





<p>5. Guidelines SC 440.1</p>	<p>The Board directs the Superintendent to have developed 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.</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>17 CFR 270</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>SC 440.1</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"> <li>1. Audited financial statements.</li> <li>2. Proof of Financial Industry Regulatory Authority (FINRA) certification.</li> <li>3. Proof of state registration.</li> <li>4. Provide annually the rating from a recognized rating agency.</li> </ol>
<p>65 P.S. 1101 et seq</p>	<p><u>Disclosure</u></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>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>SC Sec. 2-218 GASB Stmt 40</p>	<p><u>Compliance with Generally Accepted Accounting Principles (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"> <li>1. District funds shall not be invested in foreign currency and shall have no related risk that would require disclosure pursuant to GASB Statement 40.</li> <li>2. District investments shall limit the exposure to loss of principal due to market changes in interest rates. To accomplish this, investments of this nature shall be zero.</li> </ol>
<p>SC 440.1</p>	<ol style="list-style-type: none"> <li>3. District investments in authorized instruments that are not backed by the “full faith and credit” of the federal or state governments shall be limited to those investments specified in the School Code.</li> </ol> <p>If, after purchase, the rating of any instrument is reduced and no longer in compliance with this policy, the individual responsible for district investments shall advise the board at the earliest opportunity of any changes to the School Code.</p> <ol style="list-style-type: none"> <li>4. 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.</li> </ol>
<p>References:</p>	<p>Public Officials and Employee Ethics Act – 65 Pa. C.S.A. Sec. 1101 et seq</p> <p>Local Government Unit Debt Act – 53 Pa. C.S.A. Sec. 8001 et seq, 8224</p> <p>Investment Companies, Title 17, Code of Federal Regulations – 17 CFR Part 270</p> <p>Governmental Accounting Standards Board, Statement No. 40</p>