

## **DFA - INVESTMENT**

The Wilton-Lyndeborough Cooperative School Board authorizes the Wilton-Lyndeborough Cooperative School District Treasurer, working in conjunction with the Superintendent and his/her designee and pursuant to RSA 197:23-a, to invest the funds of the District subject to the following objectives and standards of care.

### **OBJECTIVES**

The three objectives of investment activities shall be safety, liquidity, and yield.

1. Safety of principal is the foremost objective in this policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital by mitigating credit and interest rate risk. This will be accomplished by limiting the type of investments and institutions to those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to applicable law.
2. Liquidity of the investment portfolio shall remain sufficient to meet all operating requirements that may be reasonably anticipated.
3. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

### **STANDARDS OF CARE**

1. Prudence. The standard of prudence to be used by the District Treasurer and Superintendent, or his/her designee involved in the investment process, shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. They are directed to use the Government Finance Officer Association's Recommended Practices and Policy Statements Related to Cash Management as a guide to the prudent investment of public funds.
2. Conflict of interest. Officials involved in the investment process shall not engage in or have a financial interest in any activity or investment that could conflict with or could create the appearance of conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials, Auditors, and School Board Members shall disclose to the School Board any personal, business-related, or financial interests in financial institutions with which they conduct business that represent more than one percent ownership. They shall also disclose financial relationships or business responsibilities that represent more than one percent ownership in the organization that could be related to the impartial management of the District's financial assets. Where conflicts of interest or the appearance of conflict of interest cannot be avoided through policies or procedures approved by the School Board, affected officials(s) shall recuse themselves from subject decisions.
3. Internal Controls. The District Treasurer and Superintendent or his/her designee shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed periodically by the School Board and an independent auditor.

The Board will annually review and adopt the investment policy.

**Legal References:**

*RSA 197:23-a, Treasurer's Duties*

*RSA 383:22, Public Deposit Investment Pool*

*RSA 386:57, Collateralization of Funds*

*See Policy DFA-R*

***Final Adoption: June 2, 2010***

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