

Internal Investment Controls

The following internal controls and procedures shall be followed and shall be reviewed annually by the district's independent auditors. These internal controls and procedures are designed to prevent loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, and/or imprudent actions by employees and officers of the District.

1. The official address for all banking and investment correspondence—bank statements, invoices, bond notices, investment advices, bond invoices—shall be the office of the Wilton-Lyndeborough Cooperative School District. All such document received at the office shall be opened and date-stamped by school district staff, and copied as the school district staff may require; with originals held either for pick-up by the District Treasurer, or mailed to the Treasurer at the Treasurer's discretion.
2. In order to document interest income, service charges, and records of check clearances the School District office shall receive and retain for a minimum of six (6) years copies of monthly bank statements including documentation of cleared checks.
3. The District Treasurer shall instruct each financial institution that the School District office staff designated by the Superintendent shall be authorized to make inquiries of the bank(s) as to account transactions including, but not limited to, service charges, investment earnings, cleared checks, deposits either by telephone, internet, or in person.
4. Monthly bank statement reconciliations should be provided by the Treasurer to the SAU office within 30 days from the end of the month. The reconciliation report will include a detailed listing of all reconciling items, i.e. deposits in transit, outstanding checks, or other adjustments necessary to reconcile the District's cash balance. Any such entries shall be documented by original third-party source determination. The business office shall match its cash balance to the Treasurer's records. Any discrepancies the between the SAU's records and the Treasurer's records shall be rectified without delay. The monthly Treasurer's report to the School Board will indicate investment earnings and a listing of all reconciling items necessary to reconcile the District's cash balance.
5. Independent third-party documentation of all investment activity will be transmitted promptly to the Superintendent or designee. The School Board will receive quarterly statements indicating the investments made by the Trustee of the Trust Funds, including interest earned and current balances.
6. The SAU office shall track and forecast the District's cash flow. The SAU office shall notify the Treasurer whenever it determines there are investable fund balances that would benefit from a higher yield than currently earning and/or whose anticipated use is such that a longer term maturity might be appropriate. Upon such notification and consistent with any board policies, if the period of that the funds are needed is less than or equal to

three months, then the Treasurer shall invest them and later report such investment activity to the Board. For periods of more than three month, the Treasurer shall present a recommendation to the Board for approval prior to making the investment. In either case, the Treasurer shall solicit investment offers from various financial institutions offering services in the community. Such offers shall be received at the SAU office and the treasurer shall make an award to the highest yielding bidder that is deemed to be a safe and reputable institution, and if such award is determined to be in the best interest of the District and consistent with District policy.

7. Either the Treasurer shall promptly execute investment transfers or authorize appropriate SAU staff to transfer funds. If SAU staff members are authorized to make transfers, all such transfers shall require countersignatures from two administrators authorized by the W-L Coop School Board.
8. Periodically, the SAU office or Treasurer shall solicit proposals from financial institutions offering services in the community for the purpose of choosing a depository that offers the best package of services, fees, and investment earnings for the District's accounts. If the proposals indicate that the District's interest may be better served by a change in depository banks, SAU office staff or the Treasurer shall confer with the other party and present the proposals to the board for discussion and/or approval.

See Policy DFA

First Reading: January 28, 2014

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