



<p>4. Delegation of Responsibility SC 440.1</p> <p>SC 440.1</p>	<p><b>Concentration of credit risk</b> – the risk associated with the consolidation of investments in a single pool, institution, or instrument.</p> <p><b>Credit risk</b> - the risk of loss of principal due to the failure of the security issue or backer of the issue.</p> <p><b>Custodial credit risk</b> – 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><b>Foreign currency risk</b> – the risk associated with investment in foreign currency that is subject to market fluctuation and associated currency conversion.</p> <p><b>Interest rate risk</b> - the risk that the market value of securities will fall due to changes in general interest rates.</p> <p><b>Investment program</b> - 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 monthly to the Board the following:</p> <ol style="list-style-type: none"> <li>1. Amount of funds invested.</li> <li>2. Interest earned and received to date.</li> <li>3. Types and amounts of each investment and the interest rate on each.</li> <li>4. Names of the institutions where investments are placed.</li> <li>5. Current market value of the funds invested.</li> <li>6. Other information required by the Board.</li> </ol>
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<p>5. Guidelines SC 440.1</p> <p>17 CFR 270</p> <p>SC 440.1</p> <p>65 P.S. 1101 et seq</p>	<p>The Board directs the Superintendent to have developed written procedures that will ensure compliance with this policy. Such procedures shall include a disclosure form for designated individuals involved in the investment process and/or required written statements for advisors and bidders.</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"> <li>1. Audited financial statements.</li> <li>2. Proof of National Association of Securities Dealers (NASD) certification.</li> <li>3. Proof of state registration.</li> </ol> <p><u>Disclosure</u></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>
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<p>53 Pa. C.S.A. Sec. 8001 et seq Sec. 8224</p> <p>SC Sec. 2-218 GASB Stmt 40</p>	<p>It shall be the responsibility of the investment advisor and/or bidder to maintain necessary documents to permit independent audit of the district's investments.</p> <p><u>Bond Proceeds</u></p> <p>Bond proceeds shall be invested in accordance with the Local Government Unit Debt Act and applicable federal and state laws, subject to approval by the solicitor and/or bond counsel and the School Board.</p> <p>Investment transactions arising from bond proceeds shall be reported monthly to the Board, in accordance with this policy.</p> <p><u>Compliance with GAAP</u></p> <p>The following is intended to guide district investments as limited by Section 440.1 of the School Code.</p> <p>The district funds shall not be invested in foreign currency and shall have no related risk that would require disclosure pursuant to GASB Statement 40.</p> <p>The district investments shall limit the exposure to loss of principal due to market changes in interest rates.</p> <p>District investments in authorized instruments that are not backed by the “full faith and credit” of the federal or state governments shall be limited to those with the highest credit rating available for such instruments, where the rating is issued by a recognized organization that routinely issues such ratings <b>(for example, Standard &amp; Poor’s AAA rating)</b>. If, after purchase, the rating of any instrument is reduced and no longer in compliance with this policy, the individual responsible for district investments shall replace the investment immediately upon receipt of notice of the rating change and notify the board of the rating change, action taken and replacement investment.</p> <p>When district funds are invested in any one issuer other than an external investment pool or federal or state explicitly guaranteed investment, the amount of the investment shall be limited to five percent of total funds available for investment.</p> <p>For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on specific identification.</p>
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