

REVISED POLICY – VOL. 33, NO. 1

INVESTMENTS

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, or the political subdivisions of this state, provided that, with respect to bonds or other obligations of political subdivisions, all of the following apply, the:
  - 1. bonds or other obligations are payable from the political subdivision's general revenues and backed by the full faith and credit of the political subdivision
  - 2. bonds or other obligations are rated, at the time of the purchase, in the three (3) highest classifications established by at least one (1) nationally recognized standard rating service and purchased through a registered securities broker or dealer
  - 3. aggregate value of the bonds or other obligations does not exceed twenty percent (20%) of interim monies available for investment at the time of purchase, and
  - 4. Treasurer is not the sole purchaser of the bonds or other obligations at original issuance; and
  - 5. bonds or other obligations mature within ten (10) years from the date of settlement;
- E. 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.

No investment shall be made under the division (D), as described above, unless the Treasurer has completed additional training that has been approved by the Treasurer of State and is either conducted by or provided under the supervision of the Treasurer of State.

The Treasurer is also authorized to enter into written repurchase agreements with any eligible institution in accordance with R.C. 135.03 provided that under the terms of the agreement the eligible institution agrees unconditionally to repurchase any of the securities listed in divisions (A) through (E), above. Such agreements may be either overnight or within a time not to exceed thirty (30) days and must comply with the requirements of R.C. 135.14 (E).

Upon a two-thirds (2/3's) vote of its members, the Board may authorize the Treasurer to invest up to a maximum of forty percent (40%) of the District's interim funds in either of the following:

- 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) nationally recognized standard rating servicers;
  - 2. have an aggregate value that does not exceed ten percent (10%) of the outstanding commercial paper of the issuing entity;
  - 3. mature not later than 270 days after purchase; and
  - 4. be limited to the aggregate of five percent (5%) of interim monies available for investment at the time of purchase, when issued by a single issuer.

No investment shall be made under this provision unless the Treasurer has completed additional training that has been approved by the Treasurer of State and is either conducted by or provided under the supervision of the Treasurer of State.

- B. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation ("FDIC") and that:
  - 1. Mature no later than 180 days after purchase.

Except as provided in Section D above or as otherwise provided by law, Investments made by the Treasurer must mature within five (5) years from the date of settlement, unless they are matched to a specific obligation or debt of the District.

The Treasurer shall prepare annually and submit to the Board, the Superintendent of Public Instruction, and the Auditor of State, on or before August 31<sup>st</sup>, a report listing each investment made pursuant to (A) and (B) above, during the preceding fiscal year, income earned from such investments, fees and commissions paid in connection with the investments, and any other information required by the Board, Superintendent, and the Auditor of State.

- [X] 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.
- [X] In making investments authorized by R.C. 135.14, the Treasurer may retain the services of an investment advisor, provided the advisor is licensed by the Division of Securities under R.C. 1707.141, or is registered with the Securities and Exchange Commission and possesses experience in public funds investment management, specifically in the area of State and local government investment portfolios, or the advisor is an eligible institution in accordance with R.C. 135.03.

Whenever the Treasurer classifies public money as interim funds, the Treasurer must notify the Board within thirty (30) days. If the Board does not agree with the Treasurer's classification or investment(s), the Board may order the Treasurer to sell or liquidate any investment(s) or deposits. The Board's order will specifically describe the investment(s) or deposit(s) and fix the date upon which they are to be sold or liquidated for cash at the current market price. Neither the Treasurer nor the members of the Board will be held accountable for any loss occasioned by sales or liquidations of investment(s) or deposit(s) at prices lower than their cost. Any loss or expense incurred in making such sales or liquidation is payable as other expenses of the Treasurer's office.

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.

Provided the Board has no outstanding obligation(s) with respect to a loan received under the authority of R.C. 3313.483, the Treasurer of State and the Board issuing obligations under R.C. Chapter 133 that mature within one (1) year from the original date of issuance may enter into an agreement providing for:

- A. The purchase of those obligations by the Treasurer of State on terms and subject to conditions set forth in the agreement;
- B. The payment by the Board to the Treasurer of State of a reasonable fee as consideration for the agreement of the Treasurer of State to purchase those obligations.

R.C. 133.23, 135.01-21, 135.22, 135.45, 135.142, 3317.06, 3315.01, 3315.40, 5705.10

I \_\_\_\_\_ have reviewed the investment policy and agree that  
(Responsible Party)

\_\_\_\_\_ will only invest monies on behalf of Wayne Trace Local  
(Financial Institution)

Board of Education as directed by board policy #6144.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date