

INVESTMENTS

**Comment [t1]:** The revisions to this policy no longer spells out specific investments types, but relies on the must current amended ORC to guide what are allowable investments types and lengths. The revision accounts for amendments made to ORC 135 for types, amounts, and maximum maturities of investments that had not yet been account for in our current policy. This policy also provides a general framework and philosophy of the District's investment practice.

~~The Board of Education authorizes the Treasurer to make investments of available monies from the funds of the District in securities authorized by State law. These shall include:~~

- ~~A. bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for payment of principal and interest thereon but does not include stripped principal or interest obligations of such obligations;~~
- ~~B. bonds, notes, debentures, or any other obligations or securities directly issued by a Federal government agency or instrumentality;~~
- ~~C. interim deposits in Board approved depositories;~~
- ~~D. bonds and other obligations of the State;~~
- ~~E. no load money market mutual funds consisting exclusively of obligations described in A. and B. above or repurchase agreements secured by such obligations, provided such investments are made only through banks and savings and loan institutions authorized by R.C. 135.03;~~
- ~~F. the Ohio Subdivision Fund (STAR Ohio);~~

~~Under no circumstances may the Treasurer invest in a derivative as defined by the Revised Code, reverse repurchase agreements, or other funds prohibited by law. The Treasurer shall also not make investments which s/he does not reasonably believe can be held until the maturity date or leverage any investment.~~

~~Provided the Treasurer has completed additional training that has been approved under the supervision of the Auditor of State, the Treasurer is authorized to invest to a maximum of twenty five percent (25%) of the District's interim funds in either or a combined total of:~~

- ~~A. commercial paper notes issued by a for profit corporation, business trust or association, real estate investment trust, common law trust, unincorporated business, or general or limited partnership which has assets exceeding \$500,000,000. Such notes must:
  - ~~1. be rated at the time of purchase in the highest classification established by at least two (2) rating services;~~~~

**BOARD OF EDUCATION  
BIG WALNUT LOCAL SCHOOL DISTRICT**

FINANCES  
6144/page 2 of 4

~~2. have an aggregate value that does not exceed ten percent (10%) of the outstanding commercial paper of the issuing entity;~~

~~3. mature within 180 days after purchase.~~

~~B. Bankers acceptances of banks that are members of the FDIC and whose obligations:~~

~~1. are eligible for purchase by the Federal Reserve System;~~

~~2. mature no later than 180 days after purchase.~~

The Board of Education management and administrative delegates to the Treasurer the responsibility for the investment program of all funds governed by the Board of Education. The Treasurer shall routinely monitor the contents of the Big Walnut Local School District, herein after referred as "the District" investment portfolio, the available markets and relative value of competing investments and will adjust the portfolio accordingly.

The investment policy shall be adopted by the Board and shall be reviewed on an annual basis by the Treasurer and any modifications made thereto must be approved by the Board.

It is the policy of the District, to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

The primary objective, in order of priority, shall be:

- A. Legality - conformance with federal, state and other legal requirements
- B. Safety - preservation of capital and protection of investment principal
- C. Liquidity - maintenance of sufficient liquidity to meet operating requirements
- D. Yield - attainment of market rates of return

The entity shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

The portfolio will be reviewed periodically as to its effectiveness in meeting the entity's needs for safety, liquidity, rate of return, diversification and its general performance

The Board authorizes the Treasurer to make investments of available monies from the funds of the

**BOARD OF EDUCATION  
BIG WALNUT LOCAL SCHOOL DISTRICT**

FINANCES  
6144/page 3 of 4

District in securities authorized in Ohio Revised Code Chapter 135.14, R.C. 135.142, and R.C. 135.45, as amended. For purposes of this policy, Repurchase Agreements are defined as securities. A copy of the appropriate ORC section(s) will be kept with this policy. Investments shall be made that reflect the cash flow needs of the fund type being invested.

The District shall not:

- A. contract to sell securities that have not yet been acquired on the speculation that prices will decline;
- B. make any investments in derivatives;
- C. invest in a fund established by another public body for the purpose of investing public money of other subdivisions (other than STAROhio); or
- D. leverage current investments as collateral to purchase other assets

To the extent possible, the District shall attempt to match its investments with anticipated cash flow requirements. Investments made by the Treasurer must mature within five (5) years, unless they are matched to a specific obligation or debt of the District.

~~Investments made by the Treasurer must mature within five (5) years, unless they are matched to a specific obligation or debt of the District.~~

~~The Treasurer is also authorized to enter into written repurchase agreements in accordance with 135.14(E) of the Revised Code. Such agreements may be either overnight or within a time not to exceed thirty (30) days and may only involve securities listed in A-E above.~~

~~The purpose of the investments is to maximize the returns on the District's excess cash balances consistent with safety of those monies and with the desired liquidity of the investments.~~

In making investments authorized by Section 135.14 of the Revised Code, the Treasurer may retain the services of an investment advisor, provided the advisor is licensed by the Division of Securities under Section 1707.141 of the Revised Code, or is registered with the Securities and Exchange Commission, or is an eligible institution.

Unless the District's annual portfolio of investments is \$100,000 or less, the Treasurer must place on file with the Auditor of State a written investment policy that has been approved by the Board of Education and signed by all entities conducting investment business with the Board. Earnings on an investment may become a part of the fund from which the investment was made, unless otherwise specified by law.

The Treasurer, acting in accord with the law, may withdraw funds from approved public depositories or sell negotiable instruments prior to maturity.

**BOARD OF EDUCATION  
BIG WALNUT LOCAL SCHOOL DISTRICT**

FINANCES  
6144/page 4 of 4

R.C. 133.23, 135.01-.21, 135.22, 45, 135.142, 3317.06, 3315.01, 3315.40, 5705.10

**Revised: 5.17.18**