

Sparta Area School District

Article 181- Investment Policy

The Board considers an investment program a critical component of sound fiscal management. Therefore, the Board authorizes a safe and sound investment program for the purpose of gaining additional revenues to support the educational programming of the Sparta Area School District.

The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

The investment program will be administered in such a way that will ensure:

1. A continuous process of temporary investing all idle moneys available.
2. An open bid and/or quote process to obtain the maximum yield on investments.
3. Investments have very low or no risk of loss of principal. Deposits must be insured or collateralized to protect from loss exposure.
4. Sufficient liquidity shall be provided in order to meet all reasonably anticipated cash flow needs.
5. Investments shall be in financial institutions designated as official depositories, by the Board.
6. Investments will be in compliance with all applicable state and federal laws.

Permissible investment types include:

1. Bonds and other securities guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government.
2. Certificates of deposit with maturities of three years or less in financial institutions which are financially secure and deposits are insured by the FDIC and/or the State Deposit Guarantee Fund.
3. Wisconsin Investment Series Cooperative.
4. Local Government Pooled Investment Fund.
5. Repurchase agreements with bank and other financial institutions if the agreement is secured by an independent third party by bonds or securities issued or guaranteed as to principal and interest by the federal government. If the market value of the bonds or securities falls below the repurchase price, additional collateral must be provided.

6. Operating Bank Account: Deposits shall be limited to the lesser of amounts guaranteed by FDIC and the State Deposit Guarantee Fund unless overnight funds in excess are fully collateralized by U.S. Government Obligations and Agency Securities.

The Board authorizes the Director of Business Services to manage all activities associated with the investment program in such manner to accomplish the objectives of this policy.

Legal Reference:

Cross Reference:

Adopted: March 22, 2016

Revised: