

<p>5. Guidelines SC 440.1</p> <p>17 CFR 270</p> <p>SC 440.1</p>	<p>Investments permitted by this policy are those defined in Section 440.1 of the School Code, as amended, which are collateralized in accordance with applicable laws.</p> <p>All securities shall be purchased in the name of the school district, and custody of the securities shall be specified within the district's investment program.</p> <p>An exception to purchases in the name of the school district is permitted for the purchase of shares of an investment company that is or conducts business voluntarily in compliance with SEC section 2a7.</p> <p>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 district investments, along with their intent to comply fully with these requirements.</p> <p>The district shall require all investment advisors/bidders to submit annually any or all of the following, as appropriate:</p> <ol style="list-style-type: none"> 1. Audited financial statements. 2. Proof of National Association of Securities Dealers (NASD) certification. 3. Proof of state registration. 4. Provide annually the rating from a recognized rating agency. 5. Proof of applicable liability or professional liability insurance. <p><u>Disclosure</u></p>
<p>65 P.S. 1101 et seq</p>	<p>Designated officers and employees involved in the district'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.</p> <p><u>Audit</u></p> <p>The Board directs that all investment records be subject to annual audit by the district's independent auditors.</p> <p>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.</p>

<p>53 Pa. C.S.A. Sec. 8001 et seq Sec. 8224</p> <p>SC 218 GASB Stmt 40</p>	<p>It shall be the responsibility of the investment advisor and/or bidder to maintain necessary documents to permit independent audit of the district's investments.</p> <p><u>Bond Proceeds</u></p> <p>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 School Board.</p> <p>Investment transactions arising from bond proceeds shall be reported monthly to the Board, in accordance with this policy.</p> <p><u>Compliance With GAAP</u></p> <p>The following is intended to guide district investments as limited by Section 440.1 of the School Code:</p> <ol style="list-style-type: none">1. District funds shall not be invested in foreign currency and shall not have any related risk that would require disclosure pursuant to GASB Statement 40.2. District investments shall limit the exposure to loss of principal due to market changes in interest rates.3. District investments in authorized instruments that are not backed by the “full faith and credit” of the federal or state government shall be limited to those with the highest credit rating available for such instruments issued by a recognized organization. <p>If after purchase, the rating of any instrument is reduced and is no longer in compliance with this policy, the individual responsible for district investments shall advise the Board at the earliest opportunity of such action and make recommendations for altering investments.</p> <ol style="list-style-type: none">4. When district funds are invested in any one (1) issuer other than designated depository accounts, the amount of the investment shall be unlimited, but the Board shall be notified of such investment monthly.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.
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<p>SC 440.1 72 P.S. Sec. 3836 et seq</p>	<p><u>Protection of Bank Balances In Excess of FDIC Limits</u></p> <p>When district cash is deposited in an authorized depository, and 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. It shall be the responsibility of the Business Manager 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 monthly.</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> <p>References:</p> <p>School Code – 24 P.S. Sec. 218, 440.1, 621, 622, 623</p> <p>Ethics Standards And Financial Disclosure – 65 P.S. 1101 et seq</p> <p>Title 17, Code of Federal Regulations – 17 CFR 270</p> <p>Security of Public Deposits – 72 P.S. Sec. 3836 et. seq.</p>
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