

- I. **Title:** Investing School District Funds
- II. **General:** The purpose of this policy is to guide the investment activities of the school district. The guidelines are intended to be broad enough to allow the investment officer to function properly within the limits of his (her) responsibility and authority, yet specific enough to adequately safeguard the investment assets.
- III. **Scope:** This policy applies to all financial assets of the school district, including:
 - A. General Funds
 - B. Capital Project Funds
 - C. Enterprise Funds
 - D. Special Revenue Funds
 - E. Debt Service Funds
 - F. Fiduciary Funds
 - G. Trust Funds for Post-Employment Benefits other than Pension Benefits (the OPEB Trust Fund)
- IV. **Objectives:** The primary objectives, in order of priority, of all investment activities involving the financial assets of the school district shall be the following:
 - A. **Safety:** Safety and preservation of principal in the portfolio is the foremost investment objective.
 - B. **Liquidity:** Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
 - C. **Return:** Obtaining a reasonable return is the third investment objective.
- V. **Authority:** The district administrator is the investment officer responsible for investment decisions and activities for all funds except trust funds for post-employment benefits other than pension benefits (OPEB Trust Funds). Investment authority over OPEB Trust Funds shall rest in the trustees of the Post-Employment Benefit Trust Fund established by the school district. The trustees may retain the services of an investment advisor registered under the Federal Investment Advisors Act (15 USC 80b-3) who has knowledge of school finance regulations.
- VI. **Prudence:** Persons with investment authority shall be held to the prudent person standard. Under such standard, investment decisions shall be made with such judgment and care, under circumstance then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculations but for investment, considering the probable safety of their capital as well as the probable income to be derived.

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VII. Reporting Requirements:

- A. The investment officer shall provide the Neillsville Board of Education with copies of portfolio performance reports quarterly or when a specific request is made.
- B. The investment officer shall provide a report to the annual meeting of the school district that complies with Section 120.11(3) of the Wisconsin Statutes, including the required report of activity in the OPEB Trust Fund.

VIII. Eligible Investments:

- A. Pursuant to Section 67.11(2) of the Wisconsin Statutes, debt service funds of the school district shall be invested only in direct obligations of the federal government or in the local government pooled investment fund created under Section 25.50 of the Wisconsin Statutes.
- B. Other funds of the school district may be invested in accordance with Section 66.0603(1m) of the Wisconsin Statutes in the following:
 - i. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than 3 years.
 - ii. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
 - iii. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State of Wisconsin.
 - iv. Bonds issued by a local exposition district under subchapter II of chapter 229.
 - v. Bonds issued by a local professional baseball park district created under subchapter III of chapter 229.
 - vi. Bonds issued by a local professional football stadium district created under subchapter IV of chapter 229.
 - vii. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority.
 - viii. Bonds issued by a local cultural arts district under subchapter V of chapter 229.
 - ix. Bonds issued by the Wisconsin Aerospace Authority.
 - x. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

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- xi. Securities of an open-end management investment company or investment trust, if the investment company or investment trust, does not charge a sales load, if the investment company or investment trust is registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following:
 - 1. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.
 - 2. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.
 - 3. Repurchase agreements that are fully collateralized by bonds or securities described under 1. or 2. above.

C. OPEB Trust Funds may be invested in the manner authorized for investments under section 881.01 of the Wisconsin Statutes (Uniform Prudent Investor Act) in investments other than those identified above if:

- i. The investment advisor retained by the Board of Education to advise the trustees of the OPEB Trust Fund makes a recommendation in writing that identifies the recommended investment and discusses the extent to which the investment meets the investment objectives in Section IV of this policy, and
- ii. The trustees of the OPEB Trust Fund approve the investment recommendation of the investment advisor, and
- iii. The Board of Education approves the investment recommendation of the investment advisor.

IX. **Ethics and Conflicts of Interest:** Members of the Board of Education, trustees of the OPEB Trust Funds, and the investment officer of the district shall refrain from personal business activity that could conflict with the proper execution of the investment program contemplated by this policy or impair their ability to make impartial investment decisions. These officials shall disclose to the Board of Education any material financial interest in financial institutions that may conduct business with the school district.

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