deposits – 72 P.S. Sec. 3836 et. seq.</p>
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