

<p>4. Delegation of Responsibility SC 440.1</p> <p>SC 440.1 72 P.S. Sec. 3836 et seq</p>	<p>Concentration of credit risk - the risk associated with the consolidation of investments in a single pool, institution, or instrument.</p> <p>Credit risk - the risk of loss of principal due to the failure of the security issue or backer of the issue.</p> <p>Custodial credit risk - the risk of loss associated with consolidation of investments with a single institution where the district may rely on the institution to hold investments on behalf of the district or through collateral action when the instruments are not in the district name.</p> <p>Foreign currency risk - the risk associated with investment in foreign currency that is subject to market fluctuation and associated currency conversion.</p> <p>Interest rate risk - the risk that the market value of securities will fall due to changes in general interest rates.</p> <p>Investment program - the specifically enumerated and Board-approved investment strategy.</p> <p>The Board shall delegate to the Business Manager the responsibility to manage the district's investment program, in accordance with written, Board-approved rules and procedures for operation of the investment program.</p> <p>An annual review of the investment program shall be prepared by the designated individual, based upon the anticipated cash flow of all district funds, i.e. general, capital reserve, bond, etc. The investment program shall be submitted to the Board no later than sixty (60) days after adoption of the annual budget.</p> <p>The designated individual responsible for investments shall report monthly to the Board the following:</p> <ol style="list-style-type: none"> 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.
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<p>SC 440.1 72 P.S. Sec. 3836 et seq</p>	<p>4. When district funds are invested in any one (1) issuer other than designated depository accounts (which includes external investment pools), and securities issued or explicitly guaranteed by the U.S. Government (owned directly by the district), the amount of the investment shall be unlimited, but the Board shall be notified of such investment at time of investment.</p> <p>5. For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on weighted average maturity.</p> <p><u>Protection Of Bank Balances In Excess Of FDIC Limits</u></p> <p>When district cash is deposited in an authorized depository, if the cash balance exceeds the insurance limits, district funds shall be collateralized pursuant to law.</p> <p>The collateral shall be limited to investments authorized by law.</p> <p>It shall be the responsibility of the Business Manger to verify with the depository the value of the instrument(s) based on the instrument being “marked to market.”</p> <p>Verification of the value of the collateral instrument(s) shall occur quarterly.</p> <p>Following a review of valuation, the Business Manager may request an additional review by the district’s investment advisors or financial consultant, and shall require additional collateral if the existing collateral has declined in value and exposes the district to potential loss of principal. The Board shall be advised of the status of the valuation review and any additional collateral at the first meeting following the review.</p>
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References:

School Code – 24 P.S. Sec. 218, 440.1, 621, 622, 623

Local Government Unit Debt Act – 53 Pa. C.S.A. Sec. 8001 et seq.

Public Officials and Employee Ethics Act – 65 Pa. C.S.A. Sec. 1101 et seq.

Security of Public Deposits – 72 P.S. Sec. 3836 et seq.

Investment Companies, Title 17, Code of Federal Regulations – 17 CFR Part 270

Governmental Accounting Standards Board, Statement No. 40

Board Policy – 000, 619