

Policy Title:

Investments

Code No. **802.2**

Section 1 — Scope of Investment Policy

The Investment Policy of the Cedar Falls Community School District shall apply to all operating funds, bond proceeds, and other funds and all investment transactions involving operating funds, bond proceeds, and other funds accounted for in the financial statements of the Cedar Falls Community School District. Each investment made pursuant to this investment policy must be authorized by applicable law and this written investment policy.

The investment of bond funds or sinking funds shall comply not only with this investment policy, but also be consistent with any applicable bond resolution

Upon passage and upon future amendment, if any, copies of this investment policy shall be delivered to all of the following:

1. The governing body or officer of the Cedar Falls Community School District to which the investment policy applies.
2. All depository institutions or fiduciaries for public funds of the Cedar Falls Community School District.
3. The auditor engaged to audit any fund of the Cedar Falls Community School District.

Section 2 — Delegation of Authority

In accordance with Section 12B.10(1), the responsibility for conducting investment transactions resides with the treasurer of the Cedar Falls Community School District. Only the treasurer and those authorized by resolution may invest public funds.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds or acting in a fiduciary capacity for the Cedar Falls Community School District shall require the outside person to notify in writing the Cedar Falls Community School District within thirty days of receipt of all communication from the auditor of the outside person or any regulatory authority of the existence of a material weakness in internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the Cedar Falls Community School District by the outside person.

The records of investment transactions made by or on behalf of the Cedar Falls Community School District are public records and are the property of Cedar Falls Community School District whether in the custody of the district or in the custody of a fiduciary or other third party.

The treasurer shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of the Cedar Falls Community School District responsible for elements of the investment process, and to address the capability of investment management. The controls shall provide a receipt and review of the audited financial statement and related report on internal control structure of all outside persons performing any of the following for this public body.

1. Investing public funds.
2. Advising on the investment of public funds.
3. Directing the deposit or investment of public funds.
4. Acting in a fiduciary capacity for this public body.

A bank, savings and loan association, or credit union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure

Section 3 — Objectives of Investment Policy

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Cedar Falls Community School District shall be the following ([Code of Iowa, Section 12B.10]):

1. Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective.
2. Liquidity: Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
3. Return: Obtaining a reasonable return is the third investment objective.

Section 4 — Prudence

The treasurer of the Cedar Falls Community School District, when investing or depositing public funds, shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the Section 3 investment objectives. This standard requires that when making investment decisions, the treasurer shall consider the role that the investment or deposit plays within the portfolio of assets of the Cedar Falls Community School District and the investment objectives stated in Section 3.

When investing assets of the Cedar Falls Community School District for a period longer than one (1) month, the treasurer shall request competitive investment proposals for comparable credit and term investments from a minimum of two (2) investment providers.

Section 5 — Instruments Eligible for Investment

Assets of the Cedar Falls Community School District may be invested in the following:

- Interest bearing savings accounts, interest bearing money market accounts, and interest bearing checking accounts at any bank, savings and loan association, or credit union in the State of Iowa. Each bank must be on the most recent Approved Bank List as distributed by the Treasurer of the State of Iowa or as amended as necessary by notice inserted in the monthly mailing by the Rate Setting Committee. Each financial institution shall be properly declared as a depository by the governing body of the Cedar Falls Community School District. Deposits in any financial institution shall not exceed the deposit limits approved by the school board.
- Obligations of the United States government, its agencies, and instrumentalities.
- Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Chapter 12C.
- Iowa Schools Joint Investment Trust (ISJIT).

All instruments eligible for investment are further qualified by all other provisions of this investment policy, including Section 7 investment maturity limitations.

Section 6 — Prohibited Investments and Investment Practices

Assets of the Cedar Falls Community School District shall not be invested in the following:

1. Reverse purchase agreements.
2. Futures and options contracts.

Assets of the Cedar Falls Community School District shall not be invested pursuant to the following investment practices:

1. Trading of securities for speculation or the realization of short-term trading gains.
2. Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
3. If a fiduciary or other third part with custody of public investment transaction records of the Cedar Falls Community School District fails to produce requested records when requested by this public body within a reasonable time, the Cedar Falls Community School District shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

Section 7 — Investment Maturity Limitations

Operating funds must be identified and distinguished from all other funds available for investment. Operating funds are defined as those funds which are reasonable, expected to be expended during a current budget year or within fifteen months of receipt.

All investments authorized in Section 5 are further subject to the following investment maturity limitations:

1. Operating funds may only be invested in instruments authorized in Section 5 of this investment policy that mature within three hundred ninety-seven (397) days.

Section 8 — Safekeeping and Custody

All invested assets of the Cedar Falls Community School District involving the use of a public funds custodian agreement, as defined in section 12B.10, shall comply with all rules adopted pursuant to Section 12B.10C. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the State of Iowa.

Section 9 — Investment Policy Amendment

Notice of amendments to the Investment Policy shall be promptly given to all parties noted in Section 1.

Date of Adoption: September 14, 1992

Date of Revision: March 10, 1997
April 28, 2003
April 9, 2007
May 14, 2012
July 8, 2019