

## **BUSINESS AND NON-INSTRUCTIONAL OPERATIONS**

### **SUBJECT: Investments**

#### **Authority**

Education Code Section 41015 authorizes a county office of education which has funds in a special reserve fund or any surplus moneys not required for the immediate necessities of the county office of education to invest any or any part of the funds in any of the investments specified in Sections 16430 or 53601 of the Government Code.

#### **Investment Objectives**

The County Board of Education and County Superintendent of Schools are primarily concerned with the preservation of the principal balances of all County Office of Education funds. Therefore, the Riverside County Office of Education establishes the objectives of County Office of Education investments with the following priority:

1. Safeguarding of investment principal
2. Maintain sufficient liquidity within the portfolio to meet daily cash requirements
3. Maximize returns on the portfolio consistent with these objectives

Prior to the investment of any County Office of Education funds, the County Board of Education must find and determine that the funds to be invested are not required for immediate necessities of the County Office of Education.

#### **Management Responsibility**

The Riverside County Board of Education delegates the management of the County Office of Education's Investment Policy to the County Superintendent. The County Superintendent may delegate to the chief business official the authority to establish written procedures for the operation of the investment plan consistent with this Investment Policy. No person may engage in investment activities except as provided under the term of this policy and written procedures developed by the Superintendent or designee.

The County Superintendent, or designee, may invest, as permitted by law and this policy, all or part of the surplus moneys of the County Office of Education not required for immediate County Office of Education use. Investment of County Office of Education funds shall be limited to the follow specific investments:

1. The Riverside County Investment Pool
2. FDIC Insured or Collateralized Bank Accounts
3. The Local Agency Investment Fund
4. United States Treasury Bills

5. Prime Commercial paper having an "AA" rating or better
6. Certificates of Deposit

Investments other than those stated above may be made only with specific authorization of the County Board of Education.

The County Board of Education recognizes that the County Superintendent or designee has fiduciary responsibility and is subject to prudent investor standards for all investment decisions. As such, County Office of Education investments must be made with skill, prudence, and diligence.

### **Oversight Committee**

The County Superintendent shall chair a financial investment committee to oversee any investments made by the County Office of Education. This committee shall consist of:

1. Deputy Superintendent, Division of Administration and Business Services
2. Director, District Fiscal and Administrative Services
3. Director, Business Services
4. Administrator, Budget and Fiscal Services

The committee shall meet at a minimum of once a year. This committee is authorized to, by consensus, recommend investment strategies of the County Office of Education subject to legislation and the stated County Office of Education investment objectives.

### **Reporting**

Government Code Section 53646 establishes the criteria for reporting of investments. In accordance with law, the County Superintendent or designee shall annually provide to the County Board of Education and any County Office of Education oversight committee a statement of the County Office of Education's investment policy. This policy shall be reviewed at a public meeting.

The Superintendent shall also provide the County Board of Education with quarterly reports which will include, at a minimum:

1. The state of compliance of the portfolio to the statement of investment policy, and/or an explanation of the extent the portfolio is not in compliance.
2. A statement denoting the ability of the County Office of Education to meet its pool expenditure requirements for the next six months.
3. The type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments, and moneys held by the County Office of Education.

This report of portfolio activity shall be presented no later than 30 days after the end of the calendar quarter.

Legal Reference:

EDUCATION CODE

41001 Deposit of Money

41002.5 Deposit in insured institutions; types of funds

41015 Authorization of investment of special reserve or surplus funds

GOVERNMENT CODE

16430 California Unitary Fund

53601 Financial affairs; investment of surplus; investments

53646 Investment policy