

CARBON CAREER & TECHNICAL INSTITUTE

SECTION: FINANCES

TITLE: INVESTMENT OF SCHOOL
FUNDS

ADOPTED: October 21, 2004

REVISED: September 21, 2006

REVIEWED: November 20, 2025

609. INVESTMENT OF SCHOOL FUNDS	
1. Purpose	Purpose It shall be the policy of the Joint Operating Committee to optimize its return through investment of cash balances in such a way as to minimize non-invested balances and to maximize return on investments. The primary objectives of investment activities, in priority order, shall be: Legality - All investments shall be made in accordance with applicable laws of Pennsylvania. Safety - Safety of principal shall be of highest priority. Preservation of capital in the portfolio of investments shall be ensured through the mitigation of credit risk and interest rate risk. Liquidity - Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities concurrent with anticipated cash demands. Yield - Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.
2. Authority SC 440.1, 621, 622, 623, 1850.1	Authority All investments of the school made by an officer and/or employee of the school shall be made in accordance with this policy and an investment program approved by the Joint Operating Committee.
3. Definitions	Definitions Short-term - any period twelve (12) months or less. Long-term - any period exceeding forty-eight (48) months' duration. Mid-range - any period between short-term and long-term.

	Credit risk - the risk of loss of principal due to the failure of the security issue or backer of the issue. Interest rate risk - the risk that the market value of securities will fall due to changes in general interest rates. Investment program - the specifically enumerated and Joint Operating Committee-approved investment strategy.
4. Delegation of Responsibility SC 440.1 SC 440.1	Delegation of Responsibility The Joint Operating Committee shall delegate to the Administrative Director the responsibility to manage the school's investment program, in accordance with written, Joint Operating Committee-approved procedures for operation of the investment program. An annual review of the investment program shall be prepared by the designated individual, based upon the anticipated cash flow of all funds, i.e. general, capital reserve, bond, etc. The investment program shall be submitted to the Joint Operating Committee no later than sixty (60) days after adoption of the annual budget. The designated individual responsible for investments shall report monthly to the Joint Operating Committee the following: 1. Amount of funds invested. 2. Interest earned and received to date. 3. Types and amounts of each investment and the interest rate on each. 4. Names of the institutions where investments are placed. 5. Current market value of the funds invested. 6. Other information required by the Joint Operating Committee. The Joint Operating Committee directs the Administrative Director or designee to implement written procedures that will ensure compliance with this policy. Such procedures shall include a disclosure form for designated individuals involved in the investment process and/or required written statements for advisors and bidders.
5. Guidelines SC 440.1	Guidelines Investments permitted by this policy are those defined in Section 440.1 of the School Code, which are collateralized in accordance with applicable laws.

SC 440.1	All securities shall be purchased in the name of the school, and custody of the securities shall be specified within the investment program. All investment advisors or bidders shall verify in writing that they have received a copy of this policy. Such written statement shall indicate that they have read and understand this policy and all applicable statutes related to school investments, along with their intent to comply fully with these requirements. The school shall require all investment advisors/bidders to submit annually any or all of the following, as appropriate: 1. Audited financial statements. 2. Proof of National Association of Securities Dealers (NASD) certification. 3. Proof of state registration. <u>Disclosure</u>
65 P.S. 1101 et seq	Designated officers and employees involved in the school's investment process shall disclose any personal business activity that could conflict with the proper execution and management of the investment program or could impair their ability to make impartial decisions. <u>Audit</u>
Pol. 619	The Joint Operating Committee directs that all investment records be subject to annual audit by the independent auditors. The audit shall include but not be limited to independent verification of amounts and records of all transactions, as deemed necessary by the independent auditors. It shall be the responsibility of the investment advisor and/or bidder to maintain necessary documents to permit independent audit of the school's investments. <u>Bond Proceeds</u>
53 Pa. C.S.A. Sec. 8001 et seq Sec. 8224	Bond proceeds shall be invested in accordance with the Local Government Unit Debt Act and applicable federal and state laws, subject to approval by the solicitor and/or bond counsel and the Joint Operating Committee. Investment transactions arising from bond proceeds shall be reported monthly to the Joint Operating Committee, in accordance with this policy.

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School Code 440.1, 621, 622, 623, 1850.1 PA Statute 65 P.S. 1101 et seq PA Statute 53 Pa. C.S.A. Sec. 8001 et seq, 8224 Joint Operating Committee Policy 619	
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